

The background features a collage of people cheering and raising their hands, overlaid with large, semi-transparent geometric shapes in orange, blue, green, and purple. The text is positioned in the upper right quadrant.

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

Wednesday, 27 April 2016, at 14:00
(doors open at 13:15)

Marriott Hotel Zurich
Neumuehlequai 42, 8006 Zurich
Room Millennium

The logo consists of a blue and green triangular shape with a white border, containing the text 'Cembra' in a bold, white sans-serif font and 'MoneyBank' in a smaller, white sans-serif font below it.

Cembra
MoneyBank

Agenda Items and Proposals of the Board of Directors

(English translation of the binding German original)

1. Approval of Annual Report 2015, consolidated and individual financial statements 2015

Proposal: The Board of Directors proposes that the Annual Report 2015 and the consolidated and individual financial statements 2015 be approved.

2. Consultative vote on the Compensation Report 2015

Proposal: The Board of Directors proposes that the Compensation Report 2015 (pages 56 to 77 of the Annual Report 2015) be approved.

Explanation: The Compensation Report 2015 sets out the compensation system of the Bank and the compensation of the members of the Board of Directors and of the Management Board. In line with the recommendations of the Swiss Code of Best Practice for Corporate Governance and article 11a para. 4 of the Articles of Incorporation, the Board of Directors is seeking the shareholders' approval of the Bank's Compensation Report 2015 on a consultative basis.

3. Allocation of results and distribution out of statutory capital reserves

3.1 Allocation of results

Proposal: The Board of Directors proposes to allocate the distributable profit of Cembra Money Bank AG of CHF 167,042,095 to voluntary retained earnings reserves (in part, CHF 167,000,000) and to carry forward (in part, CHF 42,095).

Allocation of profit as proposed to the Annual General Meeting

Profit carried forward	CHF	263,585
Profit for the year	CHF	166,778,510
Distributable profit	CHF	167,042,095
Reclassification from statutory capital reserves	CHF	94,463,967
Total available to the Annual General Meeting	CHF	261,506,062
Dividend from statutory capital reserves	CHF	94,463,967
Allocations to voluntary retained earnings reserves	CHF	-167,000,000
Profit carried forward	CHF	42,095

3.2 Distribution out of statutory capital reserves

Proposal: The Board of Directors proposes that a distribution to the shareholders out of statutory capital reserves (tax-exempt capital contribution reserve) of CHF 3.35 per share, amounting to a total distribution of about CHF 94.5 million (depending on the number of shares issued as of the last trading day prior to the ex-date with entitlement to receive the payment, i.e. 28 April 2016) be approved.

Explanation: Instead of a dividend, the Board of Directors proposes a distribution to shareholders out of statutory capital reserves of CHF 3.35 per share. Such distribution charged to the statutory capital reserves would not be subject to Swiss withholding tax.

Provided that the Board of Directors' proposal be approved, the distribution will be paid as from 3 May 2016 (ex-date: 29 April 2016).

4. Discharge of the members of the Board of Directors and the Management Board

Proposal: The Board of Directors proposes that full discharge be granted to the members of the Board of Directors and the Management Board for the financial year 2015.

5. Elections and re-elections

5.1 Re-election of members of the Board of Directors

Proposal: The Board of Directors proposes that Dr. Felix A. Weber, Prof. Dr. Peter Athanas, Urs D. Baumann, Denis Hall and Dr. Monica Mächler 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.

5.1.1 Re-election of Dr. Felix A. Weber

5.1.2 Re-election of Prof. Dr. Peter Athanas

5.1.3 Re-election of Urs D. Baumann

5.1.4 Re-election of Denis Hall

5.1.5 Re-election of Dr. Monica Mächler

Explanation: In accordance with article 19 of the Articles of Incorporation, the Annual General Meeting individually votes on the election of each member of the Board of Directors for a one-year term of office until the closure of the next Annual General Meeting.

Additional information on each member of the Board of Directors is provided in the Corporate Governance section of the Annual Report 2015.

5.2 Election of two new members of the Board of Directors

Proposal: The Board of Directors proposes that Katrina Machin and Simonis Maria Hubertus (named Ben) Tellings be elected as members of the Board of Directors for a one-year term of office until the closure of the next Annual General Meeting.

5.2.1 Election of Katrina Machin

Katrina Machin, British citizen and resident, born in 1966

Katrina Machin has spent 20 years in the financial services industry, specialising in consumer lending with companies such as American Express, Lloyds Banking Group, Goldfish Bank Ltd and MBNA International Bank. In 2014, she became a non-executive director with the online retail specialist Shop Direct Finance Company and in 2015 she also took a non-executive directorship with ABTA, the UK's largest travel association.

5.2.2 Election of Simonis Maria Hubertus (named Ben) Tellings

Ben Tellings, Dutch citizen and resident, born in 1956

Ben Tellings has an outstanding experience in consumer finance in several European countries with more than 20 years in different executive roles at ING Group. Since 2010, he has been the Chairman of the Supervisory Board of ING-DiBa AG in Germany, after having served as its Chief Executive Officer from 2003 until 2010.

5.3 Re-election of the Chairperson of the Board of Directors

Proposal: The Board of Directors proposes that Dr. Felix A. Weber be re-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 5.1.

Explanation: In accordance with article 19 of the Articles of Incorporation, 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.

5.4 Election of the members of the Compensation and Nomination Committee

Proposal: The Board of Directors proposes that Urs D. Baumann, Katrina Machin and Simonis Maria Hubertus (named Ben) Tellings 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 and election, respectively, to the Board of Directors pursuant to agenda items 5.1 and 5.2.

5.4.1 Re-election of Urs D. Baumann

5.4.2 Election of Katrina Machin

5.4.3 Election of Simonis Maria Hubertus (named Ben) Tellings

Explanation: According to article 22a of the Articles of Incorporation, the Annual General Meeting individually elects each member of the Compensation and Nomination Committee of the Board of Directors for a one-year term of office until the closure of the next Annual General Meeting.

5.5 Re-election of the independent proxy

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

Explanation: In accordance with article 8 of the Ordinance against Excessive Compensation with respect to Listed Stock Corporations (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.

5.6 Re-election of the independent auditors

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

6. Amendments to the Articles of Incorporation

Explanation: The Board of Directors proposes to amend the Articles of Incorporation of Cembra Money Bank AG to fulfill the current best corporate governance and compensation practices. For the text of the proposed revised Articles of Incorporation, please refer to the Annex, Chapter I "Report of the Board of Directors on the amendments to the Articles of Incorporation" and Chapter III "Amendments to the Articles of Incorporation in Detail" (also published on our website www.cembra.ch/en/investor → Annual General Meeting).

6.1 Amendment related to the compensation of the Management Board: Article 22a para. 2 lit. e (Compensation and Nomination Committee)

Proposal: The Board of Directors proposes that article 22a para. 2 lit. e (Compensation and Nomination Committee) of the Articles of Incorporation (as set forth in Annex, Chapter III “Amendments to the Articles of Incorporation in Detail”) be approved.

6.2 Amendment related to the duration and notice period of employment and similar agreements: Article 25b para. 4 (Duration and Notice Period of Employment and Similar Agreements)

Proposal: The Board of Directors proposes that article 25b para. 4 (Duration and Notice Period of Employment and Similar Agreements) of the Articles of Incorporation (as set forth in Annex, Chapter III “Amendments to the Articles of Incorporation in Detail”) be approved.

6.3 Amendment related to the compensation principles for the Board of Directors: Article 25c (Compensation Principles for the Board of Directors)

Proposal: The Board of Directors proposes that article 25c (Compensation Principles for the Board of Directors) of the Articles of Incorporation (as set forth in Annex, Chapter III “Amendments to the Articles of Incorporation in Detail”) be approved.

6.4 Amendment related to the compensation of the Management Board: Article 25d lit. c (Compensation Principles for the Management Board) and 25h (Executive Variable Compensation Plan)

Proposal: The Board of Directors proposes that article 25d lit. c (Compensation Principles for the Management Board) and article 25h (Executive Variable Compensation Plan) of the Articles of Incorporation (as set forth in Annex, Chapter III “Amendments to the Articles of Incorporation in Detail”) be approved.

6.5 Implementation of share purchase plans for employees of the Bank: Article 25i (Share Purchase Plans for Employees of the Company)

Proposal: The Board of Directors proposes that article 25i (Share Purchase Plans for Employees of the Company) of the Articles of Incorporation (as set forth in Annex, Chapter III “Amendments to the Articles of Incorporation in Detail”) be approved.

7 Approval of the compensation

Explanation: Chapter II “Shareholder Information on the Compensation Votes at the 2016 Annual General Meeting” of the Annex sets out further details in relation to the proposed votes on compensation. The 2015 Compensation Report is available electronically under: www.cembra.ch/en/investor → Annual General Meeting

7.1 Approval of the total compensation of the Board of Directors

Proposal: The Board of Directors proposes that the maximum total compensation of CHF 1,400,000 (unchanged from previous period) for the members of the Board of Directors for the period until the next Annual General Meeting be approved.

7.2 Approval of the total fixed and variable compensation of the Management Board

Proposal: The Board of Directors proposes that the maximum total amount of the fixed and variable compensation of CHF 5,300,000 (unchanged from previous year) for the members of the Management Board for the business year 2017 be approved.

Explanation: The total amount for the business year 2017 is expected to comprise the following subtotals (in each case inclusive of social security and pension contributions) allocated to the respective remuneration components:

- Fixed compensation (including base salary and fringe benefits) of up to CHF 3,100,000.
- Variable compensation of up to CHF 2,200,000 (maximal amount, should all members of the Management Board outperform their goals).

Administrative details

Documents

The Annual Report 2015 (including the Compensation Report) and the reports of the independent auditors are available for inspection at the Bank's headquarters (Bändliweg 20, 8048 Zurich, Switzerland). The Annual Report 2015 is also available on the Bank's website: www.cembra.ch/ar2015. These documents will also be sent to shareholders at their request.

Exercise of voting rights

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 Bank'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 19 April 2016.

Voting rights

Shareholders registered with voting rights in the share register as of 15 April 2016 will be authorised to participate and vote at the Annual General Meeting. They will receive their admission card and voting material upon returning the enclosed registration form. From 16 April 2016 to 27 April 2016, 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 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 elected by the 2015 Annual General Meeting as independent proxy until the end of the 2016 Annual General Meeting. For further details on the granting of proxy and giving of instructions, please see the enclosed registration form.

E-voting

Voting instructions to the independent proxy, orders for admission cards and publications, as well as changes of address can optionally also be submitted online. For the online registration please go to the website www.gvmanager.ch/cembra. The requisite login data is enclosed with the meeting materials (registration/proxy form) supplied to shareholders. The e-voting portal will be open until 25 April 2016.

Leaving the Annual General Meeting early

To ensure 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, 30 March 2016

Yours sincerely
Cembra Money Bank AG



Dr. Felix A. Weber
Chairperson

Annex:

- Chapter I: Report of the Board of Directors on the amendments to the Articles of Incorporation
- Chapter II: Shareholder Information on the Compensation Votes at the 2016 Annual General Meeting
- Chapter III: Amendments to the Articles of Incorporation in Detail

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

ANNEX

Chapter I. Report of the Board of Directors on the amendments to the Articles of Incorporation

Overview

This report outlines the main amendments to the Articles of Incorporation as proposed by the Board of Directors to the Shareholders of Cembra Money Bank AG.

Preliminary remarks

In 2015, the Bank actively continued the dialogue with shareholders and proxy advisors about the compensation strategy and improvements to its compensation system. The Bank considers the opinion of its stakeholders as relevant and highly valuable. Also, by support from external consultants, the Bank benchmarked the structure, level and payout instruments of the compensation of the Board of Directors and the Management Board against relevant peers.

In order to reflect market best practices and to further strengthen the alignment between shareholders and management, the Board of Directors decided to implement first changes to the Board of Directors' compensation structure in 2015.

The Board of Directors is planning further changes to be implemented in 2016. These amendments, as outlined in detail below, require the modification of the Articles of Incorporation which are submitted to the shareholders' vote at the Annual General Meeting 2016.

Compensation and Nomination Committee (Article 22a para. 2 lit. e)

Article 22a of the Articles of Incorporation describes the tasks and responsibilities of the Compensation and Nomination Committee amongst other in relation with the compensation of the Management Board. For transparency reasons the Board of Directors proposes to state that not only the annual incentive opportunity level shall be determined by the Compensation and Nomination Committee and the Board of Directors on a yearly basis, but further its split (percentage) into short- and long-term elements.

Duration and notice period of employment and similar agreements (Article 25b para. 4)

The current version of Article 25 of the Articles of Incorporation allows for the Bank to enter into non-competition agreements with members of the Management Board with a duration of up to two years. Such duration is being viewed as excessive and not anymore in line with Swiss labour market standards. The Board of Directors, therefore, proposes to reduce the maximum term for non-compete clauses from two years to twelve months.

Amendments to the Board of Directors' Compensation (Article 25c)

In 2015, the Compensation and Nomination Committee has mandated HCM International Ltd ("HCM"), a leading expert on governance, finance and compensation, as independent advisor to provide an outside-in view on the Board compensation. As part of this review, HCM analysed the general market practice around the compensation levels, the pay structure (basic and committee fees) and the pay mix (cash or equity).

Following this review, a new Board of Directors fee structure has been introduced as of October 2015 to better reflect the roles and responsibilities of the individual Board members, consisting of an annual fixed compensation for services in the Board of Directors and additional fees for assignments to committees of the Board of Directors.

Furthermore, as part of the revised compensation system and in line with market best practice, the Board of Directors proposes that as of the General Meeting 2016 two-thirds of the payment shall be paid out in cash and one-third be delivered in registered Cembra Money Bank AG shares. Such shares will generally be blocked for a period of five years during which they can neither be sold, transferred nor pledged.

Please see the proposed amendments of the Articles of Incorporation as set out in detail in Annex Chapter III "Amendments to the Articles of Incorporation in Detail".

Amendments to the Management Board Compensation (Article 25d lit.c – Principles for the Management Board and 25h – Executive Variable Compensation Plan)

The compensation system for the Management Board will be adjusted as from financial year 2016 based on a thorough review undertaken with support of HCM to reflect best alignment with shareholder's interest. Thus, from 2016 onwards the Executive Variable Compensation Plan, applicable to the Senior Management Team including the Management Board, will consist of two separate programs: a short-term incentive ("STI") plan and a long-term incentive ("LTI") plan which includes performance triggers at vesting. Thus the target bonus for each Management Board member is split into a target STI and target LTI.

Short-term Incentive (STI)

The granted STI award can vary between 0% and 150% of the target STI depending on performance. Under the STI plan, the performance is assessed through a scorecard that measures to what extent the financial year's company and departmental financial targets have been delivered and considers also qualitative KPIs capturing the attainment of the Bank's strategic, organisational, risk and compliance goals. The STI is fully and immediately settled in cash and is subject to a stringent malus condition.

Long-term Incentive (LTI)

The granted LTI award can vary between 75% and 125% of the target LTI. The individual LTI grants for the Management Board members are determined by the Board of Directors via an overall look-back assessment based on defined performance criteria. This assessment considers, among others, the overall market positioning of the Bank in terms of its market share and brand reputation, the quality of the Bank's earnings with focus on its financial stability, the robustness of the compliance and risk framework, and the Bank's future strategic aspirations. The LTI awards are delivered in form of performance share units ("PSUs"), which remain subject to a three year performance period and a cliff-vesting. At the end of the three year performance period, the target achievement in terms of total shareholder return ("TSR") and fully-diluted earnings per share ("EPS") is evaluated and the number of vesting shares is determined between 0% and 200% of the granted number of performance share units.

The performance criteria and targets for the STI and LTI plans are determined within the annual target setting and performance management process. Claw-back rules apply for any portion of the variable in case of material noncompliance with financial reporting requirements, serious misconduct, fraudulent or criminal behaviour, and/or serious breach of internal risk management or compliance procedures. Any payback obligation is limited to the three years preceding the discovery of the event.

Please see the proposed amendments of the Articles of Incorporation as set out in detail in Chapter III "Amendments to the Articles of Incorporation in Detail".

Creation of the possibility to introduce share purchase plans for all employees (Article 25i)

Share ownership for employees fosters the alignment of the goals of a company with the individual goals of the employee and strengthens the link between the individual and the company. The Board of Directors, therefore, has decided to propose to the Annual General Meeting of Shareholders to lay the ground for the Board of Directors to introduce a share ownership plan to allow employees of the Bank to purchase shares or share entitlements (such as restricted share units) of the Bank at a discount and, if applicable, receive matching shares from the Bank based on the number of shares purchased under such plans. The Board of Directors shall determine the price as well as adequate vesting, blocking, exercise and forfeiture conditions.

Please see the proposed amendments of the Articles of Incorporation as set out in detail in Chapter III "Amendments to the Articles of Incorporation in Detail".

Chapter II. Shareholder Information on the Compensation Votes at the 2016 Annual General Meeting

7.1 Approval of the total compensation of the Board of Directors

Proposal: The Board of Directors proposes that the maximum total compensation of unchanged CHF 1,400,000 (unchanged from previous period) for the members of the Board of Directors for the period until the next Annual General Meeting be approved.

The Chairperson and members of the Board of Directors receive a fixed compensation for their service as members of the Board of Directors consisting of a basic fee and, if applicable, additional committee/chair fees based on positions held in the Board of Directors' various committees. The maximum total compensation of CHF 1,400,000 remains unchanged from the previous period.

Fee structure and fee levels as of 1 October 2015

<i>(CHF in thousands)</i>	Basic Fee	Committee/ Chair Fee
Chairperson of the Board of Directors ¹	450	
Member of the Board of Directors	100	
Vice-Chairperson		30
Chairperson of the Audit Committee		65
Chairperson of the Compensation and Nomination Committee		50
Member of the Audit Committee		35
Member of the Compensation and Nomination Committee		30

¹ The Chairperson of the Board of Directors is not eligible for additional committee fees

The maximum total amount of remuneration for the Board until the 2017 Annual General Meeting comprises the following estimates on the different elements:

<i>(CHF in thousands)</i>	
Basic Fees	1,025
Committee/Chair Fees	265
Total Fees	1,290
Paid in Cash (2/3)	860
Paid in Shares (1/3)	430
Social Security	110
Maximum Total Amount and Proposal to Annual General Meeting	1,400

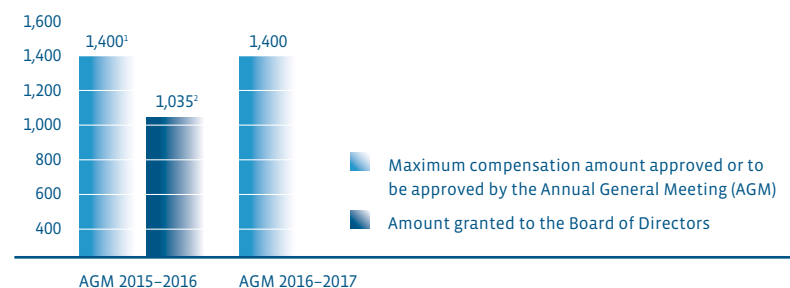
The indicated maximum total amount for the members of the Board of Directors comprises all compensation in accordance with article 25c of the Articles of Incorporation. This includes a possible compensation for all seven members of the Board of Directors. Denis Hall, as an employee of General Electric Group, is not allowed to accept any compensation for a board membership while employed with General Electric Group.

Detailed figures regarding the last financial years and a listing of the sums granted to each member of the Board of Directors are provided in the Compensation Report section of the Annual Report 2015.

The definitive remuneration amounts will be presented in the Compensation Reports for the relevant periods (2016 and 2017 financial years) and will be subject to the consultative votes in relation to these reports, to be held at the 2017 and 2018 Annual General Meetings, respectively.

Evolution of the compensation of the Board of Directors

(CHF in thousands)



¹ Compensation budgeted for seven members of the Board of Directors

² Compensation paid to five members of the Board of Directors

7.2 Approval of the total fixed and variable compensation of the Management Board

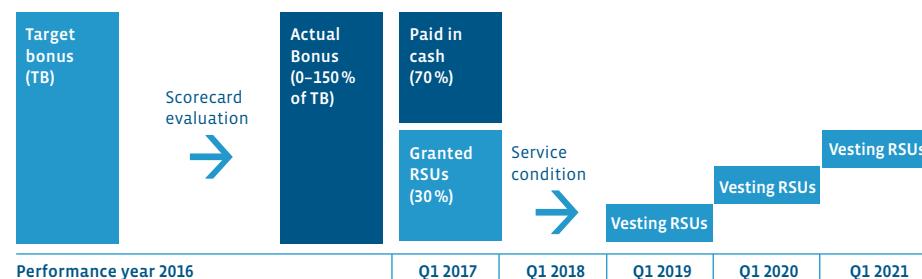
Proposal: The Board of Directors proposes that the maximum total amount of the fixed and variable compensation of CHF 5,300,000 (unchanged from previous year) for the members of the Management Board for the business year 2017 be approved.

The proposed maximum total amount of CHF 5,300,000, unchanged from previous year, covers the compensation of the five members of the Management Board and allows the Bank to reward them competitively and in line with market developments and the internal compensation guidelines.

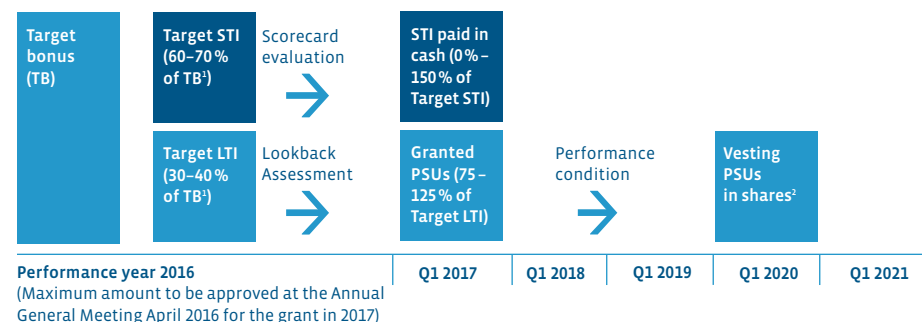
The variable remuneration compensation system is based on the new executive variable framework as outlined below.

Current and New Executive Variable Remuneration Compensation Framework

Current:



New:



(Maximum amount to be approved at the Annual General Meeting April 2016 for the grant in 2017)

¹ The target bonus is split into a target STI and a target LTI depending on function (CEO 60/40%, MB 70/30%)

² Vesting can be between 0-200% of granted PSUs

The maximum total amount for the business year 2017 is expected to comprise the following subtotals (in each case inclusive of social security and pension contributions) allocated to the respective remuneration components:

- Fixed compensation (including base salary and fringe benefits) of up to CHF 3,100,000.
- Variable compensation of up to CHF 2,200,000 (maximal amount, in case all members of the Management Board outperform their goals).

Breakdown of the expected target and maximum total compensation for the business year 2017

(in CHF)	
Base Salaries	2,000,000
Pension, Social Security and Other Compensation	1,100,000
Maximum Total Fixed Compensation	3,100,000
Total Target Variable Compensation (including Social Security) (if 100% of targets are reached)	1,560,000
Maximum Variable Compensation (including Social Security) (if maximum targets are reached and maximums are granted: STI 150%; LTI 125%)	2,200,000
Maximum Total Compensation and Proposal to Annual General Meeting	5,300,000

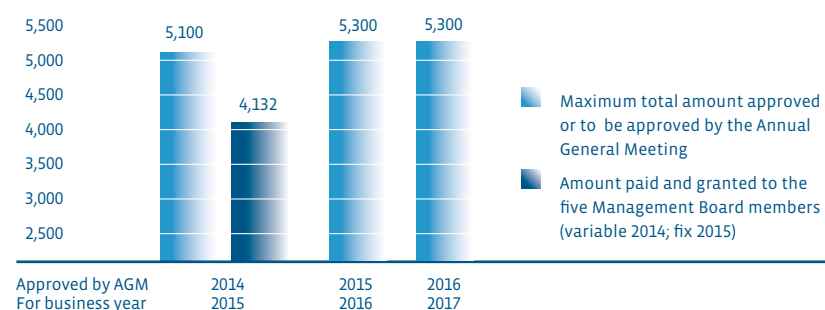
The maximum total amount of compensation requested to be approved by the Annual General Meeting will only be attained if all members of the Management Board outperform their goals and reach at grant a maximum payout of 150% in the short-term incentive plan and of 125% in the long-term incentive plan.

Below table illustrates the target and maximum variable compensation at grant under the new scheme as of performance year 2016:

Target Variable Compensation in % of Base Salary	CEO		Management Board	
	90%		50%	
	STI	LTI	STI	LTI
% of Target Variable Compensation	60%	40%	70%	30%
Target Variable Compensation as % of Base Salary	54%	36%	35%	15%
Cap at Grant in % of Base Salary	81%	45%	53%	19%
Payout/ Vesting Range in % of Base Salary	0-81%	0-90%	0-53%	0-38%

Compensation of the Management Board Compared to Maximum

(CHF in thousands)



The definitive compensation amounts will be presented in the Compensation Report for the 2016 financial year (with regard to the variable compensation accrued for the 2016 financial year which is paid out in Q1'2017) and for the 2017 financial year (with regard to the fixed compensation paid in 2017). The definitive compensation amounts will be subject to the consultative vote in relation to these reports, to be held at the 2017 and the 2018 Annual General Meeting, respectively.

Further details on the compensation of the Management Board are provided in the Compensation Report section of the Annual Report 2015.

Chapter III. Amendments to the Articles of Incorporation in Detail

Existing Text

Section 3:

Corporate Bodies

Compensation and Nomination Committee

Article 22a, para. 2 lit.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.

Section 4:

Remuneration and Related Provisions

Duration and Notice Period of Employment and Similar Agreements

Article 25b para. 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.

Compensation Principles for the Board of Directors

Article 25c

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.

Revised Text

Amendments are shown in bold.

Section 3:

Corporate Bodies

Compensation and Nomination Committee

Article 22a, para. 2 lit.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 **including the split into short- and long-term elements**, (c) ~~the long-term incentive opportunity level~~, (d) any employment agreements and other arrangements or provisions and (de) 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.

Section 4:

Remuneration and Related Provisions

Duration and Notice Period of Employment and Similar Agreements

Article 25b para. 4

The Company may enter into non-competition agreements with members of the Management Board with a duration of up to **12 months** ~~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.

Compensation Principles for the Board of Directors

Article 25c

The compensation of the members of the Board of Directors which is paid out subject to the approval by the General Meeting **is a fixed payment for services rendered as a Board Member and – if applicable – as a committee member or a committee chairperson, which may be paid out partially in cash and partially in blocked, registered shares of the Company.** ~~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.~~

Existing Text

Compensation Principles for the Management Board

Article 25d

The compensation of the members of the Management Board which is paid out subject to the approval by the General Meeting consists of:

- (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.

Executive Variable Compensation Plan

Article 25h

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.

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 Participants annual fix compensation. The target annual variable compensation shall not exceed 100% of a Participant's annual fix compensation.

3 The maximum annual variable compensation of a Participant shall in any case not exceed 150% of his/her target annual variable compensation.

Revised Text

Amendments are shown in bold.

Compensation Principles for the Management Board

Article 25d

The compensation of the members of the Management Board which is paid out subject to the approval by the General Meeting consists of:

- (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 **variable** 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.~~

Executive Variable Compensation Plan

Article 25h

The **variable compensation paid to the** members of the Management Board **shall generally be composed of short-term and long-term compensation components.** ~~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.~~

2 **The short-term performance compensation shall take into account criteria with reference to the performance of the Company, or parts thereof, and/ or individual performance. It may be paid in full or in part in cash, in the form of restricted shares or entitlement to shares.** ~~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 Participants annual fix compensation. The target annual variable compensation shall not exceed 100% of a Participant's annual fix compensation.~~

3 **The long-term performance compensation shall take into account criteria with reference to the financial performance of the Company which shall be measured over intervals of at least three years, as well as additional qualitative and quantitative goals. It will be paid in the form of restricted shares or entitlement to shares.** ~~The maximum annual variable compensation of a Participant shall in any case not exceed 150% of his/her target annual variable compensation.~~

Existing Text

- 4 The amount of the annual variable compensation received by a Participant under the EVCP is determined by 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 which will be granted under the EVCP from 2016 on are subject to a staggered vesting schedule over at least four years. The RSU shall vest equally each year, whereby the first part unlocks at the earliest after two years. RSU, which have been granted under the EVCP before 2016, will continue to vest over three years, during which the RSU shall be unlocked equally each year. After the respective vesting period of the RSU the shares of the Company will be transferred 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).

[new]

Share Purchase
Plan for Employees
of the Company

Revised Text

Amendments are shown in bold.

- 4 **For restricted shares or entitlement to shares granted as part of the variable compensation, the Board of Directors shall determine the grant, vesting, blocking, exercise and forfeiture conditions. In the event of pre-determined events such as a change-of-control or termination of an employment agreement, the Board of Directors may provide, among other things, for continuation, acceleration or removal of vesting, blocking or exercise conditions, for payment or grant of compensation based upon assumed target achievement, or for forfeiture.** The amount of the annual variable compensation received by a Participant under the EVCP is determined by 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 which will be granted under the EVCP from 2016 on are subject to a staggered vesting schedule over at least four years. The RSU shall vest equally each year, whereby the first part unlocks at the earliest after two years. RSU, which have been granted under the EVCP before 2016, will continue to vest over three years, during which the RSU shall be unlocked equally each year. After the respective vesting period of the RSU the shares of the Company will be transferred 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).~~

Article 25i

The Board of Directors may establish share ownership plans which allow employees of the Company to purchase shares or share entitlements (such as restricted share units) of the Company at a discount and, if applicable, receive matching shares from the Company based on the number of shares purchased under such plans. The Board of Directors shall determine the price as well as adequate vesting, blocking, exercise and forfeiture conditions.

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