

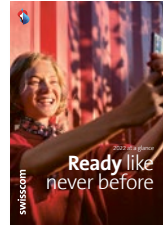
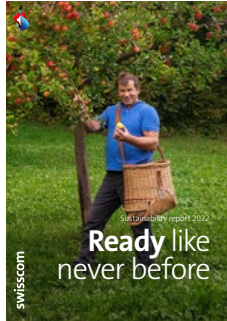
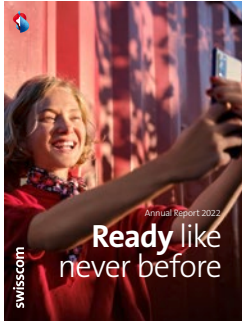


# Invitation to the Ordinary Shareholders' Meeting

Tuesday, 28 March 2023, at 1.30 p.m.  
Door opening: 12.30 p.m.

Hallenstadion  
Wallisellenstrasse 45, Zurich Oerlikon

swisscom



The Annual Report, Sustainability Report and ‘2022 at a glance’ together make up Swisscom’s reporting for 2022. The three publications are available online at: [swisscom.ch/report2022](https://www.swisscom.ch/report2022)



### ‘Ready like never before’ concept

As part of its ‘ready like never before’ concept, Swisscom points out that, thanks to Swisscom products and services, its customers are more ready than ever to take advantage of the opportunities offered by the connected world – simply, securely, anywhere and at any time. Swisscom also offers its employees and apprentices training and development opportunities so that they are prepared to use the skills they have acquired to improve Swisscom’s competitiveness and their own employability.

The majority of the images on the cover pages and in the report are taken from the various Swisscom campaigns conducted during the 2022 reporting year. The images of the Board of Directors and the Group Executive Board were taken by Alida Ruf, an apprentice in the Swisscom photo and film team.

# Dear Shareholders

We are pleased to invite you to the 25th Ordinary Shareholders' Meeting of Swisscom Ltd at the Hallenstadion Zurich Oerlikon to take a look back at the 2022 financial year.

The year 2022 was challenging for us. Swisscom has long positioned itself to cope in a crowded-out market with fierce price pressure. This was further compounded by supply chain bottlenecks, the war in Ukraine, rising inflation and unresolved issues surrounding energy supply. Our employees successfully rose to these challenges. Swisscom achieved yet another stable set of financial results, demonstrated its ability to innovate in networks and services, and was once again rated the world's most sustainable telecommunications company. We are on track with our Group targets for 2025 of clear market leadership in Switzerland, leading challenger status in Italy through Fastweb, healthy financial results, a reputation for responsibility towards society, and innovative products and services on secure, resilient networks.

## **Number 1 in Switzerland**

In Switzerland, Swisscom seeks to be inspirational, with the best networks, the best service and the most innovative products and services.

We once again lived up to this claim, as numerous tests in the year under review bore out: for example, we won the most relevant mobile network tests, had the fastest fibre-optic networks and came across as significantly more service-oriented than our competitors in Switzerland. Our employees in the Swisscom shops impressed in independent tests, as did our customer app, which received the best rating of all service apps in the German-speaking region of Europe.

Swisscom has further digitised and personalised its offering through the new 'blue' portfolio. Our customers enjoy even faster network speeds, more content and recording capacity on blue TV, and greater online security thanks to the new Internet Guard – all automatically and at no extra charge. And customers who opt to use our digital assistant 'Sam' as their first point of contact for support can also save on costs.

Independent market researchers also name Swisscom as a leading cybersecurity provider. We now offer Swiss companies and authorities professional emergency assistance from experienced security specialists in the event of a cyberattack. This service is available around the clock and regardless of whether or not the victims are Swisscom customers.

## Regulatory resistance

Switzerland's mobile communications and fibre-optic networks make it one of the top performers internationally in terms of infrastructure. Despite this, Swisscom is facing regulatory challenges, for example with regard to the construction of adaptive antennas for mobile communications. Although the process for the construction and renewal of these antennas has been laid down in an ordinance since January 2022 and the recommendations of the Conference of Building, Planning and Environment Directors (BPUK) allow cantons to approve adaptive antennas without new building permits, Swiss mobile operators are not able to expand and upgrade their networks fast enough. Customers complain about gaps in coverage, but at the same time Swisscom alone has more than 2,000 outstanding objections to building applications for 5G masts.

This is all the more regrettable given that a study commissioned by FOEN in 2022 found that 'the population as a whole has modest exposure to radiation', and that thanks to modern technology radiation exposure has actually been on a downward trajectory since 2014. The more modern the technology, the lower the radiation exposure. That is why Swisscom is switching off its 3G technology – which is now 20 years old – at the end of 2025 to make way for more modern, efficient and effective technologies such as 5G.

Due to the ongoing proceedings of the Competition Commission in relation to network expansion, Swisscom is unable to market nearly 500,000 fibre-optic connections built using point-to-multipoint architecture (P2MP) to the home (FTTH). In order to offer customers the option of using the fast FTTH connections, Swisscom has decided to create new connections, largely using point-to-point (P2P) architecture, and to convert some existing P2MP connections to P2P. The annual budget for fibre-optic investments of CHF 500 to 600 million remains unchanged, but the expansion is now taking place somewhat more slowly than originally planned. This means it will only be possible to achieve 50–55% of connections on FTTH by 2025. Swisscom will continue to invest in rolling out FTTH beyond 2025, however, with the intention of expanding FTTH coverage to 70–80% of connections by 2030.

## Fastweb – our ace card in Italy

Fastweb has been building its position as a high-quality provider in Italy for years and is now the leading challenger in Europe's fourth-largest broadband market. In 2022, Fastweb once again increased its revenue across all segments. Its revenue was EUR 2,482 million (+3.8%) and its operating income before depreciation and amortisation (EBITDA) was EUR 854 million (+3.4%).

## Healthy finances create confidence

We handle the funds entrusted to us with respect and care, creating trust among our shareholders. Healthy finances are the result of prudent management and are essential for continued success going forward.

Swisscom recorded another solid set of financial results in 2022. With net revenue of CHF 11,112 million (–0.6%) and operating income before depreciation and amortisation (EBITDA) of CHF 4,406 million (–1.6%), net income was below the previous year. Revenue (+1.0%) and EBITDA (+3.1%) were both up on a like-for-like basis and at constant exchange rates.

We generate healthy financial results thanks to the outstanding work of our employees and a highly attractive range of products and services. Quite simply, this means delighting our customers every day through future-proof, secure products and services, combined with the best quality of service and the best networks. But that's not all: to safeguard our long-term profitability, we need to continuously optimise our cost base in our core business and develop new business activities. Via our transformation efforts, we are promoting collaboration within Swisscom, working on our agility and efficiency, and systematically driving forward digitisation. For example, we reduced our cost base in telecommunications by around a further CHF 100 million in 2022.

## Taking responsibility – now, not someday

We firmly believe that digitisation creates opportunities and drives sustainability. As the Swiss market leader, Swisscom therefore has a special responsibility. There was further independent confirmation of its role as a pioneer in sustainability during the year under review, with World Finance magazine once again rating Swisscom the world's most sustainable telecommunications company. This encourages us to continue down our chosen path with courage and rigour.

Sustainability is not something that can be deferred. We took another step forward on this front in 2022: we now offer our customers climate-neutral access to subscriptions, equipment and our network – automatically and at no extra charge under the banner 'Now, not someday'. We offset the production, transport and use of devices via recognised climate protection projects in Switzerland and abroad.

To help achieve our goal of saving one million tonnes of CO<sub>2</sub> per year by 2025 in cooperation with our customers, we offer residential and business

customers ICT solutions that massively reduce our carbon footprint. For example, our portfolio for business customers includes a carbon accounting platform.

We also contribute to society through our activities to promote media literacy, our support for Ukrainian war refugees in Switzerland and our efforts to save electricity as part of the energy saving alliance of the Swiss Confederation.

### **Innovation stimulates growth**

In a global market where new technologies are constantly emerging and customer needs are always evolving, Swisscom needs to keep its finger on the pulse of innovation. To safeguard our company's long-term success, we work closely with the pacesetters of digitisation, be they universities, start-ups or established technology companies.

For example, Swisscom agreed a strategic collaboration in the cloud space with Amazon Web Services in 2022.

**'Independent tests once again proved in 2022 that our networks and customer service are among the best in Switzerland. This shows that our employees give their best every day, for which I thank them from the bottom of my heart.'**

A highlight of our innovation efforts was the successful field test using the latest generation of fibre-optic technology carried out in 2022, in which we were the first in the world to achieve a maximum data transmission speed of 50 Gbit/s. More important, however, are the reduced latency and stable bandwidths.

It is through innovations like this that we strive for growth – primarily in our core business, in the IT market and in new areas of business.

### **Shareholder return and outlook**

Swisscom's share price fell by 1.6% to CHF 506.60 during the year under review. The Swisscom stock outperformed the European telecommunications sector index.

'We are delighted that World Finance has once again named us the world's most sustainable telecommunications company. Above all, this spurs us on to continue down our chosen path with courage and rigour!'

Swisscom expects net revenue of between CHF 11.1 and 11.2 billion, EBITDA of between CHF 4.6 and 4.7 billion and capital expenditure of around CHF 2.3 billion (around CHF 1.7 billion of which will be in Switzerland) for 2023. Subject to achieving its targets, Swisscom plans to propose payment of an unchanged dividend of CHF 22 per share for the 2023 financial year at the 2024 Annual General Meeting.

### **Many thanks**

The highly challenging environment demanded a lot from our employees, who once again proved that they are eager to deliver the best for our customers, day in and day out. We are very grateful to them for this.

We would also like to thank you, our valued shareholders, for the trust and confidence you have placed in us. We have set ourselves ambitious goals to be achieved by 2025 and want to embark on a successful future with you.

Worblaufen, 14 February 2023

Yours sincerely



Michael Rechsteiner  
Chairman  
Swisscom Ltd

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## 1 Report on the financial year 2022

### 1.1 *Approval of the Management Report, the consolidated financial statements and the financial statements of Swisscom Ltd for the financial year 2022*

#### **Proposal**

The Board of Directors proposes that the Management Report, the consolidated financial statements and the financial statements of Swisscom Ltd for the financial year 2022 be approved.

#### **Explanatory notes**

The Management Report and the consolidated financial statements as well as the annual financial statements of Swisscom Ltd provide information on Swisscom's strategy, economic and legal environment, business performance as well as the financial and net asset position in 2022. The Management Report, consolidated financial statements and an abridged version of the annual financial statements are part of the Annual Report 2022. The Annual Report, the complete annual financial statements of Swisscom Ltd and the reports of the statutory auditor are available on the Swisscom website ([www.swisscom.ch/report2022](http://www.swisscom.ch/report2022)).

### 1.2 *Consultative vote on the Remuneration Report 2022*

#### **Proposal**

The Board of Directors proposes that affirmative notice of the Remuneration Report 2022 be taken by means of a consultative vote.

#### **Explanatory notes**

The Remuneration Report (pages 89 to 101 of the Annual Report 2022) states the decision-making competencies and presents principles and elements of the remuneration of the Board of Directors and the Group Executive Board. It lists the remuneration paid in the reporting year to the members of the Board of Directors and the Group Executive Board and also indicates their shareholdings in Swisscom Ltd. A non-binding consultative vote will be held in relation to the report.

## 2 Appropriation of the retained earnings 2022 and declaration of dividend

> Balance carried forward from prior year	CHF 3,540 million
> Net income 2022	CHF 4,295 million
> Total retained earnings 2022	CHF 7,835 million

### Proposal

The Board of Directors proposes that the retained earnings be appropriated as follows:

> Dividend of CHF 22 per share for 51,801,563 shares	CHF 1,140 million
> Balance to be carried forward	CHF 6,695 million

No dividends will be paid out on shares held by Swisscom Ltd.

### Explanatory notes

The Board of Directors proposes to the Shareholders' Meeting a dividend of CHF 22 gross per share (prior year: CHF 22). The total dividend of approx. CHF 1,140 million is based on a portfolio of 51,801,563 shares with a dividend entitlement (as of 31 December 2022). Subject to the approval of the proposal by the Shareholders' Meeting, after deducting federal withholding tax of 35%, a net dividend of CHF 14.30 per share will be paid out on 3 April 2023. The last trading day with entitlement to receive a dividend is 29 March 2023. As of 30 March 2023, the shares will be traded ex dividend.

## 3 Discharge of the members of the Board of Directors and the Group Executive Board

### Proposal

The Board of Directors proposes that discharge be granted to the members of the Board of Directors and the Group Executive Board for the financial year 2022.

### Explanatory notes

The granting of discharge is one of the non-delegable powers of the Shareholders' Meeting. The discharge is proposed for the activities of the members of the Board of Directors and the Group Executive Committee in 2022 and applies to disclosed facts.

## 4 Elections to the Board of Directors

The one-year term of office of all members of the Board of Directors expires at the Shareholders' Meeting on 28 March 2023. Barbara Frei will step down from the Board of Directors at her own request at the Shareholders' Meeting. The Board of Directors proposes Monique Bourquin as her successor. The chairman and all further members to be elected by the Ordinary Shareholders' Meeting will be standing for re-election.

The representative of the Swiss Confederation in the Board of Directors is not elected by the Shareholders' Meeting and is instead appointed by the Federal Council. The Federal Council has announced that it will appoint a new representative at the Ordinary Shareholders' Meeting. The Board of Directors would like to thank Barbara Frei and Renzo Simoni, the current representative of the Swiss Confederation, for their valuable contributions to the Board.

Detailed information about the current members of the Board of Directors, including the mandates they hold and other important activities, are provided in the Annual Report 2022 in the chapter on Corporate Governance, Section 4.

### 4.1 Re-election of Roland Abt



#### Proposal

The Board of Directors proposes that Roland Abt be re-elected as member of the Board of Directors for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

#### Explanatory notes

Roland Abt (1957), Dr. oec., a Swiss citizen, is a recognised financial expert. He was elected to the Board of Directors in April 2016 and has been a member of the Audit & ESG Reporting Committee since 2017. Since April 2018, he has been chairman of the Audit & ESG Reporting Committee and a member of the Compensation Committee. Roland Abt was an employee at Georg Fischer Group from 1996 to 2016, most recently as CFO of Georg Fischer AG and a member of the Group Executive Board. Roland Abt has five other Board of Directors mandates, one of which is in a listed company, and is also the chairman of a welfare foundation and a Pension fund.

## 4.2 Election of Monique Bourquin



### Proposal

The Board of Directors proposes that Monique Bourquin be elected as a member of the Board of Directors for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

### Explanatory notes

Monique Bourquin (1966) is a Swiss citizen and grew up in France. After graduating with a degree in business administration from the University of St. Gallen, Monique Bourquin gained her first professional experience as a corporate finance consultant at PricewaterhouseCoopers. She then acquired in-depth expertise in marketing and sales at Knorr N ahrungsmittel Ltd (now Unilever), Rivella Ltd and M ovenpick Foods. Monique Bourquin returned to Unilever Switzerland in 2002, where she was responsible for sales management across all product categories from 2002 to 2007. She broadened her knowledge of customers and markets and took over CEO responsibility for Unilever Switzerland incl. the direct sales organisation Oswald GmbH from 2008 to 2012. She complemented her career at Unilever from 2012 to 2016 with an international role as CFO of the DACH region, honing her financial expertise in the process. Monique Bourquin has been a member of the Board of Directors since 2013 and currently contributes her experience and expertise to the boards of directors of Emmi Ltd., Kambly Holding AG, Weleda Co Ltd. and W. K undig Cie AG. In addition, she chairs the board of the Swiss branded goods association Promarca and is a member of the foundation board of Swisscontact and of the Advisory Board of the Swiss Board Institute.

Her broad range of experience in the consumer goods sector and focus on brand management, sales and finance, as well as her several years of experience as a board member of listed companies make Monique Bourquin an ideal addition to the Board of Directors. Monique Bourquin meets the independence criteria of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

### 4.3 Re-election of Alain Carrupt



#### Proposal

The Board of Directors proposes that Alain Carrupt be re-elected as a member of the Board of Directors for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

#### Explanatory notes

Alain Carrupt (1955) is a Swiss citizen. He holds a Swiss federal diploma in business studies and has completed numerous training courses. Since April 2016, he has been an employee representative on the Swisscom Board of Directors and a member of the Finance Committee. Since 1994, Alain Carrupt has worked for staff associations, most recently as chairman of the Syndicom trade union until February 2016. He currently holds one other mandate.

### 4.4 Re-election of Guus Dekkers



#### Proposal

The Board of Directors proposes that Guus Dekkers be re-elected as a member of the Board of Directors for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

#### Explanatory notes

Guus Dekkers (1965) is a citizen of the Netherlands. He holds Master's degrees in Computer Science and Business Administration. He has been a member of the Board of Directors and the Finance Committee since March 2021. Guus Dekkers has been Chief Technology Officer at the retail chain Tesco PLC in London since April 2018 and is responsible for the digitisation of all Tesco activities worldwide. He spearheaded extensive technology transformations as Chief Information Officer of Airbus Group in France from 2008 to 2016. He is a member of two advisory boards.

#### 4.5 Re-election of Frank Esser



##### **Proposal**

The Board of Directors proposes that Frank Esser be re-elected as a member of the Board of Directors for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

##### **Explanatory notes**

Frank Esser (1958) graduated in business administration, holds the title Dr. rer. pol. and is a German citizen. Since 2014, he has been a member of the Board of Directors and the Finance Committee. He has chaired the Finance Committee and been a member of the Compensation Committee since 2016. He has also been Vice Chairman of the Board of Directors since April 2018. Until 2012, Frank Esser was the CEO of Société Française du Radiotéléphone (SFR) and a member of the Management Board of the Vivendi Group. Today, he holds one other mandate in a listed company.

#### 4.6 Re-election of Sandra Lathion-Zweifel



##### **Proposal**

The Board of Directors proposes that Sandra Lathion-Zweifel be re-elected as a member of the Board of Directors for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

##### **Explanatory notes**

Sandra Lathion-Zweifel (1976) is a Swiss citizen. She is a lawyer holding a Master of Laws from the University of Zurich and the Columbia University, New York, and a trader's license from the SIX Swiss Exchange. She has been on the Swisscom Board of Directors as a staff representative and has served as a member of the Audit & ESG Reporting Committee since April 2019. Between 2018 and 2019, Sandra Lathion-Zweifel was counsel of Banking and Finance for the law firm Lenz & Staehelin in Geneva. From 2014 to 2018 she headed a department of the Asset Management division of the Swiss Financial Market Supervisory Authority (FINMA). Sandra Lathion-Zweifel is a member of the board of directors of another company, an advisory board and an association board.

#### 4.7 *Re-election of Anna Mossberg*



##### **Proposal**

The Board of Directors proposes that Anna Mossberg be re-elected as a member of the Board of Directors for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

##### **Explanatory notes**

Anna Mossberg (1972) is a Swedish citizen. She holds a Master of Science in Industrial Engineering and Management. She has been a member of the Board of Directors and the Finance Committee since April 2018. Anna Mossberg has been working for the Silo AI company as Managing Director from March 2021 to February 2022, and as a member of the Management Team of Google Sweden and in the role of Industry Leader, Anna Mossberg has been responsible for digitisation in a number of sectors from 2015 to 2018. Anna Mossberg holds three board of directors mandates in listed companies.

#### 4.8 *Re-election of Michael Rechsteiner*



##### **Proposal**

The Board of Directors proposes that Michael Rechsteiner be re-elected as a member of the Board of Directors for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

##### **Explanatory notes**

Michael Rechsteiner (1963) is a Swiss citizen. He holds a Master of Science in Mechanical Engineering from ETH Zurich and a Master of Business Administration from the University of St. Gallen. Since April 2019, he has been a member of the Board of Directors and has held the position of Chairman of the Board of Directors of Swisscom Ltd since 31 March 2021. He is a member of the Audit & ESG Reporting Committee, Finance and Compensation Committees and chairs the respective ad hoc Nomination Committee. Within the Remuneration Committee, he holds an advisory role without voting rights. Michael Rechsteiner has been working in the energy sector for many years. Most recently, from 2017 to March 2021, he had managerial responsibility for GE Power Services Europe and was CEO of GE Gas Power Europe. Michael Rechsteiner has worked as a consultant for General Electric (Switzerland) GmbH since March 2021.



#### **4.9 *Re-election of Michael Rechsteiner as Chairman***

##### **Proposal**

The Board of Directors proposes that Michael Rechsteiner be re-elected as Chairman of the Board of Directors for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

#### **5 *Election to the Compensation Committee***

The Board of Directors intends to appoint Monique Bourquin as Chairwoman of the Compensation Committee if she is elected as a Committee member at the Shareholders' Meeting.

##### **5.1 *Re-election of Roland Abt***

##### **Proposal**

The Board of Directors proposes that Roland Abt be re-elected to the Compensation Committee for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

##### **5.2 *Election of Monique Bourquin***

##### **Proposal**

The Board of Directors proposes that Monique Bourquin be elected to the Compensation Committee for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

##### **5.3 *Re-election of Frank Esser***

##### **Proposal**

The Board of Directors proposes that Frank Esser be re-elected to the Compensation Committee for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

##### **5.4 *Re-election of Michael Rechsteiner***

##### **Proposal**

The Board of Directors proposes that Michael Rechsteiner be re-elected to the Compensation Committee as a member without voting rights for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

## 6 Remuneration of the members of the Board of Directors and the Group Executive Board

### 6.1 Approval of the total remuneration of the members of the Board of Directors for 2024

#### Proposal

The Board of Directors proposes that the maximum total amount of CHF 2.5 million for the remuneration of the members of the Board of Directors be approved for the financial year 2024.

#### Explanatory notes

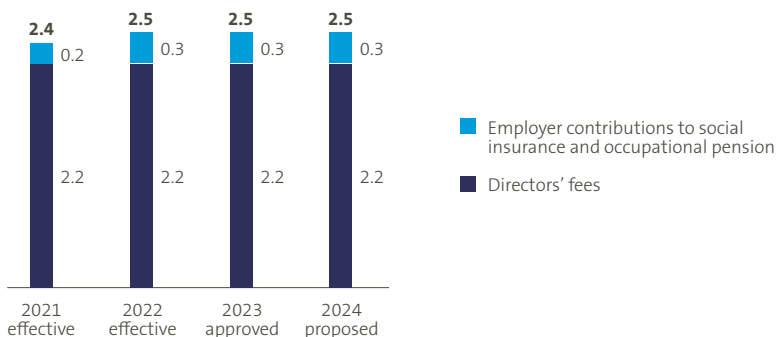
The total proposed amount of max. CHF 2.5 million is based on the remuneration for nine members of the Board of Directors and corresponds to the total amount approved in the Shareholders' Meeting for 2023. It is expected to consist of the following amounts for individual remuneration components:

- Directors' fees (base salaries and functional allowances): CHF 2.2 million. Attendance at the meetings will also be compensated with the function-based flat fee. No additional attendance fees will be paid.
- Employer contributions to social insurance and occupational pension: CHF 0.3 million. The employer contributions to the occupational pension scheme include the expected statutory and regulatory obligations for the members of the Board of Directors to potentially be insured in 2024. The amount of the contributions is dependent on, amongst other things, the employment situation of the members of the Board of Directors, their age structure and the insurance contribution rates.

The definitive remuneration amounts will be presented in the Remuneration Report for the financial year 2024 and will be subject to the consultative vote in relation to the report, to be held at the Shareholders' Meeting 2025.

The graph below shows the proposed total remuneration for 2024 in comparison with the total remuneration approved for 2023 and the remuneration paid out for 2021 and 2022.

### Board of Directors' remuneration 2021–2024 (in MCHF)



## 6.2 Increase of the total remuneration of the members of the Group Executive Board for 2023

### Proposal

The Board of Directors proposes that the maximum total amount for the remuneration of members of the Group Executive Board in the 2023 financial year be raised from CHF 8.7 million to CHF 10.4 million.

### Explanatory notes

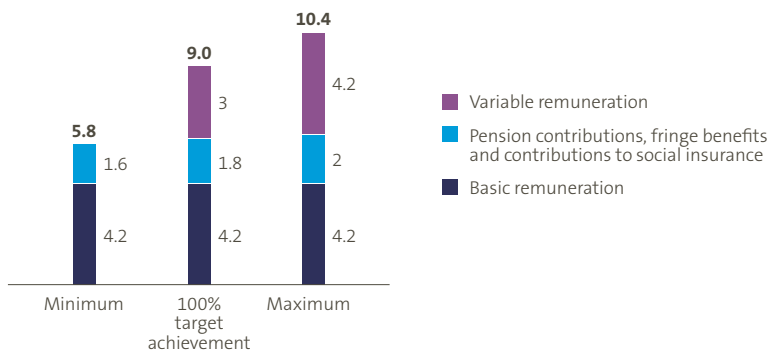
The Board of Directors has decided to expand the Group Executive Board from six to nine members as of 1 April 2023. The two as of 1 January 2023 newly organised units Group Strategy & Business Development and Group Security & Corporate Affairs as well as Group Communications & Responsibility will be added to the Group Executive Board. The maximum total remuneration amount of CHF 8.7 million for the Group Executive Board for 2023 approved by the 2022 Shareholders' Meeting is based on six persons. In order to take the larger number of members into account as of April 2023, the Board of Directors proposes that the total amount approved for 2023 be increased by CHF 1.7 million to CHF 10.4 million. Since the expansion will not fully impact remuneration until the following year, the maximum remuneration for 2024 will increase by an additional CHF 0.5 million to CHF 10.9 million.

The increased total amount of CHF 10.4 million for 2023 is calculated on the basis of direct remuneration, pension fund and fringe benefits, and employer contributions to social security. The total amount for 2023 is therefore expected to comprise the following subtotals allocated to the respective remuneration components:

- > Basic remuneration: CHF 4.2 million
- > Variable performance-related remuneration: CHF 4.2 million. The amount is set based on a situation in which all members of the Group Executive Board outperform their targets. Variable performance-related remuneration can total a maximum of 100% of the basic remuneration amount should targets be outperformed.
- > Pension contributions, fringe benefits and contributions to social security: CHF 2.0 million. This figure comprises the maximum possible legal and contractual employer obligations for contributions to pensions and social insurance, as well as fringe benefits. The exact amount due to cover these obligations depends, among other factors, on the basic and variable remuneration effectively paid, the age structure across members of the Group Executive Board and the insurance contribution rates.

The graph below shows the expected remuneration values comprised within the proposed total amount, which would be due if targets were not reached (minimum), if 100% of targets were reached and if they were outperformed to the greatest extent possible (maximum).

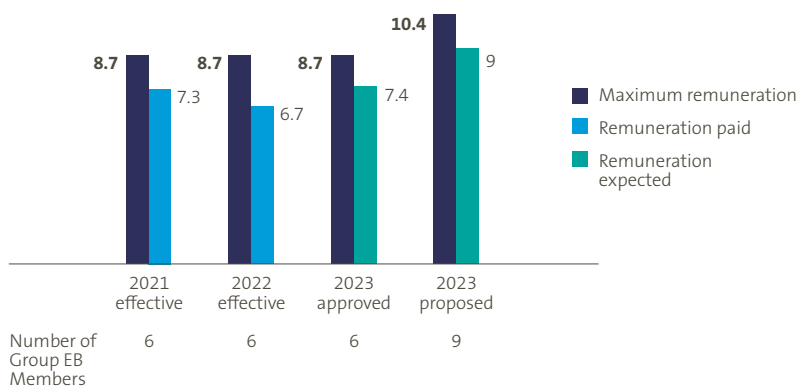
### Scenarios of potential remuneration of the Group Executive Board in 2023 (in CHF million)



If 100% of targets are met, the total remuneration for 2023 is expected to amount to CHF 9.0 million. This figure comprises expected fixed basic remuneration of CHF 4.2 million, expected variable remuneration of CHF 3.0 million and an expected CHF 1.8 million in pension contributions, fringe benefits and social insurance contributions. Over the course of previous years, targets have never been outperformed to such an extent that the maximum possible remuneration was paid out in full.

The graph below shows the total remuneration paid out in 2021 and 2022 in relation to the maximum possible remuneration in each case, as well as the total remuneration approved by the Shareholders' Meeting for 2023 for six members of the Group Executive Board and the proposed maximum total remuneration for nine members.

### Remuneration paid to the Group Executive Board compared to maximums, 2021–2023 (in CHF million)



The definitive remuneration amounts will be presented in the Remuneration Report for the 2023 financial year and will be subject to the consultative vote in relation to the report, to be held at the Shareholders' Meeting 2024.

### 6.3 *Approval of the total remuneration of the members of the Group Executive Board for 2024*

#### **Proposal**

The Board of Directors proposes that the maximum total amount for the remuneration of the members of the Group Executive Board of CHF 10.9 million be approved for the financial year 2024.

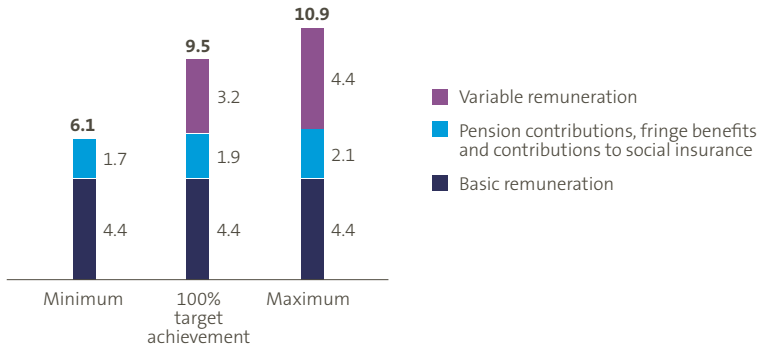
#### **Explanatory notes**

The expansion of the Executive Committee to nine members as of April 2023 will fully impact remuneration in 2024. As a result, the Board of Directors proposes a maximum total amount of CHF 10.9 million for 2024, which is CHF 0.5 million higher compared to the previous year. This amount is calculated from the direct remuneration, the pension and fringe benefits as well as the employer contributions to social insurance. The total amount is expected to comprise the following subtotals allocated to the respective remuneration components:

- Basic remuneration: CHF 4.4 million. The amount includes a potential basic remuneration increase of 2% in comparison with 2023. As a rule, the individual remuneration in place for members of the Group Executive Board is reviewed once every three years of employment. The Board of Directors will decide whether to implement the envisaged basic remuneration increase for each member of the Group Executive Board individually, based predominantly on the evaluation of the market value of the function in question, drawing on market comparisons and taking into account individual performance. The Board of Directors will determine the basic remuneration for 2024 at the end of 2023.
- Variable performance-related remuneration: CHF 4.4 million. The amount is based on the maximum amount should all members of the Group Executive Board outperform their targets. Variable performance-related remuneration can total a maximum of 100% of the basic remuneration amount should targets be outperformed.
- Pension contributions, fringe benefits and contributions to social insurance: CHF 2.1 million. This figure comprises the maximum possible legal and contractual employer obligations for contributions to pensions and social insurance, as well as fringe benefits. The exact amount due to cover these obligations depends, among other factors, on the basic and variable remuneration effectively paid, the age structure across members of the Group Executive Board and the insurance contribution rates.

The graph below shows the expected remuneration values comprised within the proposed total amount, which would be due if targets were not reached (minimum), if 100% of targets were reached and if they were outperformed to the greatest extent possible (maximum).

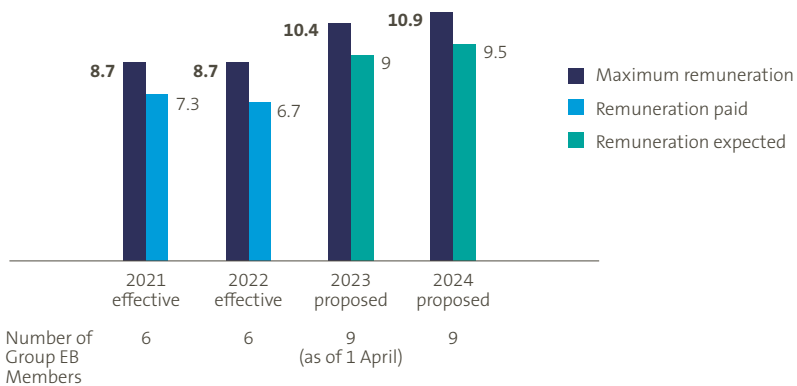
### Scenarios of potential Group Executive Board remuneration 2024 (in MCHF)



If 100% of targets are met, the total remuneration for 2024 is expected to amount to CHF 9.5 million. This figure comprises expected fixed basic remuneration of CHF 4.4 million, expected variable remuneration of CHF 3.2 million and an expected CHF 1.9 million in pension contributions, fringe benefits and social insurance contributions. Over the course of previous years, targets have never been outperformed to such an extent that the maximum possible remuneration was paid out in full.

The following chart shows the total remuneration effectively paid in 2021 and 2022 in relation to the maximum possible remuneration in each case, as well as the maximum remuneration in 2023 and 2024.

### Group Executive Board's remuneration compared to the maximum amounts 2021–2024 (in MCHF)



The definitive remuneration amounts will be presented in the Remuneration Report for the financial year 2024 and will be subject to the consultative vote in relation to the report, to be held at the Shareholders' Meeting 2025.



## 7 Re-election of the independent proxy

### Proposal

The Board of Directors proposes that the law firm Reber Rechtsanwälte, Zurich, be re-elected as independent proxy for the period of time until the conclusion of the next Ordinary Shareholders' Meeting.

### Explanatory notes

Reber Rechtsanwälte has confirmed that their firm meets the independence requirements for performing this mandate. Swisscom maintains the normal customer relationships for telecommunications services with the persons involved. These are processed with the same conditions as with third parties. There are no contractual or other relationships that could impair the involved parties' independence.

## 8 Re-election of the statutory auditors

### Proposal

The Board of Directors proposes that PricewaterhouseCoopers AG, Zurich, be re-elected as statutory auditors for the 2023 financial year.

### Explanatory notes

PricewaterhouseCoopers AG (PwC) is a state-supervised audit company registered with the Federal Audit Supervisory Authority and has confirmed to Swisscom that it fulfils the legal requirements concerning independence. PwC has been acting as Swisscom's auditor since 1 January 2019. Further details about the statutory auditor, in particular the lead auditor and the audit fees, are provided in the Annual Report 2022 in the chapter on Corporate Governance, Section 9.

## 9 Amendments of the Articles of Incorporation

The Board of Directors proposes that the Articles of Incorporation be adapted to the applicable legislation, in particular to the new company law entering into force on 1 January 2023, and that certain other provisions be updated. The original German version of the Articles of Incorporation will also be worded in a gender-neutral manner. These changes are editorial in nature. The changes in the French, Italian and English translations may differ from the editorial changes in the original version due to peculiarities of the respective languages. The numbering of all subsequent paragraphs of the Articles of Incorporation will be adjusted due to the insertion of clause 3 concerning sustainability.

In order to reduce paper consumption, the wording of the amendments to the Articles of Incorporation is not being presented in this abridged version of the invitation. The changes in content are described in the explanatory notes. The wording of the amended Articles of Incorporation can be found in the annex of the full version of the invitation, which is available in the Swiss Official Gazette of Commerce and at [www.swisscom.ch/invitation](http://www.swisscom.ch/invitation) (see also the QR code). Upon express request (e-mail to: [gvswisscom23@computershare.ch](mailto:gvswisscom23@computershare.ch)), the new wording will be sent to shareholders by mail.



### 9.1 Clause regarding sustainability

#### **Proposal**

The Board of Directors proposes that clause 3 of the current Articles of Incorporation be amended in line with the new wording as shown in the annex.

#### **Explanatory notes**

Swisscom sets itself ambitious goals in terms of sustainability. To reinforce the importance of creating sustainable value for Swisscom, the Board of Directors proposes incorporating sustainability in the Articles of Incorporation.

## 9.2 Provisions regarding share capital and shares

### Proposal

The Board of Directors proposes that clause 3 of the current Articles of Incorporation be amended in line with the new wording as shown in the annex and that the numbering be adjusted accordingly.

### Explanatory notes

The conversion of registered shares into bearer shares and vice versa must no longer be authorised in the Articles of Incorporation. The current clause 3.1.2 of the Articles of Incorporation can therefore be deleted without replacement. Swisscom does not intend to convert the registered shares into bearer shares.

According to the Articles of Incorporation, the transfer and pledging of registered shares that are intermediated securities is carried out in accordance with the provisions of the Intermediated Securities Act; transfer and pledging by means of assignment are now excluded in order to avoid the risk of an off-book transfer of intermediated securities that is not known to the Company (now clauses 4.2.2 and 4.2.3).

The person entered in the share register must inform the share register clerk of any changes in his or her contact details so that the share register remains up to date. In addition, it shall be clarified that notices from the company to a registered person shall be deemed to have been validly given if they are sent to the contact details entered in the share register (now clause 4.3.1).

Clause 3.5.3 (now clause 4.5.3) specifies the cases in which the Board of Directors may refuse to recognise and register a person as a shareholder or usufructuary with voting rights. The provision is supplemented in accordance with the revised company law. This is intended to reduce the misuse of securities lending and similar legal transactions to influence votes and elections at the Shareholders' Meeting. In addition, in accordance with the wording of the new law, it clarifies that the application for entry in the share register may be made by the bank.

### 9.3 Provisions regarding the Shareholders' Meeting

#### Proposal

The Board of Directors proposes that the current clauses 5.1, 5.2, 5.3, 5.4, 5.5 (incl. title), 5.6 and 5.7 of the Articles of Incorporation be amended in line with the new wording as shown in the annex and that the numbering (incl. title of clause 5) be adjusted accordingly.

#### Explanatory notes

The list of powers of the Shareholders' Meeting as the company's supreme governing body in clause 5.1 (now clause 6.1.1) of the Articles of Incorporation will be adapted to the new legal provisions. Even if, under the new law, the Shareholders' Meeting decides on a possible delisting of the company's equity securities, the Board of Directors shall be responsible for determining the modalities of such delisting (new clause 6.1.2).

Among other things, the new law has strengthened the minority rights of shareholders. For example, the threshold for the right to convene an Extraordinary General Meeting was lowered from 10% to 5% of the share capital or votes. This leads to adjustments in clause 5.2.3 (now clause 6.2.3) of the Articles of Incorporation.

Revised company law contains slight adjustments to the content and presentation of the notice convening the Shareholders' Meeting. Clause 5.3.3 (now clause 6.3.3) is to be adapted accordingly.

Clause 5.4 (now clause 6.4) governs the agenda and the right to put forward motions. The threshold for adding items to the agenda remains unchanged at shares with a par value of CHF 40,000. The same threshold applies to the request that items be included in the notice convening the Shareholders' Meeting. At the Shareholders' Meeting, any shareholder may submit motions within the scope of the agenda items, regardless of a threshold.

Under the revised law, shareholders only have a right to receive the Annual Report, the Remuneration Report and the Audit Reports if these are not accessible electronically. According to the Articles of Incorporation, the same shall apply in future to the report on non-financial matters pursuant to Art. 964a et seq. CO (now clause 6.5).

Clause 5.6 (now clause 6.6) governs the conduct of the Shareholders' Meeting and takes account of the new digital possibilities. Although the Board of Directors intends to continue to hold Shareholders' Meetings as in-person events with a physical venue, it proposes, especially in cases of force majeure, to create a statutory basis for holding Shareholders' Meetings without a physical venue (virtual Shareholders' Meeting; now clause 6.6.1). In the case of virtual Shareholders' Meetings, the Board of Directors ensures that shareholders are able to exercise their rights directly at the meeting by electronic means. Clause 6.6.2 (new) also provides that the Board of Directors may enable shareholders to use electronic means to exercise their rights in a Shareholders' Meeting with a physical venue (hybrid Shareholders' Meeting). Furthermore, the Chairman's powers to conduct the meeting are specified (new clause 6.6.5) and an addition has been added stating that the person taking the minutes may simultaneously act as a vote counter (now clause 6.6.4).

Under the new law, shareholders may be represented at the Shareholders' Meetings by any person, whereby this person need not be a shareholder him- or herself. That is to be clarified in clause 5.7.2 (now clause 6.7.2) of the Articles of Incorporation. In addition, in order to ensure an orderly process, it is stipulated that the forms or designated electronic means prepared by the Board of Directors must be used to issue powers of attorney and instructions (new clause 6.7.3). The independent proxy shall abstain from voting if no instructions are issued. Powers of attorney and instructions to the independent proxy may only be issued for the upcoming Shareholders' Meeting (new clause 6.7.4).

Clause 5.7.3 (now clause 6.7.5) clarifies that, in the event of a need to appoint a new independent proxy, the previously issued powers of attorney and instructions shall apply and remain valid vis-à-vis the new proxy.

When determining the results of voting at the Shareholders' Meeting, the Board of Directors proposes that this be based on the share of votes 'represented' rather than on votes 'validly cast', so that abstentions will have the same effect as de facto no votes in the future (now clause 6.7.6). This is in accordance with the legislation.

The Board of Directors proposes a clarification in the Articles of Incorporation that a motion shall be deemed rejected in the event of a tied vote (new 6.7.8).

The new law provides for deadlines for the electronic announcement of resolutions and election results (15 days after the Shareholders' Meeting) and for making the minutes available (30 days after the Shareholders' Meeting). These statutory deadlines are to be incorporated into the Articles of Incorporation (new clause 6.7.9).

In line with the provisions of the new law and Swisscom's long-standing practice, the new clause 6.7.12 of the Articles of Incorporation requires a mandatory consultative vote by the Shareholders' Meeting on the Remuneration Report if variable remuneration is voted on prospectively.

The Chairman shall determine the procedure for voting and elections in the Shareholders' Meeting. Electronic voting and elections are equivalent to written votes and elections. If there is reasonable doubt about the result of the vote, the Chairman may have the election or vote repeated (now clause 6.7.15).

#### **9.4 *Special quorums for resolutions***

##### **Proposal**

The Board of Directors proposes that clause 5.8 of the current Articles of Incorporation be amended in line with the new wording as shown in the annex and that the numbering be adjusted accordingly.

##### **Explanatory notes**

Clause 5.8 (now clause 6.8) is to be adapted to the amended wording of Art. 704 CO, resulting in the deletion of the word 'absolute' in connection with the majority of the represented par values. No change in content is intended. In addition, the conversion of registered shares into bearer shares and vice versa shall no longer be subject to the qualified majority requirement. Swisscom does not intend to convert the registered shares into bearer shares.

#### **9.5 *Provisions regarding the Board of Directors and the Executive Board***

##### **Proposal**

The Board of Directors proposes that clauses 6, 7 and 8 of the current Articles of Incorporation be amended in line with the new wording as shown in the annex and that the numbering be adjusted accordingly.

### **Explanatory notes**

In clause 6.2.3 (now Clause 7.2.3), the non-delegable and irrevocable duties of the Board of Directors are adjusted editorially and in terms of content to the new legal provisions. As a result, the Board of Directors is now explicitly responsible for preparing the report on non-financial matters pursuant to Article 964a ff. CO, for filing a petition for debt-restructuring proceedings, for determining capital increases and for corresponding amendments to the Articles of Incorporation (including deletions), and for preparing the report on capital increases.

Clause 6.3.3 (now clause 7.3.3) stipulates that the minutes of the Board of Directors are to be signed by the keeper of the minutes (previously the secretary of the Board of Directors).

The authorisation in clause 7.2 (now clause 8.2) of the Articles of Incorporation to pay an additional amount to the maximum total remuneration amount approved by the Shareholders' Meeting for the remuneration of the Executive Board is specified, stating that the additional amount may be paid not only in the event that a member of the Executive Board is replaced, but also in case of an expansion of the Executive Board.

The remuneration of the Swisscom Board of Directors has consisted of a fee related to function without additional attendance fees since 2020. This is reflected accordingly in the wording of clause 8.1.1 (now clause 9.1.1).

The mandatory content of the Articles of Incorporation includes a provision on the number of permissible external activities (mandates) of the Board of Directors and the Executive Board. The revised company law redefines the concept of activity. The relevant activities are those in comparable functions carried out at other companies with an economic purpose (now clause 9.3.6).

The number of permissible external mandates in listed companies held by members of the Board of Directors is to be increased from three to four. This takes particular account of the needs of members who exercise mandates on a full-time basis (now clause 9.3.1). Before accepting a mandate, members of the Board of Directors are obliged to consult the Chairman and/or Deputy Chairman. As in the past, each individual case will be reviewed to determine whether the acceptance of the additional mandate is compatible with the obligation to observe the appropriate due care (now clause 9.3.5).

In the future, it shall be possible to temporarily exceed the number of permissible mandates in justified, exceptional cases for a maximum period of six months by resolution of the Board of Directors. This must be disclosed in the Remuneration Report, with the member concerned being named (new clause 9.3.4).

The wording of clause 8.3 (now clause 9.3) has been revised comprehensively.

## **9.6 Further amendments of the Articles of Incorporation**

### **Proposal**

The Board of Directors proposes that the current clauses 4, 5.3.2, 9, 10, 11, 12 (incl. title) and 13 of the Articles of Incorporation be amended in line with the new wording as in the annex and that the numbering be adjusted accordingly.

### **Explanatory notes**

Clause 12 (now clause 13) of the Articles of Incorporation clarifies that the Corporation's organ of publication is the Swiss Official Gazette of Commerce, although the Board of Directors may determine other further publication media. Notifications to shareholders may be published in the Swiss Official Gazette of Commerce, by letter or, effective immediately, also electronically. This change was made in order to take the new technical possibilities into account. To avoid duplication, reference is made to clause 13 in clause 5.3.2 (now clause 6.3.2) about the convocation to the Shareholders' Meeting.



# Organisational information

## Annual Report

The Annual Report 2022 with the Remuneration Report as well as the full financial statements for Swisscom Ltd, and the reports of the statutory auditor can be viewed online at [www.swisscom.ch/report2022](http://www.swisscom.ch/report2022).



## Voting entitlement

Shareholders whose shares have been entered in the share register with voting rights by 5 p.m. (CET) on 23 March 2023 are entitled to vote at the Shareholders' Meeting.

## Admission card and voting entitlement

The Admission card can be ordered upon registration or via the shareholders' platform, a web application from Computershare Switzerland Ltd. It will be dispatched between 2 and 23 March 2023. If you do not receive the Admission card in due time, you can collect it in person from the information desk (GV desk) before the start of the Shareholders' Meeting, upon presentation of proof of identity. Admission cards that have already been issued are no longer valid should the corresponding shares be sold and the disposal be recorded in the Share Register before the Shareholders' Meeting.

## Representation

If you cannot attend the Shareholders' Meeting in person, you can be represented: by another shareholder who is entitled to vote or by the independent proxy Reber Rechtsanwälte, 8034 Zurich. Voting representation by the corporate proxy and/or custodian is not permitted.

The proxy can be issued in writing with the enclosed registration form or electronically via the shareholders' platform. The shareholders' platform can be accessed either by scanning the QR code or logging in online. The QR code and login data can be found in the invitation documents. The shareholders' platform is a web application from Computershare Switzerland Ltd. Computershare Switzerland Ltd supports independent voting proxies. If instructions are sent to the independent proxy both electronically via the shareholders' platform and in writing, only the electronic instructions will be taken into account. The instructions can be amended at any time until 26 March 2023, 11.59 p.m. (CET).

### **Translation**

The Shareholders' Meeting will be held in German and will be interpreted simultaneously into French and English.

### **Webcast**

The Shareholders' Meeting will be broadcast live online on 28 March 2023 at 1.30 p.m. [www.swisscom.ch/shareholdersmeeting](http://www.swisscom.ch/shareholdersmeeting).

### **Minutes**

The minutes of the Shareholders' Meeting will be published on the Internet under [www.swisscom.ch/shareholdersmeeting](http://www.swisscom.ch/shareholdersmeeting).

### **Refreshments**

All participants are invited to partake of refreshments following the Shareholders' Meeting.

### **Contact**

*For information on the Shareholders' Meeting*

Phone: 0800 800 512 (free from within Switzerland)

E-mail: [gvswisscom23@computershare.ch](mailto:gvswisscom23@computershare.ch)

[www.swisscom.ch/shareholdersmeeting](http://www.swisscom.ch/shareholdersmeeting)

*For changes in address*

Phone: +41 62 205 77 50

E-mail: [gvswisscom23@computershare.ch](mailto:gvswisscom23@computershare.ch)

Enclosures

- Reply envelope (addressed to the share register, Computershare Switzerland Ltd, Olten)
- Registration with proxy and instruction form
- Information and access details for the shareholders' platform

## Details on reaching the venue

### Arrival by public transport

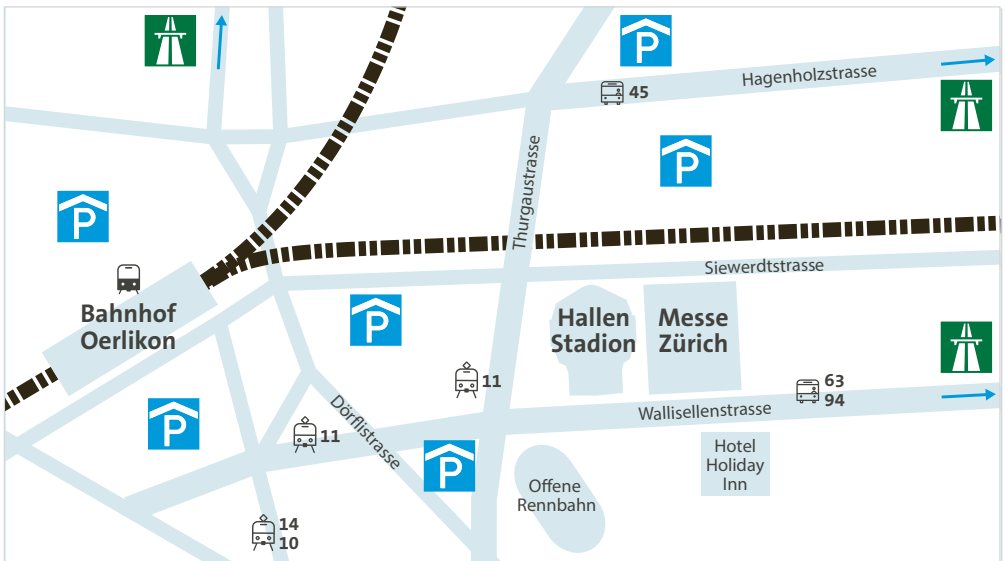
From Zurich main station

- Train to Oerlikon station (journey time approx. 7 minutes)
- Bus: lines 61, 62, 94, tram line 11 to Messe/Hallenstadion (journey time approx. 18 minutes)

[www.sbb.ch](http://www.sbb.ch)

### Arrival by car

From all directions, follow the sign '(Z) Messe Zürich-Hallenstadion' as far as Hagenholzstrasse, where you will see the entrance to the Messe-Hallenstadion car park. From the car park, a path leads directly to the Hallenstadion (approx. 500 m).





# Amendments of the Articles of Incorporation of Swisscom Ltd.

Annex to the invitation to the Ordinary Shareholders' Meeting  
of 28 March 2023

**swisscom**

### 1. Name, Registered Office and Duration

Under the name

Swisscom AG  
Swisscom SA  
Swisscom Ltd.

there exists a joint-stock corporation pursuant to Art. 2 ff. of the TUG (Telecommunications Enterprise Act of 30 April 1997) and the Code of Obligations with registered office in 3063 Ittigen.

The duration of the Corporation is unlimited.

### 2. Purpose

The purpose of the Corporation is to provide telecommunications and radiocommunication services in and outside Switzerland, and to offer products and services related thereto.

The Corporation may enter into all transactions which the business purpose entails, including the purchase and sale of real estate, the procurement and investment of funds on the money and capital markets, the establishment and purchase of interests in corporations and other means of co-operation with third parties.

### 1. Name, Registered Office and Duration

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These Articles of Incorporation are a translation of the German original. In the event of any inconsistencies, the German version of the Articles of Incorporation shall prevail over the French, Italian and English translations.

### 3. Sustainability

The Corporation strives to create sustainable value in its activities.

## 3. Share capital and Shares

### 3.1 Share Capital, Types of Shares, Par Value and Amounts Paid in

3.1.1 The share capital of the Corporation is Fr. 51,801,943 divided into 51,801,943 registered shares with a par value of Fr. 1 each. The shares are fully paid in.

3.1.2 The Corporation may at any time convert registered shares into bearer shares and bearer shares into registered shares by changing the Articles of Incorporation.

### 3.2 Share Class, Transfer and Pledging of Shares

3.2.1 The shareholder is not, however, entitled to request the printing and issuance of certificates for registered shares (securities), but is nonetheless entitled to issuance of confirmation. The Corporation may, on the other hand, replace uncertificated registered shares (dematerialised securities) with securities and securities with dematerialised securities.

3.2.2 Uncertificated registered shares that are not book-entry securities including any uncertificated rights arising therefrom may only be transferred by assignment. The assignment must be notified to the Corporation in order to be valid. Registered shares that are book-entry securities may only be

## 3-4. Share capital and Shares

### 3-1 4.1 Share Capital, Types of Shares, Par Value and Amounts Paid in

3-1-1 The share capital of the Corporation is Fr. 51,801,943 divided into 51,801,943 registered shares with a par value of Fr. 1 each. The shares are fully paid in.

3-1-2 The Corporation may at any time convert registered shares into bearer shares and bearer shares into registered shares by changing the Articles of Incorporation.

### 3-2 4.2 Share Class, Transfer and Pledging of Shares

3-2-1 4.2.1 The shareholder is not, however, entitled to request the printing and issuance of certificates for registered shares (securities), but is nonetheless entitled to issuance of confirmation. The Corporation may, on the other hand, replace uncertificated registered shares (dematerialised securities) with securities and securities with dematerialised securities.

3-2-2 4.2.2 Uncertificated registered shares that are not book-entry securities including any uncertificated rights arising therefrom may only be transferred by assignment. The assignment must be notified to the Corporation in order to be valid. Registered shares that are book-entry securities may only be

## Current Wording

transferred according to the provisions of the Book-Entry Securities Act

3.2.3 Uncertificated registered shares that are not book-entry securities and the pecuniary rights associated thereto may only be pledged by a written agreement, and only in favour of the bank at which the shareholder holds such shares in book-entry form. It is not necessary to inform the Corporation of the pledge. The pledging of registered shares that are book-entry securities is governed by the Book-Entry Securities Act.

### 3.3 Share Register and Register of Dematerialised Securities

3.3.1 The Board of Directors shall maintain a Share Register for registered shares, in which the owners and usufructuaries shall be recorded with their name and address or with their firm name and registered office.

3.3.2 Only persons who are registered in the Share Register shall be considered shareholders or usufructuaries of shares vis-à-vis the Corporation. The Board of Directors shall regulate the conditions and competences for acknowledging persons as shareholders or usufructuaries with or without voting

## Proposed wording and numbering

transferred according to the provisions of the Book-Entry Securities Act; **transfer by means of assignment is excluded.**

3-3-3 **4.2.3** Uncertificated registered shares that are not book-entry securities and the pecuniary rights associated thereto may only be pledged by a written agreement, and only in favour of the bank at which the shareholder holds such shares in book-entry form. It is not necessary to inform the Corporation of the pledge. The pledging of registered shares that are book-entry securities is governed by the Book-Entry Securities Act; **pledging by means of assignment is excluded.**

### 3-3-3 **4.3** Share Register and Register of Dematerialised Securities

3-3-1 **4.3.1** The Board of Directors shall maintain a Share Register for registered shares, in which the owners and usufructuaries shall be recorded with their name and address or with their firm name and registered office. **If a person entered in the Share Register changes their contact details, they must notify the Share Register clerk accordingly. Written and electronic communications from the Corporation shall be deemed to have been validly made if they are sent to the contact address as entered in the Share Register.**

3-3-2 **4.3.2** Only persons who are registered in the Share Register shall be considered shareholders or usufructuaries of shares vis-à-vis the Corporation. The Board of Directors shall regulate the conditions and competences for acknowledging persons as shareholders or usufructuaries with or

## Current Wording

rights, as well as their entry in the Share Register.

3.3.3 The Board of Directors shall maintain a Register of Dematerialised Securities, in which the number and denomination of the issued dematerialised securities as well as the creditors shall be recorded.

3.3.4 The Board of Directors shall regulate the responsibilities for maintaining the Share Register and the Register of Dematerialised Securities.

### 3.4 Shareholding by the Swiss Government

According to Art. 6 para. 1 TUG, the Swiss Confederation holds the majority of voting rights and capital of the Corporation.

### 3.5 Transfer Restrictions

3.5.1 The Board of Directors may refuse the approval of an acquirer of shares as a shareholder or usufructuary with voting rights if the holding of this shareholder, together with his shares already registered with voting rights in the Share Register, exceeds the limit of 5% of all registered shares recorded in the Commercial Register. As to the excess shares, the acquirer will be registered in the Share Register as a shareholder or usufructuary without voting rights.

The Board of Directors may approve an acquirer of shares with more than 5% of all

## Proposed wording and numbering

without voting rights, as well as their entry in the Share Register.

~~3.3.3~~ **4.3.3** The Board of Directors shall maintain a Register of Dematerialised Securities, in which the number and denomination of the issued dematerialised securities as well as the creditors shall be recorded.

~~3.3.4~~ **4.3.4** The Board of Directors shall regulate the responsibilities for maintaining the Share Register and the Register of Dematerialised Securities.

### ~~3.4~~ **4.4** Shareholding by the Swiss Government

According to Art. 6 para. 1 TUG, the Swiss Confederation holds the majority of voting rights and capital of the Corporation.

### ~~3.5~~ **4.5** Transfer Restrictions

~~3.5.1~~ **4.5.1** The Board of Directors may refuse the approval of an acquirer of shares **person acquiring shares** as a shareholder or usufructuary with voting rights if **their** holding of **this shareholder**, together with his **their** shares already registered with voting rights in the Share Register, exceeds the limit of 5% of all registered shares recorded in the Commercial Register. **The portion of shares exceeding the 5% limit shall be entered in the Share Register without voting rights.** ~~As to the excess shares, the acquirer will be registered in the Share Register as a shareholder or usufructuary without voting rights.~~

The Board of Directors may approve an acquirer of shares **person acquiring shares**



## Current Wording

registered shares as a shareholder or usufructuary with voting rights in particular in the following exceptional cases:

- a. in case of the acquisition of shares due to a merger or combination of businesses;
- b. in case of the acquisition of shares due to a contribution in kind or a share exchange;
- c. for the foundation of a long-term co-operation or a strategic alliance by equity interest.

Legal entities and business associations that are linked together by capital, voting power, management or in another manner, as well as all persons, entities and partnerships that are acting in concert by agreement, syndicate or in another manner with a view to circumvent the percentage limit, shall be deemed as one person.

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3.5.2 The restriction pursuant to clause 3.5.1 also applies, subject to Art. 652b para. 3 and 653c para. 3 CO, in the case of acquisition of registered shares by exercise of subscription, option and conversion rights. The restriction shall not apply in an acquisition as a result of inheritance, the apportionment of an estate or matrimonial law.

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3.5.3 The Board of Directors may refuse the recognition and registration as a shareholder or usufructuary with voting rights if an acquirer of shares does not expressly state on request that he has acquired the shares or the usufruct of the shares in his own name and for his own account.

## Proposed wording and numbering

with more than 5% of all registered shares as a shareholder or usufructuary with voting rights in particular in the following exceptional cases:

- a. in case of the acquisition of shares due to a merger or combination of businesses;
- b. in case of the acquisition of shares due to a contribution in kind or a share exchange;
- c. for the foundation of a long-term co-operation or a strategic alliance by equity interest.

Legal entities and business associations that are linked together by capital, voting power, management or in another manner, as well as all persons, entities and partnerships that are acting in concert by agreement, syndicate or in another manner with a view to circumvent the percentage limit, shall be deemed as one person.

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3.5.2 **4.5.2** The restriction pursuant to clause 3.5.1 **4.5.1** also applies, subject to Art. 652b para. 3 and 653c para. 3-4. CO, in the case of acquisition of registered shares by exercise of subscription, option and conversion rights. The restriction shall not apply in an acquisition as a result of inheritance, the apportionment of an estate or matrimonial law.

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3.5.3 **4.5.3** The Board of Directors may refuse the recognition and registration as a shareholder or usufructuary with voting rights if ~~an acquirer of shares~~ **a person** does not expressly state on request that ~~he~~ **they** ~~has~~ **have** acquired the shares or the usufruct of the shares in his **their** own name and for his **their** own account, **that there exists no agreement on the redemption or return of corresponding shares, and that they bear**

3.5.4 The Board of Directors may delete the entry of a shareholder with voting rights in the Share Register after hearing the concerned party if the acquirer has obtained said entry by giving false information, in which case he shall be recorded as a shareholder without voting rights. The acquirer must be immediately informed of the deletion of the entry.

### 3.6 Facilitation of Exchange Trading of Shares

In order to facilitate the trading of the shares on the exchange, the Board of Directors may, by means of regulations or by way of agreements, allow the fiduciary registration of registered shares with voting rights exceeding the limit mentioned in clause 3.5 by fiduciaries who declare their status as fiduciary (nominees, ADR banks). These parties must be subject to supervision by a banking or financial market supervisory authority or otherwise offer assurance of proper business conduct, must act for the account of one or several parties unrelated to each other, and must be able to disclose to the Corporation the names, addresses and the amount of shareholdings of the beneficial owners of the shares.

the economic risk associated with the shares. The Board of Directors may not deny registration to a person on the grounds that the request was made through the latter's own bank.

3.5.4 4.5.4 The Board of Directors may delete the entry of a shareholder with voting rights in the Share Register after hearing the concerned party person if the acquirer latter has obtained said entry by giving false information, in which case he they shall be recorded as a shareholder without voting rights. The acquirer concerned person must be immediately informed of the deletion of the entry.

### 3.6 4.6 Facilitation of Exchange Trading of Shares

In order to facilitate the trading of the shares on the exchange, the Board of Directors may, by means of regulations or by way of agreements, allow the fiduciary registration of registered shares with voting rights exceeding the limit mentioned in clause 3.5 4.5 by fiduciaries who declare their status as fiduciary (nominees, ADR banks). These parties must be subject to supervision by a banking or financial market supervisory authority or otherwise offer assurance of proper business conduct, must act for the account of one or several parties unrelated to each other, and must be able to disclose to the Corporation the names, addresses and the amount of shareholdings of the beneficial owners of the shares.

### 4. The Bodies of the Corporation

The bodies of the Corporation are:

- a. Shareholders' Meeting
- b. Board of Directors
- c. Executive Board
- d. Auditors

### 4.5. The Bodies of the Corporation

The bodies of the Corporation are:

- a. Shareholders' Meeting;
- b. Board of Directors;
- c. Executive Board;
- d. Auditors.

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### 5. Shareholders' Meeting

#### 5.1 Powers of the Shareholders' Meeting

The Shareholders' Meeting is the supreme body of the Corporation. It has the following powers:

- a. Establishment and alteration of the Articles of Incorporation;
- b. Election and dismissal of the Chairman and members of the Board of Directors;
- c. Election and dismissal of the members of the Remuneration Committee;
- d. Election and dismissal of the independent proxy;
- e. Election and dismissal of the statutory auditor;
- f. Approval of the remuneration of the Board of the Directors and the Executive Board according to these Articles of Incorporation;
- g. Approval of the Management Report and the consolidated financial statements;
- h. Approval of the annual financial statements as well as resolutions on the allocation of the balance sheet profits, in particular the determination of dividends;
- i. Release of the members of the Board of Directors and the Executive Board and

### 5.6. Shareholders' Meeting

#### 5.1 6.1 Powers of the Shareholders' Meeting

6.1.1 The Shareholders' Meeting is the supreme body of the Corporation. It has the following powers:

- a. Establishment and alteration of the Articles of Incorporation;
- ~~b. Election and dismissal of the Chairman and members of the Board of Directors;~~
- b. Election of the following persons:
  1. the Chairman or Chairwoman of the Board of Directors,
  2. the members of the Board of Directors,
  3. the members of the Compensation Committee,
  4. the independent proxy,
  5. the statutory auditor;
- ~~c. Election and dismissal of the members of the Remuneration Committee;~~
- g.c. Approval of the Management Report and the consolidated financial statements;
- ~~d. Election and dismissal of the independent proxy;~~
- hd. Approval of the annual financial statements as well as resolutions on the allocation of the balance sheet profits, in particular the determination of dividends;

## Current Wording

- j. Resolutions on those matters which are the prerogative of the Shareholders' Meeting by virtue of the law and the Articles of Incorporation.

## Proposed wording and numbering

- e. ~~Election and dismissal of the statutory auditor;~~
- e. The setting of the interim dividend and the approval of the interim financial statement required for this purpose;
- f. ~~Approval of the remuneration of the Board of the Directors and the Executive Board according to these Articles of Incorporation;~~
- f. Resolutions on the repayment of the legal capital reserve;
- ig. Release of the members of the Board of Directors and the Executive Board ~~and~~;
- h. Approval of the remuneration of the Board of Directors and the Executive Board;
- i. Consultative vote on the Remuneration Report;
- j. Approval of the report on non-financial matters in accordance with Art. 964a ff. CO and of any other reports prescribed by law;
- k. Delisting of the Corporation's equity securities;
- jl. Resolutions on those matters which are the prerogative of the Shareholders' Meeting by virtue of the law and the Articles of Incorporation.

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6.1.2 In the case of a delisting resolution within the meaning of clause 6.1.1(k), the Board of Directors shall determine the modalities of the delisting.

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## 5.2 Meetings

5.2.1 The ordinary Shareholders' Meeting shall take place annually within six months after the end of the fiscal year.

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## 5.2 6.2 Meetings

5.2.1 6.2.1 The ordinary Shareholders' Meeting shall take place annually within six months after the end of the fiscal year.

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## Current Wording

5.2.2 Extraordinary Shareholders' Meetings shall be called as often as may be necessary, in particular in the cases provided for by law.

5.2.3 The Board of Directors must convene extraordinary Shareholders' Meetings upon request by shareholders who represent at least ten percent of the share capital. Such request must be in writing and must state the items to be put on the agenda as well as the corresponding motions.

## 5.3 Convocation

5.3.1 The Shareholders' Meeting is convened by the Board of Directors, if necessary by the auditors.

5.3.2 The Shareholders' Meeting is called at least 20 days before the date of the meeting by communication in the means of publication of the Corporation. The convocation may, in addition, be made by a letter (registered or ordinary mail) to all registered shareholders at the addresses recorded in the Share Register.

5.3.3 The notice of the meeting shall set forth the items on the agenda as well as the motions of the Board of Directors and of the shareholders who have requested that a Shareholders' Meeting be called or an item be placed on the agenda.

## Proposed wording and numbering

5.2.2 **6.2.2** Extraordinary Shareholders' Meetings shall be called as often as may be necessary, in particular in the cases provided for by law.

5.2.3 **6.2.3** The Board of Directors must convene extraordinary Shareholders' Meetings upon request by shareholders who, **individually or together**, represent at least ~~ten percent~~ **5%** of the share capital **or votes**. Such request must be in writing and must state the items to be put on the agenda as well as the corresponding motions: **and, in the case of elections, the names of the proposed candidates**.

## 5.3 **6.3** Convocation

5.3.1 **6.3.1** The Shareholders' Meeting is convened by the Board of Directors, if necessary by the auditors.

5.3.2 **6.3.2** The Shareholders' Meeting is called at least 20 days before the date of the meeting by communication in the means of publication of the Corporation. The convocation may, in addition, be made by a letter (registered or ordinary mail) to all registered shareholders at the addresses recorded in the Share Register **in the form provided for in clause 13**.

5.3.3 **6.3.3** The notice of the meeting shall set forth the items on the agenda as well as the motions of the Board of Directors and of the shareholders who have requested that a Shareholders' Meeting be called or an item be placed on the agenda **make known the following**:

- a. **the date, the starting time, the type and the venue of the Shareholders' Meeting;**

- b. the items on the agenda;
- c. the motions of the Board of Directors, with a brief statement of reasons;
- d. any motions by shareholders, with a brief statement of reasons;
- e. the name and address of the independent proxy.

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### 5.4 Agenda, Right to Put forward Motions

5.4.1 Resolutions on matters which have not been announced in conformity with the procedures outlined in clause 5.3 may not be passed, except in a meeting where all shareholders are present. This provision shall not apply to proposals to convene an extraordinary Shareholders' Meeting or to initiate a special audit

5.4.2 On the other hand, no previous announcement is necessary to put forward motions concerning items already on the agenda and to debate issues without passing a resolution.

5.4.3 Shareholders who represent shares with a par value of at least CHF 40,000 may request that a motion is placed on the agenda. The request must be communicated to the Board of Directors in writing, by stating the item on the agenda and the corresponding motion, at least 45 days prior to the Shareholders' Meeting.

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### 5.4.6.4 Agenda, Right to Put forward Motions

5.4.1 6.4.1 Resolutions on matters which have not been announced in conformity with the procedures outlined in clause 5.3 6.3 may not be passed, ~~except in a meeting where all shareholders are present.~~ This provision shall not apply to proposals to convene an extraordinary Shareholders' Meeting ~~or,~~ to initiate a special audit ~~or to elect a statutory auditor.~~

5.4.2 6.4.2 On the other hand, no previous announcement is necessary to put forward motions **at the Shareholders' Meeting** concerning items already on the agenda and to debate issues without passing a resolution.

5.4.3 6.4.3 Shareholders who, **individually or together,** represent shares with a par value of at least **Fr.** 40,000 may request that **a motion items is be** placed on the agenda **and that motions on items be included in the notice convening the Shareholders' Meeting.** **Shareholders may submit a brief statement of reasons together with the agenda items or motions.** **Such** requests must be communicated to the Board of Directors in writing, by stating the item on the agenda and the corresponding motion **or motions,** at least 45 days prior to the Shareholders' Meeting.

### 5.5 Presentation of the Annual Report and the Remuneration Report as well as the Auditors' Reports

The Annual Report, the Remuneration Report and the Auditors' Reports must be presented at the headquarters of the Corporation to the shareholders for inspection at least 20 days before the Shareholders' Meeting. Reference must be made in the invitation for the Shareholders' Meeting to this presentation as well as to the right of the shareholders to request to be delivered these documents.

### 5-5 6.5 Presentation of the Annual Report and the Remuneration Report as well as the Auditors' Reports

The Annual Report, the Remuneration Report and the Auditors' Reports, **as well as the report on non-financial matters pursuant to Art. 964a ff. CO**, must be presented at the headquarters of the Corporation to the shareholders for inspection **made available** at least 20 days before the Shareholders' Meeting. Reference must be made in the invitation for the Shareholders' Meeting to this presentation as well as to the right of the shareholders to request to be delivered these documents. **If the documents are not accessible electronically, any shareholder may request that they be sent to them in good time.**

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### 5.6 Conduct of Shareholders' Meetings

### 5-6 6.6 Conduct of Shareholders' Meetings

6.6.1 The Board of Directors shall determine the venue of the Shareholders' Meeting. The Shareholders' Meeting may be held by electronic means without a venue (virtual Shareholders' Meeting).

6.6.2 The Board of Directors may provide that shareholders who are not present at the venue may exercise their rights by electronic means.

5.6.1 The Chairman shall chair the Shareholders' Meeting. In the event that he is unable to do so, another member of the Board of Directors or another person elected by the Shareholders' Meeting shall be Chairman for the duration of the Meeting

5-6-1 6.6.3 The Chairman **or Chairwoman** shall chair the Shareholders' Meeting. In the event that they are unable to do so, another member of the Board of Directors or **another person** elected by the Shareholders' Meeting shall act as Chairman **or Chairwoman** for the duration of the Meeting.

## Current Wording

5.6.2 The Chairman shall designate the keeper of minutes and the vote counters, who need not to be shareholders. He shall be responsible for the minutes, which shall be signed by the Chairman and the secretary.

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## 5.7 Resolutions

5.7.1 Every share registered with voting rights in the Share Register of the Corporation shall be entitled to one vote.

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5.7.2 Every shareholder may be represented at the Shareholders' Meeting by another shareholder with voting rights who has to present a written proxy; or he can be represented by the independent proxy.

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## Proposed wording and numbering

~~5.6.2~~ **6.6.4** The Chairman or Chairwoman shall designate the keeper of minutes and the vote counters, who need not to be shareholders; the functions may be assigned to the same person. The minutes shall be signed by the Chairman or Chairwoman and the keeper of minutes. He shall be responsible for the minutes, which shall be signed by the Chairman and the secretary.

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**6.6.5** The Chairman or Chairwoman shall have all management powers necessary and appropriate to ensure the orderly and trouble-free conduct of the Shareholders' Meeting.

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## 5.7 **6.7** Resolutions

~~5.7.1~~ **6.7.1** Every share registered with voting rights in the Share Register of the Corporation shall be entitled to one vote.

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~~5.7.2~~ **6.7.2** Every shareholder may be represented at the Shareholders' Meeting by another shareholder with voting rights who has to present a written proxy; or he can be represented by the independent proxy:

- a. their legal representative;
- b. a representative of their choice; or by
- c. the independent proxy.

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**6.7.3** The forms prepared by the Board of Directors or designated electronic means shall be used to issue the power of attorney and instructions.

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**6.7.4** If the independent proxy does not receive any instructions, they shall abstain from voting. Powers of attorney and instructions may only be issued to the inde-



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5.7.3 The Shareholders' Meeting elects the independent proxy, whose term of office ends with the conclusion of the next Shareholders' Meeting. Re-election is possible. If the Corporation no longer has an independent proxy, the Board of Directors nominates such a person for the next Shareholders' Meeting

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5.7.4 The Shareholders' Meeting passes resolutions and conducts its elections with an absolute majority of the votes validly cast, provided the law or the Articles of Incorporation do not contain other provisions. Abstentions are not treated as votes cast.

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5.7.5 In the case of elections, if in the first round of voting a majority is not reached, then a second round of voting shall take place in which the relative majority shall be decisive.

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5.7.6 The Chairman does not have a casting vote.

pendent proxy for the upcoming Shareholders' Meeting.

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5.7.3 ~~6.7.5~~ The Shareholders' Meeting elects the independent proxy, whose term of office ends with the conclusion of the next Shareholders' Meeting. Re-election is possible. If the Corporation no longer has an independent proxy, the Board of Directors nominates such a person for the next Shareholders' Meeting. **Previously issued powers of attorney and instructions are deemed to have been issued to the person newly appointed as the independent proxy and remain valid.**

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5.7.4 ~~6.7.6~~ The Shareholders' Meeting passes resolutions and conducts its elections with an ~~absolute~~ majority of the votes ~~validly cast~~ **represented**, provided the law or the Articles of Incorporation do not contain other provisions. ~~Abstentions are not treated as votes cast.~~

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5.7.5 ~~6.7.7~~ In the case of elections, if in the first round of voting a majority is not reached, then a second round of voting shall take place ~~in which the relative majority shall be decisive.~~

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5.7.6 ~~6.7.8~~ **In the event of a tied vote, the motion shall be deemed rejected.** The Chairman **or Chairwoman** does not have a casting vote.

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**6.7.9 The resolutions and election results shall be made available electronically within 15 days of the Shareholders' Meeting, stating the exact voting proportions; any shareholder may request that the minutes be made available to them within 30 days of the Shareholders' Meeting.**

## Current Wording

5.7.7 The Shareholders' Meeting approves the requests of the Board of Directors regarding the maximum total amounts:

- a. for the remuneration of the Board of Directors for the following fiscal year; and
- b. for the remuneration of the Executive Board for the following fiscal year.

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The Board of Directors can in justified exceptional cases submit requests to the Shareholders' Meeting regarding the maximum total amounts and/or individual remuneration elements for other time periods.

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5.7.8 If the ordinary Shareholders' Meeting rejects a request from the Board of Directors regarding the remuneration of the Board of Directors or the Executive Board, the Board of Directors shall determine the corresponding maximum total amount, taking into account all relevant factors, and submit it to the Shareholders' Meeting for approval.

Within the framework of any maximum total amount thus determined, the Corporation or companies controlled by it may pay remuneration subject to approval by the Shareholders' Meeting.

5.7.9 The Chairman of the Shareholders' Meeting shall conclusively determine the

## Proposed wording and numbering

5-7-7 **6.7.10** The Shareholders' Meeting approves the requests of the Board of Directors regarding the maximum total amounts:

- a. for the remuneration of the Board of Directors for the following fiscal year; and
- b. for the remuneration of the Executive Board for the following fiscal year.

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**6.7.11** The Board of Directors can in justified exceptional cases submit requests to the Shareholders' Meeting regarding the maximum total amounts and/or individual remuneration elements for other time periods.

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**6.7.12** Insofar as the variable remuneration of the Executive Board for the following fiscal year is submitted to the Shareholders' Meeting for approval, the Shareholders' Meeting shall additionally vote consultatively on the Remuneration Report for this fiscal year.

5-7-8 **6.7.13** If the ordinary Shareholders' Meeting rejects a request from the Board of Directors regarding the remuneration of the Board of Directors or the Executive Board, the Board of Directors shall determine the corresponding maximum total amount, taking into account all relevant factors, and submit it to the Shareholders' Meeting for approval.

**6.7.14** Within the framework of any maximum total amount thus determined, the Corporation or companies controlled by it may pay remuneration subject to approval by the Shareholders' Meeting.

5-7-9 **6.7.15** The Chairman or Chairwoman of the Shareholders' Meeting shall conclu-

## Current Wording

voting procedure for holding elections and passing resolutions. An electronic voting procedure may be used for elections and resolutions. If elections and resolutions are not held or taken by using an electronic voting procedure, shareholders with a par value of at least CHF 40,000 may request a written ballot.

## Proposed wording and numbering

sively determine the voting procedure for holding elections and passing resolutions. An electronic voting procedure may be used for elections and resolutions. **Electronic voting and elections are equivalent to votes and elections conducted by written ballot. The Chairman or Chairwoman may have an election or vote repeated if, in their opinion, there is reasonable doubt about the result of the vote. In this case, the preceding election or vote shall be deemed not to have taken place.** If elections and resolutions are not held or taken by using an electronic voting procedure, shareholders with a par value of at least CHF 40,000 may request a written ballot.

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### 5.8 Special Decision Quorums

In addition to Art. 704 CO, a resolution of the Shareholders' Meeting must be passed by at least two-thirds of the represented votes and the absolute majority of the represented par values for:

- a. introduction of restrictions on voting rights;
- b. conversion of registered shares into bearer shares and vice versa;
- c. modifications of this provision.

### 5-8 6.8 Special Decision Quorums

In addition to Art. 704 CO, a resolution of the Shareholders' Meeting must be passed by at least two-thirds of the represented votes and the absolute majority of the represented par values for:

- a. introduction of restrictions on voting rights;
- ~~b. conversion of registered shares into bearer shares and vice versa;~~
- cb.** modifications of this provision.

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## 6. Board of Directors

### 6.1 Composition, Election, Term of Office and Constitution

6.1.1 The Board of Directors shall consist of seven to nine members. The number of members may be increased temporarily if required.

## 6-7. Board of Directors

### 6-1 7.1 Composition, Election, Term of Office and Constitution

~~6-1-1~~ **7.1.1** The Board of Directors shall consist of seven to nine members. The number of members may be increased temporarily if required.

## Current Wording

6.1.2 The Shareholders' Meeting elects the members of the Board of Directors and the Chairman of the Board of Directors individually. Their term of office ends with the conclusion of the next Shareholders' Meeting. Re-election is possible. The members of the Board of Directors normally retire after a total of twelve years in office. The office can be held at most until turning 70. If the office of the Chairman is vacant, the Board of Directors nominates a chairman from among its members until the conclusion of the next Shareholders' Meeting.

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6.1.3 The Swiss Confederation has the right to delegate two representatives to the Board of Directors and to remove them if necessary. The members of the Board of Directors delegated by the Swiss Confederation have the same rights and obligations as the members elected by the Shareholders' Meeting.

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6.1.4 The Board of Directors of the Corporation shall also include two representatives of the employees (appropriate representation according to Art. 9 para. 3 TUG). The employees of the Corporation have the right to propose candidates for the election.

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6.1.5 The Board of Directors constitutes itself. Election of the Chairman of the Board of Directors and members of the Compensation Committee is the prerogative of the Shareholders' Meeting.

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## Proposed wording and numbering

~~6.1.2~~ **7.1.2** The Shareholders' Meeting elects the members of the Board of Directors and the Chairman **or Chairwoman** of the Board of Directors individually. Their term of office ends with the conclusion of the next Shareholders' Meeting. Re-election is possible. The members of the Board of Directors normally retire after a total of twelve years in office. The office can be held at most until turning 70. If the office of the Chairman **or Chairwoman** is vacant, the Board of Directors nominates a Chairman **or Chairwoman** from among its members, **who assumes the role** until the conclusion of the next Shareholders' Meeting.

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~~6.1.3~~ **7.1.3** The Swiss Confederation has the right to delegate two representatives to the Board of Directors and to remove them if necessary. The members of the Board of Directors delegated by the Swiss Confederation have the same rights and obligations as the members elected by the Shareholders' Meeting.

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~~6.1.4~~ **7.1.4** The Board of Directors of the Corporation shall also include two representatives of the employees (appropriate representation according to Art. 9 para. 3 TUG). The employees of the Corporation have the right to propose candidates for the election.

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~~6.1.5~~ **7.1.5** The Board of Directors constitutes itself. Election of the Chairman **or Chairwoman** of the Board of Directors and members of the Compensation Committee is the prerogative of the Shareholders' Meeting.

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## 6.2 Powers and Duties

6.2.1 The Board of Directors is entrusted with the ultimate direction of the Corporation and the supervision of the Executive Board. It represents the Corporation toward third parties and attends to all matters which are not reserved to another body of the Corporation by law, the Articles of Incorporation or the regulations.

6.2.2 The Board of Directors delegates, in accordance with Art. 10 para. 1 TUG, the executive management of the business of the Corporation to the Executive Board. The Board of Directors shall enact Management and Board Regulations to this effect and shall arrange for the appropriate contractual relationships.

6.2.3 The Board of Directors has the following non-delegable and irrevocable duties:

- a. Ultimate direction of the Corporation and issuance of the necessary directives;
- b. Determination of the organisation;
- c. Organisation of the accounting, the financial control, as well as the financial planning;
- d. Appointment and dismissal of the persons entrusted with management and of the persons with signatory powers;
- e. Ultimate supervision of the persons entrusted with the management, in particular with respect to compliance with the law, the Articles of Incorporation, regulations and directives;
- f. Preparation of the business report and the Remuneration Report as well as the Shareholders' Meeting, and implementation of the latter's resolutions;

## 6.2 7.2 Powers and Duties

6.2.1 **7.2.1** The Board of Directors is entrusted with the ultimate direction of the Corporation and the supervision of the Executive Board. It represents the Corporation toward third parties and attends to all matters which are not reserved to another body of the Corporation by law, the Articles of Incorporation or the regulations.

6.2.2 **7.2.2** The Board of Directors delegates, in accordance with Art. 10 para. 1 TUG, the executive management of the business of the Corporation to the Executive Board. The Board of Directors shall enact Management and Board Regulations to this effect and shall arrange for the appropriate contractual relationships.

6.2.3 **7.2.3** The Board of Directors has the following non-delegable and irrevocable duties:

- a. Ultimate direction of the Corporation and issuance of the necessary directives;
- b. Determination of the organisation;
- c. Organisation of the accounting, the financial control, as well as the financial planning;
- d. Appointment and dismissal of the persons entrusted with management and of the persons with signatory powers **entrusted to represent them**;
- e. Ultimate supervision of the persons entrusted with the management, in particular with respect to compliance with the law, the Articles of Incorporation, regulations and directives;
- f. Preparation of the business report **and the report on non-financial matters pursuant**

## Current Wording

- g. Notification of the court in the event liabilities exceed assets;
- h. Decision on authorized capital increases;
- i. Passing of implementing resolutions on ordinary, authorized and conditional capital increases, and resolution on the amendments to the Articles of Incorporation and the reports on the capital increases related thereto.

## Proposed wording and numbering

- ~~g. Notification of the court in the event liabilities exceed assets~~ **to Art. 964a ff. CO, as well as the Shareholders' Meeting, and implementation of the latter's resolutions;**
- ~~g. Notification of the court in the event liabilities exceed assets~~ **Filing of a petition for debt-restructuring proceedings and notification of the court in case of over-indebtedness;**
- ~~h. Decision on authorized capital increases~~ **Determination of changes in capital and corresponding amendments to the Articles of Incorporation (including deletions) as well as preparation of the report on capital increases.**
- ~~i. Passing of implementing resolutions on ordinary, authorized and conditional capital increases, and resolution on the amendments to the Articles of Incorporation and the reports on the capital increases related thereto.~~

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### 6.3 Passing of Resolutions

6.3.1 The organisation of the meetings, the quorum and the passing of resolutions of the Board of Directors shall be set forth in the Management and Board Regulations of the Board of Directors.

6.3.2 The Chairman has the casting vote.

6.3.3 Minutes shall be kept of the deliberations and resolutions of the Board of Directors. The minutes shall be signed by the Chairman and the secretary of the Board of Directors.

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### 6.3-7.3 Passing of Resolutions

~~6.3-1~~ **7.3.1** The organisation of the meetings, the quorum and the passing of resolutions of the Board of Directors shall be set forth in the Management and Board Regulations of the Board of Directors.

~~6.3-2~~ **7.3.2** The Chairman **or Chairwoman** has the casting vote.

~~6.3-3~~ **7.3.3** Minutes shall be kept of the deliberations and resolutions of the Board of Directors. The minutes shall be signed by the Chairman **or Chairwoman** and the ~~secretary of the Board of Directors~~ **keeper of minutes**.

### 6.4 Remuneration

The members of the Board of Directors are entitled to remuneration for their services that is adequate in view of their function and responsibility. The amount of the remuneration due shall be fixed by the Board of Directors within the framework approved by the Shareholders' Meeting. The Corporation can also pay remuneration in this framework for work in companies that it controls directly or indirectly and for work ordered by the Corporation. The remuneration can be paid by the Corporation or companies controlled by it.

### 6.5 Compensation Committee

6.5.1 The Compensation Committee consists of three to six members of the Board of Directors. The Shareholders' Meeting elects the members individually. Their term of office ends with the conclusion of the next Shareholders' Meeting. Re-election is possible. If the number of members in the Compensation Committee falls below the minimum number of three members, the Board of Directors will appoint from its midst the missing member(s) until the conclusion of the next Shareholders' Meeting.

6.5.2 The Board of Directors designates a chairman. Otherwise, the Compensation Committee constitutes itself.

6.5.3 The Compensation Committee supports the Board of Directors in configuring and implementing the principles and rules for the remuneration of the Board of Directors and Executive Board. It submits corresponding proposals to the Board of Directors, especially

### 6.47.4 Remuneration

The members of the Board of Directors are entitled to remuneration for their services that is adequate in view of their function and responsibility. The amount of the remuneration due shall be fixed by the Board of Directors within the framework approved by the Shareholders' Meeting. The Corporation can also pay remuneration in this framework for work in companies that it controls directly or indirectly and for work ordered by the Corporation. The remuneration can be paid by the Corporation or companies controlled by it.

### 6.57.5 Compensation Committee

6.5-17.5.1 The Compensation Committee consists of three to six members of the Board of Directors. The Shareholders' Meeting elects the members individually. Their term of office ends with the conclusion of the next Shareholders' Meeting. Re-election is possible. If the number of members in the Compensation Committee falls below the minimum number of three members, the Board of Directors will appoint from its midst the missing member(s) until the conclusion of the next Shareholders' Meeting.

6.5-27.5.2 The Board of Directors designates a Chairman or Chairwoman. Otherwise, the Compensation Committee constitutes itself.

6.5-37.5.3 The Compensation Committee supports the Board of Directors in configuring and implementing the principles and rules for the remuneration of the Board of Directors and Executive Board. It submits corresponding proposals to the Board of Directors, especially

## Current Wording

regarding proposals of the Board of Directors for the attention of the Shareholders' Meeting regarding the remuneration of the Board of Directors and the Executive Board and the proposals of the Board of Directors on the remuneration of the Board of Directors and the chairman of the Executive Board. The Compensation Committee decides within the framework of the total remuneration approved by the Shareholders' Meeting on the remuneration of the remaining members of the Executive Board. Moreover, it monitors the execution of the decisions of the Board of Directors and the Shareholders' Meeting regarding the remuneration of the Board of Directors and Executive Board.

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6.5.4 The Board of Directors can assign additional tasks to the Compensation Committee.

## 7. Executive Board

### 7.1 Transfer of business management, election and composition

According to Art. 10 para. 1 TUG, the Executive Board, whose members are elected by the Board of Directors, is in charge of the executive management of the business of the Corporation.

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The Executive Board shall consist of one or several members who may not simultaneously be members of the Board of Directors. Exceptions are permitted for a limited period of time in extraordinary circumstances.

## Proposed wording and numbering

regarding proposals of the Board of Directors for the attention of the Shareholders' Meeting regarding the remuneration of the Board of Directors and the Executive Board and the proposals of the Board of Directors on the remuneration of the Board of Directors and the Chairman or Chairwoman of the Executive Board. The Compensation Committee decides within the framework of the total remuneration approved by the Shareholders' Meeting on the remuneration of the remaining members of the Executive Board. Moreover, it monitors the execution of the decisions of the Board of Directors and the Shareholders' Meeting regarding the remuneration of the Board of Directors and Executive Board.

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6.5.4 7.5.4 The Board of Directors can assign additional tasks to the Compensation Committee.

## 7.8. Executive Board

### 7.1 8.1 Transfer of business management, election and composition

8.1.1 According to Art. 10 para. 1 TUG, the Executive Board, whose members are elected by the Board of Directors, is in charge of the executive management of the business of the Corporation.

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8.1.2 The Executive Board shall consist of one or several members who may not simultaneously be members of the Board of Directors. Exceptions are permitted for a limited period of time in extraordinary circumstances.



### 7.2 Remuneration

7.2.1 The members of the Executive Board are entitled to remuneration that is adequate in view of their function and responsibility. The Corporation can pay remuneration for work in companies that it controls directly or indirectly and for work on instructions by the Corporation. The remuneration can be paid by the Corporation or companies controlled by it.

7.2.2 The Corporation or companies controlled by it are authorised to pay an additional amount to each member of the Executive Board newly designated during (a) period(s) for which the Shareholders' Meeting has already approved the remuneration of the Executive Board, if the already approved total amount is insufficient for his remuneration. The additional amount serves to settle contractual employment obligations of the newly designated member of the Executive Board on a comparable scale to the remuneration of the departing member of the Executive Board and to compensate valid claims of the newly designated member of the Executive Board vis-à-vis his employer or client (including entitlements).

### 7.2 8.2 Remuneration

~~7.2.1~~ **8.2.1** The members of the Executive Board are entitled to remuneration that is adequate in view of their function and responsibility. The Corporation can pay remuneration for work in companies that it controls directly or indirectly and for work on instructions by the Corporation. The remuneration can be paid by the Corporation or companies controlled by it.

~~7.2.2~~ **8.2.2** The Corporation or companies controlled by it are authorised to pay an additional amount to each member of the Executive Board newly designated during (a) period(s) for which the Shareholders' Meeting has already approved the remuneration of the Executive Board (**replacement of a member of the Executive Board and/or expansion of the Executive Board**), if the already approved total amount is insufficient for his **their** remuneration. The additional amount **may also be used as** serves to settle contractual employment obligations of the newly designated member of the Executive Board on a comparable scale to the remuneration of the departing member of the Executive Board and to compensation **for** valid claims of the newly designated member of the Executive Board vis-à-vis his **their previous** employer or client (including entitlements).

**8.2.3** If an additional amount is to be paid when an Executive Board member is replaced, the remuneration package of the newly appointed member of the Executive Board must be comparable to that of the departing member of the Executive Board. In the event of an expansion of the Executive Board, the remuneration package of

The additional amount paid may not exceed per remuneration period 30% of the last approved total amount of the maximum remuneration of the Executive Board for the chairman of the Executive Board and 20% for the other functions in the Executive Board. The additional amounts may not exceed per remuneration period overall half of the last approved total amount of the maximum remuneration of the Executive Board.

## 8. Joint Provisions for Members of the Board of Directors and Executive Board

### 8.1 Success and Participation Plans

8.1.1 The remuneration of the members of the Board of Directors consists namely of a Board of Directors fee related to function and meeting attendance fees. The remuneration of members of the Board of Directors takes the responsibility and function of the members of the Board of Directors into account. The level of the remuneration elements is determined by the Board of Directors within the framework of the total amount of remuneration of the Board of Directors approved by the Shareholders' Meeting. A portion of their fee is paid to members of the Board of Directors in restricted shares of the Corporation in order to guarantee a direct involvement in the long-term

the Executive Board member concerned must be within a range comparable to that of the other Executive Board members, taking into account the function of the new member.

8.2.4 The additional amount paid either when a member is replaced or when the Executive Board is expanded may not exceed per remuneration period 30% of the last approved total amount of the maximum remuneration of the Executive Board for the Chairman or Chairwoman of the Executive Board and 20% for the other functions in the Executive Board. The additional amounts may not exceed per remuneration period overall half of the last approved total amount of the maximum remuneration of the Executive Board.

## 8-9. Joint Provisions for Members of the Board of Directors and Executive Board

### 8-1-9.1 Success and Participation Plans

8-1-9.1.1 The remuneration of the members of the Board of Directors consists namely of a Board of Directors fee related to function and meeting attendance fees. The remuneration of members of the Board of Directors. It takes the responsibility and function of the members of the Board of Directors into account. The level of the remuneration elements is determined by the Board of Directors within the framework of the total amount of remuneration of the Board of Directors approved by the Shareholders' Meeting. A portion of their fee is paid to members of the Board of Directors in restricted shares of the Corporation in order to guarantee a direct involvement in

## Current Wording

value development. To further reinforce the alignment with the shareholders' interests the Board of Directors can decide on guidelines for setting up and holding a minimum portfolio of shares of the Corporation for the members of the Board of Directors.

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8.1.2 The remuneration of the members of the Executive Board consists of fixed remuneration elements and a variable performance-related component. The variable component is intended to create an incentive to improve the company results and in this way to continually enhance the corporate value. It is measured by the achievement of performance targets determined by the Board of Directors at the beginning of the corresponding performance period. The performance targets can include personal targets, corporate and unit-specific targets of financial and non-financial nature, taking the function of the Executive Board member into account.

The variable component provided for in the event of achieving the targets (target variable component) can amount to up to 70% of the annual base salary for the individual Executive Board member. In the event of the targets being exceeded, the variable component can amount to a maximum of 100% of the annual base salary. The level of the variable component is determined by the Board of Directors on the basis of the target achievement within the framework of the total amount of remuneration of the Executive Board approved by the Shareholders' Meeting. The fixed remuneration and/or variable remuneration are paid in part in shares comparable instruments and/or units determined by the Corporation

## Proposed wording and numbering

the long-term value development. To further reinforce the alignment with the shareholders' interests the Board of Directors can decide on guidelines for setting up and holding a minimum portfolio of shares of the Corporation for the members of the Board of Directors.

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~~8.1.2~~ **9.1.2** The remuneration of the members of the Executive Board consists of fixed remuneration elements and a variable performance-related component. The variable component is intended to create an incentive to improve the company results and in this way to continually enhance the corporate value. It is measured by the achievement of performance targets determined by the Board of Directors at the beginning of the corresponding performance period. The performance targets can include personal targets, corporate and unit-specific targets of financial and non-financial nature, taking the function of the Executive Board member into account.

**9.1.3** The variable component provided for in the event of achieving the targets (target variable component) can amount to up to 70% of the annual base salary for the individual Executive Board member. In the event of the targets being exceeded, the variable component can amount to a maximum of 100% of the annual base salary. The level of the variable component is determined by the Board of Directors on the basis of the target achievement within the framework of the total amount of remuneration of the Executive Board approved by the Shareholders' Meeting. The fixed remuneration and/or variable remuneration are paid in part in shares comparable instruments and/or units determined by the

## Current Wording

in order to guarantee direct participation in the long-term value development. To reinforce the alignment with shareholders' interests further the Board of Directors can decide on minimum shareholding guidelines for the members of the Executive Board.

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8.1.3 The variable component for the members of the Executive Board is normally paid under the Management Incentive Plan to at least 25% in restricted shares of the Corporation. The members of the Executive Board have the option of increasing the share proportion on a voluntary basis. The function-dependent annual fee is normally paid to a third in restricted shares of the Corporation for members of the Board of Directors under the Management Incentive Plan. The allocation of the shares under the Management Incentive Plan occurs on the basis of the tax value. The restriction period is normally three years shareholding guidelines for the members of the Executive Board.

The Restricted Share Plan issued by the Board of Directors serves to support recruitment and retention of key personnel. Under the Restricted Share Plan the Board of Directors can also pay a portion of the remuneration for individual Executive Board members in the form of units ("Restricted Share Units"). After a vesting period of normally three years and on the condition of an un-terminated employment these units entitle the holder to obtain shares in the Corporation free of charge. The calculation value of the units corresponds to the market value of the shares at the time of allocation.

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8.1.4 The Board of Directors in each case specifies the details for shares paid out,

## Proposed wording and numbering

Corporation in order to guarantee direct participation in the long-term value development. To reinforce the alignment with shareholders' interests further the Board of Directors can decide on minimum shareholding guidelines for the members of the Executive Board.

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~~8.1.3~~ **9.1.4** The variable component for the members of the Executive Board is normally paid under the Management Incentive Plan to at least 25% in restricted shares of the Corporation. The members of the Executive Board have the option of increasing the share proportion on a voluntary basis. The function-dependent annual fee is normally paid to a third in restricted shares of the Corporation for members of the Board of Directors under the Management Incentive Plan. The allocation of the shares under the Management Incentive Plan occurs on the basis of the tax value. The restriction period is normally three years shareholding guidelines for the members of the Executive Board.

**9.1.5** The Restricted Share Plan issued by the Board of Directors serves to support recruitment and retention of key personnel. Under the Restricted Share Plan the Board of Directors can also pay a portion of the remuneration for individual Executive Board members in the form of units ("Restricted Share Units"). After a vesting period of normally three years and on the condition of an un-terminated employment these units entitle the holder to obtain shares in the Corporation free of charge. The calculation value of the units corresponds to the market value of the shares at the time of allocation.

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~~8.1.4~~ **9.1.6** The Board of Directors in each case specifies the details for shares paid

## Current Wording

comparable instruments and/or units specified by the Corporation such as any expiry conditions, exercise conditions and periods, restriction periods and the time of the allocation and evaluation; it can provide for exercise conditions and periods and restriction periods being shortened or cancelled, remuneration being paid on the assumption of target values being achieved or the expiry of remuneration on account of the occurrence of events determined in advance such as termination of employment or a mandate relationship. In this regard, the Board of Directors takes the long-term interests of the Corporation into account, including its ability to recruit suitable personnel on the labour market and to bind employees to the Corporation.

## Proposed wording and numbering

out, comparable instruments and/or units specified by the Corporation such as any expiry conditions, exercise conditions and periods, restriction periods and the time of the allocation and evaluation; it can provide for exercise conditions and periods and restriction periods being shortened or cancelled, remuneration being paid on the assumption of target values being achieved or the expiry of remuneration on account of the occurrence of events determined in advance such as termination of employment or a mandate relationship. In this regard, the Board of Directors takes the long-term interests of the Corporation into account, including its ability to recruit suitable personnel on the labour market and to bind employees to the Corporation.

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### 8.2 Contracts

8.2.1 The Corporation or companies controlled by it can conclude fixed-term or indefinite contracts with members of the Board of Directors, on which the remuneration is based. The duration and termination depend on the term of office and the laws.

8.2.2 The Corporation or companies controlled by it can conclude employment contracts with members of the Board of Directors for an indefinite period with a period of notice of a maximum of twelve months.

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### 8-2-19.2 Contracts

8-2-19.2.1 The Corporation or companies controlled by it can conclude fixed-term or indefinite contracts with members of the Board of Directors, on which the remuneration is based. The duration and termination depend on the term of office and the laws.

8-2-29.2.2 The Corporation or companies controlled by it can conclude employment contracts with members of the Board of Directors for an indefinite period with a period of notice of a maximum of twelve months.

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### 8.3 External mandates

8.3.1 No member of the Board of Directors may hold more than three additional mandates in listed companies and ten addi-

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### 8-3-9.3 External mandates

8-3-19.3.1 No A member of the Board of Directors may hold more than three up to four additional mandates in listed companies

## Current Wording

tional mandates in unlisted companies. No member of the Board of Directors can hold more than a total of ten additional mandates. If mandates are exercised in companies that are linked by a control relationship, the main mandate is fully counted; each additional mandate is counted to one-fifth.

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8.3.2 No member of the Executive Board may hold more one additional mandate in listed companies and two additional mandates in unlisted companies. No member of the Executive Board can hold more than a total of two additional mandates. If mandates are exercised in companies that are linked by a control relationship, the main mandate is fully counted; each additional mandate is counted to one-fifth.

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8.3.3 The following mandates are not covered by these restrictions:

- a. mandates in companies controlled by the Corporation or which control the Corporation;
- b. mandates that a member of the Board of Directors or of the Executive Board holds on the orders of the Corporation or companies controlled by it. No member of the Board of Directors or the Executive Board can hold more than ten such mandates and
- c. mandates in interest groupings, charitable associations, institutions and foundations and employee benefit foundations. No member of the Board of Directors or the Executive Board can hold more than seven such mandates.

## Proposed wording and numbering

and **up to** ten additional mandates in unlisted companies, **with a total maximum of ten such additional mandates**. ~~No member of the Board of Directors can hold more than total of ten such additional mandates~~ If mandates are exercised in companies that are linked by a control relationship, the main mandate is fully counted; each additional mandate is counted to one-fifth.

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~~8.3.2~~ **9.3.2** No **A** member of the Executive Board may hold ~~more than~~ one additional mandate in listed companies and two additional mandates in unlisted companies, **with a total maximum of two such additional mandates**.~~No member of the Executive Board can hold more than a total of two additional mandates~~. If mandates are exercised in companies that are linked by a control relationship, the main mandate is fully counted; each additional mandate is counted to one-fifth.

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~~8.3.3~~ **9.3.3** The following mandates are not covered by these restrictions:

- a. mandates in companies controlled by the Corporation or which control the Corporation;
- b. mandates that a member of the Board of Directors or of the Executive Board holds on the orders of the Corporation or companies controlled by it. **The number of such mandates may not exceed ten; and** ~~No member of the Board of Directors or the Executive Board can hold more than ten such mandates~~
- c. mandates in interest groupings, charitable associations, institutions and foundations and employee benefit foundations. ~~No member of the Board of Directors or the Executive Board can hold more than seven such mandates~~

The number of such mandates may not exceed seven.

8.3.4 The obligation to observe the appropriate due care in accordance with the relevant legal provisions remains applicable in each case. The Board of Directors will issue additional guidelines, especially on a consultation obligation of the members of the Board of Directors and the approval procedure for members of the Executive Board.

8.3.5 Mandates in the supreme management or administrative body of a legal unit that is obliged to be entered in the commercial register or a corresponding foreign register are regarded as mandates.

9.3.4 By resolution of the Board of Directors, it is permissible in justified, exceptional cases to exceed the limits set out in clause 9.3 by a maximum of six months. This must be disclosed in the Remuneration Report, with the member concerned being named.

8.3.4 9.3.5 The obligation to observe the appropriate due care in accordance with the relevant legal provisions remains applicable in each case. The Board of Directors will issue additional guidelines, especially on a consultation obligation of the members of the Board of Directors and the approval procedure for members of the Executive Board.

8.3.5 9.3.6 Mandates in the supreme management or administrative body of a legal unit that is obliged to be entered in the commercial register or a corresponding foreign register **Activities carried out at other companies with an economic purpose, as a member of the Board of Directors, Executive Board or Advisory Board, or comparable functions,** are regarded as mandates.

## 9. Auditors

The Shareholders' Meeting shall elect a state-supervised audit company as the auditor. The term of office of the auditor is one fiscal year, and ends with acceptance of the corresponding annual accounts. Re-election is possible. The tasks of the auditor are determined by the legal requirements.

## 9-10. Auditors

The Shareholders' Meeting shall elect a state-supervised audit company as the auditor. The term of office of the auditor is one fiscal year, and ends with acceptance of the corresponding annual accounts. Re-election is possible. The tasks of the auditor are determined by the legal requirements.

### 10. Fiscal Year

The fiscal year ends as per 31 December of each year, ending for the first time on 31 December 1998.

### 11. Allocation of Profits

The Shareholders' Meeting shall decide on the allocation of the balance sheet profits taking into consideration all statutory requirements (Art. 14 TUG and Art. 671 CO).

Dividends which have not been paid within five years after falling due will be retained by the Corporation.

### 12. Communications and Notifications

Communications to the shareholders and notifications shall be made through publication in the Swiss Official Commercial Gazette. The Board of Directors may determine further means of publication. Communications to the registered shareholders may, subject to Article 5.3, instead be validly made by letter (registered or ordinary mail) to the addresses shown in the Share Register.

### ~~10.~~ 11. Fiscal Year

The fiscal year ends as per 31 December of each year, ending for the first time on 31 December 1998.

### ~~11.~~ 12. Allocation of Profits

12.1 The Shareholders' Meeting shall decide on the allocation of the balance sheet profits taking into consideration all statutory requirements (Art. 14 TUG and Art. 671 CO).

12.2 Dividends which have not been paid within five years after falling due will be retained by the Corporation.

### ~~12.~~ 13. Organ of Publication and Communications and Notifications

13.1 The Corporation's organ of publication is the Swiss Official Gazette of Commerce. The Board of Directors may determine further organs of publication.

13.2 Communications to the shareholders and notifications shall be made, at the discretion of the Board of Directors, either through publication in the Swiss Official Commercial Gazette of Commerce or by letter or electronically to the shareholders or their authorised representatives at the addresses recorded in the Share Register. The Board of Directors may determine further means of publication. Communications to the registered shareholders may, subject to Article 5.3, instead be validly made by letter (registered or ordinary mail) to the addresses shown in the Share Register.



## Current Wording

### 13. Grammatical gender

In these Articles of Incorporation, each title and function designation in the generic masculine is equally applicable to both sexes.

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## Proposed wording and numbering

### ~~13. Grammatical gender~~

~~In these Articles of Incorporation, each title and function designation in the generic masculine is equally applicable to both sexes.~~