

# Bylaws of HUBER+SUHNER AG

April 2014

## Table of Contents

<b>1. Principles and Scope .....</b>	<b>4</b>
<b>2. Board of Directors .....</b>	<b>4</b>
2.1 Constitution .....	4
2.2 Meetings, convocation and setting the agenda .....	4
2.3 Presence quorum, passing of resolutions and minutes .....	5
2.4 Duties .....	5
2.5 Delegation .....	7
2.6 Reporting and right to information .....	7
2.7 Compensation .....	7
2.8 Age limit .....	8
<b>3 Committees of the Board of Directors.....</b>	<b>8</b>
3.1 General .....	8
3.2 Election of the Members, constituion .....	8
3.3 Issuance of Regulations .....	9
<b>4 Chairman of the Board of Directors.....</b>	<b>9</b>
4.1 Function .....	9
4.2 Duties of the Chairman .....	9
4.3 Reporting.....	10
<b>5 CEO.....</b>	<b>10</b>
5.1 Function .....	10
5.2 Duties .....	10
5.3 Reporting.....	11
5.4 Relationship with the Executive Group Management .....	12
<b>6 Executive Group Management .....</b>	<b>12</b>
6.1 Composition .....	12
6.2 Duties .....	12
6.3 Meetings.....	12
6.4 Minutes.....	13
6.5 Reporting.....	13
<b>7 Bodies of the Group Companies.....</b>	<b>13</b>
7.1 Duties .....	13
7.2 Composition and election.....	14
7.3 Remuneration.....	14
<b>8 General provisions .....</b>	<b>14</b>
8.1 Financial year .....	14
8.2 Annual accounts.....	15
8.3 External information .....	15
8.4 Confidentiality.....	15
8.5 Signature .....	15

**9 Final provisions .....15**  
    9.1 Validity.....15  
    9.2 Revision and Amendment .....16

- Appendix 1: Function chart**
- Appendix 2: Regulations of the Audit Committee (AC)**
- Appendix 3: Regulations of the Nomination and Compensation Committee (NCC)**

## **Bylaws of HUBER+SUHNER AG**

### **1. Principles and Scope**

These Bylaws are issued on the basis of Art. 716 and Art. 716b of the Swiss Code of Obligations (CO) and Art. 16 and Art. 17 of the company's Articles of Association. They apply across the entire HUBER+SUHNER Group, i.e. including all Group companies based in Switzerland and abroad in which HUBER+SUHNER AG directly or indirectly holds a majority interest.

These Bylaws define the duties, powers and responsibilities of the following corporate bodies:

- Board of Directors
- Chairman of the Board of Directors
- Chief Executive Officer (hereinafter 'CEO')
- Executive Group Management

For lower management levels the relevant regulations are issued by the Executive Group Management.

### **2. Board of Directors**

#### **2.1 Constitution**

With the exception of the election of the Chairman, the Board of Directors shall constitute itself.

If during the one-year term of office the office of the Chairman becomes vacant, the Board of Directors appoints from its ranks a new Chairman for the remaining time of the office.

It shall also appoint a secretary, who needs not be a member of the Board of Directors. Further, the execution of the duties of the secretary can be delegated to a recording clerk.

#### **2.2 Meetings, convocation and setting the agenda**

The Board of Directors shall meet as business dictates but no fewer than five times a year. The meeting shall be convened by the Chairman or, if the Chairman is

indisposed, by the vice-chairman or another member of the Board of Directors. Each member of the Board of Directors is entitled to request to the Chairman the convocation of a meeting, stating the purpose of such meeting and the agenda.

The meeting shall be convened at least ten days in advance in writing (by letter or e-mail) setting forth the agenda. Meetings may also be convened within a shorter time frame in urgent cases. Unless a member objects, and provided that at least two-thirds of the Board of Directors members are present, business that is not on the agenda may also be dealt with.

### **2.3 Presence quorum, passing of resolutions and taking of minutes**

The Board of Directors shall constitute a presence quorum when the majority of its members are present or attend by means of a communication medium. All decisions require a majority voting. In the event of a tie, the Chairman shall have casting vote. Substitution is not possible.

Resolutions may also be passed through circular resolutions unless a member asks within 3 days upon receipt of the request by e-mail for consultation at a meeting. A circular resolution shall be deemed valid as soon as consent has been received in writing (by letter or e-mail) from a majority of the members.

All resolutions and negotiations shall be recorded. The minutes must be signed by the Chairman and the secretary. The minutes must be approved by the Board of Directors at the next board meeting. Circular resolutions and resolutions passed by telephone or video conference must be included in the minutes of the next board meeting.

### **2.4 Duties and powers**

The Board of Directors is responsible for the ultimate direction, supervision and control of the Group's senior management. The Board of Directors shall issue guidelines on the business policy and pass resolutions governing all matters not reserved for or assigned to the Shareholders Meeting or another corporate body by law, by the Articles of Association or by these Bylaws. The Board of Directors shall have in particular the following duties, whereby the Board of Directors decides for HUBER+SUHNER AG (hereinafter referred to as the company) including all Group companies unless the corporate bodies of the Group companies are responsible under statutory provisions:

- a) The duties designated by law or by the Articles of Association as non-transferable and inalienable:
1. to ultimately direct the company and to issue the necessary directives as well as to approve the business strategy put forward by the Executive Group Management
  2. to establish the organization and to issue the Bylaws and its appendices
  3. to structure the accounting function, the financial controlling and the financial planning, the supervision and review of the risk management and the internal audit
  4. to appoint and dismiss the persons entrusted with the management and representation according to the rules set forth in Appendix 1 as well as to rule upon the signatory powers for HUBER+SUHNER AG
  5. to determine the compensation policy, to submit proposals for the compensation voting to the Shareholders Meeting according to Art. 23 of the Articles of Association, to determine the individual compensations of the members of the Board of Directors and of the Executive Group Management in the frame of the maximum aggregate compensation approved by the Shareholders Meeting
  6. to supervise the persons entrusted with the management namely in view of compliance with the law, the Articles of Association, regulations and directives
  7. to prepare the annual report, the compensation report and the half-year report as well as the Shareholders Meeting and to implement its resolutions
  8. to pass the resolutions regarding the payment of additional contributions on shares which are not fully paid-in
  9. to pass resolutions regarding capital increases as long as these are within the competence of the Board of Directors (Art. 651 para. 4 CO), as well as to ascertain the capital increases and the respective amendments in the Articles of Association
  10. to monitor the professional qualifications and the independence of the registered and auditors subject to governmental supervision for cases in which the law determines that such auditors must be appointed
  11. to notify the courts in the case of over indebtedness.

- b) The following other duties pertinent to comprehensive fulfillment of the direction, supervision and control functions:
1. to approve the company's annual budget and medium-term planning
  2. to stipulate the credit limits on account of the company in accordance with Appendix 1
  3. to acquire and to dispose of interest holding that are significant due to their nature or financial dimension, as well as to open and close branch offices
  4. to purchase and to sell real estate in the value of more than CHF 2'000'000.--
  5. to approve capital increases and decreases of the value of more than CHF 2'000'000 as well as of merger and joint-venture agreements signed by Group companies.

## **2.5 Delegation**

The Board of Directors delegates the management of the company entirely to the CEO unless stipulated otherwise in the Articles of Association or in these Bylaws.

The Board of Directors may entrust individual Board members permanently (as a committee) or on an ad-hoc basis with the supervision and control of certain specific areas.

## **2.6 Reporting and right to information**

The CEO informs the Board of Directors at each meeting on major business transactions involving the company and the Group companies. Extraordinary events shall be immediately reported by the Chairman or, if the Chairman is indisposed, by the vice-chairman to the Board members in writing (by letter or e-mail) or if necessary previously by phone.

Each Board member may demand information about any company matter during the meetings. If a Board member requires information or wishes to inspect company documents outside the meetings, said member shall address his request in writing (by letter or e-mail) to the Chairman of the Board of Directors. The Board of Directors shall finally pass a resolution, if the Chairman has defeated it.

## **2.7 Compensation**

The Board of Directors shall determine the level of the individual compensation of its non-executive members in the frame of the maximum aggregate compensation

approved by the Shareholders Meeting taking into account their workload and responsibilities and determines the reimbursement of expenses.

Contributions to pension plans or other retirement plans are generally not provided to non-executive members of the Board of Directors. Such contributions may be granted by the Board of Directors and approved by the Shareholders Meeting in exceptional cases on request of the Nomination and Compensation Committee, if the relevant members do not otherwise draw an insured income from employment.

The Board of Directors shall further determine the level of the individual compensations of the member of the Executive Group Management in the frame of the maximum aggregate compensations approved by the Shareholders Meeting and in accordance to the Articles of Association. In the event that the management of the company has been delegated to a Board member, he shall be compensated only for its activity as CEO.

The Board of Directors shall issue Compensation Rules.

## **2.8 Age limit**

The members of Board of Directors resign from their appointment at the annual Shareholders Meeting held in the year when they reach their 70th birthday.

## **3 Committees of the Board of Directors**

### **3.1 General**

The permanent committees of the Board of Directors are as follows:

- Nomination and Compensation Committee (NCC)
- Audit Committee (AC)

The Board of Directors may appoint further permanent and ad-hoc committees.

### **3.2 Election of the Members**

The Board of Directors appoints from its ranks the Chairman and the members of the Audit Committee.

The Nomination and Compensation Committee elected by the Shareholders Meeting constitutes itself.



If the office of one of the member of the Nomination and Compensation Committee elected by the Shareholders Meeting becomes vacant, the Board of Directors appoints from its ranks a new member for the remaining time of the office of the missing member of the Committee.

### **3.3 Issuance of Regulations**

The constitution, the duties, the working practice and the reporting of the committees shall be governed by respective regulations, which are attached as appendices to these Bylaws.

## **4 Chairman of the Board of Directors**

### **4.1 Function**

The Chairman of the Board of Directors shall be assigned both management and procedural management functions, as well as organizational duties. As such, the Chairman of the Board of Directors shall ensure on the one hand efficient working practices within the Board of Directors and sensible usage of the expertise and network within the Board. On the other hand, the Chairman represents the Board of Directors internally and ensures in particular the implementation of the Board resolutions and of guidelines. Externally, the Chairman of the Board of Directors represents the company on behalf of the shareholders.

The powers and responsibilities assigned to the Chairman of the Board of Directors for the proper and timely execution of his duties are set out in the enclosed Appendix 1.

To ensure the fulfilment of his duties, the Chairman of the Board of Directors is empowered with unlimited right to information and to consult company records. The Chairman of the Board of Directors must be notified at an early stage of important intentions, decisions, events and new insights as well as major plan variances, problems and difficulties.

### **4.2 Duties of the Chairman of the Board of Directors**

The following general duties shall be in particular incumbent upon the Chairman of the Board of Directors:

- a) to prepare the agenda for the meetings of Board of Directors and the agenda items for the Shareholders Meeting
- b) to chair the Shareholders Meeting and the meetings of the Board of Directors

- c) to take over the lead management role in connection with proposals involving the composition and the structure of the Board of Directors and its Committees
- d) to monitor the implementation of and compliance with resolutions of the Shareholders Meeting and of the Board of Directors as well as with regulations and guidelines
- e) to decide on request to obtain information addressed by the Board members outside the Board meetings on individual matters and on inspection of accounts and company records
- f) to participate in the appointment and dismissal of the company's senior management
- g) to represent the company on behalf of the shareholders
- h) to decide upon the disclosure of price-sensitive facts (ad hoc publicity) pursuant the internal directive
- i) to maintain a close relation with the CEO
- j) to approve the assumption of public offices and mandates as member of Board of Directors outside the company by the members of the Executive Group Management in accordance with Art.30 of the Articles of Association.

### **4.3 Reporting**

The Chairman receives the report of the CEO on a monthly basis and forwards the report to the members of the Board of Directors.

## **5 CEO**

### **5.1 Function**

The CEO is responsible for the operational management of the Group subject to the exceptions set forth in these Bylaws. The CEO reports directly to the Board of Directors. The powers and responsibilities assigned to the CEO for the proper and timely execution of his duties are set out in Appendix 1.

### **5.2 Duties**

- a) to establish, review and adjust the company's fundamental business strategy for the attention of the Board of Directors
- b) to implement the business strategy approved by the Board of Directors

- c) to organize, manage and control the Group's daily business within the framework specified by the Board of Directors, in particular to continuously adjust structures (costs and personnel), stream the portfolio as well as to realign the company's organization structure/functional organization (insofar as not determined by the Board of Directors by means of these Bylaws)
- d) to take decisions within the operational management in accordance with Appendix 1
- e) to set-up and maintain a reliable accounting system and a management information system (MIS) in the Group
- f) financial control, business planning as well as implementation of adequate measures for the achievement of the companies targets set by the Board of Directors
- g) to implement the resolutions of the Board of Directors
- h) to secure the goal-oriented information within the company
- i) to approve the employment and dismissal of the management reporting directly to the members of Executive Group Management in the company as well as approval of their salaries, incentives and benefits in accordance with the enclosed function chart
- j) to represent the company on behalf of the public, the banks, investors and the media as well as to determine the information policy
- k) to take decisions upon SIX disclosure obligations, which do not fall under the responsibility of the Chairman of the Board of Directors
- l) to approve the assumption of public offices and mandates as member of Board of Directors outside the company by members of the management (except members of the Executive Group Management )
- m) to propose the employers' representatives for the pension funds of the company and of the Group companies in consultation with the Chairman of the Board of Directors.

### **5.3 Reporting**

The CEO shall submit a monthly written report to the Chairman of the Board of Directors for the attention of the Board of Directors. The CEO may submit proposals to the agenda items of the Board meeting, which are generally discussed at a preparatory meeting with the Chairman of the Board of Directors.

The CEO informs the Board of Directors during the Board meetings about current business developments, the company's financial situation as well as all developments that are important to the company. The CEO can call in other employees by arrangement with the Chairman of the Board of Directors.

The CEO shall provide the Chairman of the Board of Directors in time with information on extraordinary events and developments.

The CEO shall provide the members of the Board of Directors with data and information within the framework of the instructions of the Chairman of the Board of Management.

#### **5.4 Relationship with the Executive Group Management**

The CEO involves the members of the Executive Group Management in all important matters and decisions in his area of responsibility in accordance with Appendix 1. The CEO may delegate any of his individual duties to the Executive Group Management, to single members of the Executive Group Management or to third parties. The Board of Directors must be informed about any permanent delegation.

The CEO shall appoint permanently or on an ad-hoc basis a member of the Executive Group Management as a deputy.

### **6 Executive Group Management**

#### **6.1 Composition and organization**

The Executive Group Management shall comprise of the Chief Executive Officer (CEO), the Chief Operation Officer (COO) Global Sales, the divisional Chief Operation Officers (COOs), the Chief Financial Officer (CFO), and the Chief Human Resources Officer (CHRO).

#### **6.2 Duties**

The Executive Group Management supports the CEO with the execution of his duties and shall take care of all important matters and decisions of the company. The allocation of competences between the CEO and the Executive Group Management are set forth in Appendix 1.

#### **6.3 Meetings**

The Executive Group Management meetings shall generally be held monthly and shall be convened and chaired by the CEO or, if he is indisposed, by his deputy or another member of the Executive Group Management. Each member of the Executive Group Management may request, stating the reason, the CEO to convene a meeting stating the agenda item. The CEO decides if persons not belonging to the Executive Group Management shall attend the Executive Group Management meetings with advisory vote.

## **6.4 Minutes**

The CEO shall appoint the Executive Group Management recording clerk. The recording clerk shall take the minutes, which must be approved at the following Executive Group Management meeting.

## **6.5 Reporting**

The Executive Group Management receives the reports of the Chief Financial Officer on the company's financial situation, generally on a monthly basis, and the reports of the Divisions and Global Sales at the Executive Group Management meetings.

Important matters must be submitted by means of a written report and motion. In the case of credit applications, the applicant shall draw up a written final report upon request of the CEO.

# **7 Bodies of the Group Companies**

## **7.1 Duties**

The legal and statutory supervisory bodies of the Group companies (board of directors and further supervisory bodies) shall ensure that the following duties, resulting from directions given by the CEO or from autonomous resolutions, shall be carried out in accordance with the law, the Articles of Association and these Bylaws.

The legal and statutory supervisory bodies of the Group companies shall have, in particular, the following duties:

- a) to approve the annual accounts, to prepare the shareholders meetings and to exercise all their statutory functions
- b) to appoint the general manager of the Group company following the proposal of the CEO in agreement with the member of the Executive Group Management concerned
- c) to advise the general manager of the Group company in connection with maintaining a good relationship with the local authorities, the local business community, associations and employers' representatives.

Besides the overall management by means of local supervisory bodies, the Group companies shall be managed through direct instructions from the Executive Group Management to its general managers. The delegations carried out by the Executive Group Management for the purpose of the supervision and management of the Group Companies are set forth in the Delegation of Authority (DoA) which has been issued by the Executive Group Management in accordance with these Bylaws.

The management of joint venture companies is not covered by the above provision and is exclusively governed by the joint venture agreement.

## **7.2 Composition and election**

The CEO or at least one other member of the Executive Group Management shall be represented in the legal and statutory supervisory bodies (Board of Directors, Supervisory Board and Advisory Board) of important Group companies.

During their term of office, non-executive members of the Board of Directors of HUBER+SUHNER AG shall be appointed only in exceptional cases to a supervisory body of a Group company.

The legal and statutory supervisory bodies of the Group companies shall be kept as lean as possible and shall be staffed as far as possible by senior executives from the Group. External supervisory bodies shall only be elected if they are of significant benefit to the company or the Group as a result of their knowledge or relationships, or if this is stipulated by the statutory provisions.

The operational management of a Group company shall as a rule be carried out by a single individual.

Election or re-election as a member of a legal and statutory supervisory body shall be excluded after reaching the age of 65. Members who have reached their 65th birthday shall resign from their position at the next annual shareholders meeting.

## **7.3 Remuneration**

Group staff members at all levels who hold an office as member of legal and statutory supervisory bodies shall not be separately remunerated.

Mandates of third parties shall be remunerated in accordance with their workload and responsibility in agreement with the Chief Financial Officer.

# **8 General provisions**

## **8.1 Financial year**

The calendar year for all the Group companies shall be the financial year, unless local statutory provisions state otherwise (e.g. India).

## **8.2 Annual accounts**

HUBER+SUHNER AG, each Group company as well as the Group as a whole shall draw up half year and annual accounts within the framework of the applicable statutory regulations and as per the Group's accounting practices (IFRS) in accordance with the Chief Financial Officer's directions.

## **8.3 External information**

The responsibility for publications in the media and public relations for the company and the group is with the CEO, unless such information is not directed to shareholders and unless it is concerning decisions which are reserved for the Chairman of the Board regarding ad hoc publicity. The CEO shall issue directives regarding the contact with the media and ensures its compliance.

## **8.4 Confidentiality**

All corporate bodies mentioned in these Bylaws shall keep confidential to third parties, any information which is not in the public domain and which they obtain as a result of exercising their office. The duty of confidentiality shall supersede the term of the office. All documents and data media proprietary of the Group shall be returned upon resignation of the respective office.

Price sensitive facts are subject to the relevant statutory insider regulations as well as well as the Guideline relating to the ban on insider trading.

## **8.5 Signature authorization**

The Chairman, the vice chairman of the Board of Directors and the members of the Executive Group Management sign with joint signature. Any further person authorized by the Board of Directors to represent the company and the Group companies shall also sign with joint signature. If joint signature is not permitted or customary under the legal system of a Group company, alternative arrangements may be made.

## **9 Final provisions**

### **9.1 Validity**

The revised version of these Bylaws including Appendices 1 and 3 have been approved at the Board of Directors meeting held on April 9, 2014 and have entered immediately into force. They replace those of December 5, 2011.

## **9.2 Revision and Amendment**

These Bylaws and their Appendices will be reviewed when necessary, however at least every three years.

**This is a translation of the German original and the German version is binding.**



## Function Diagram

This function diagram regulates in economic terms the management demarcations at Group level. The formal approval by the competent body of the Group companies shall be reserved (e.g. resolution of the Shareholders Meeting for distribution of profits).

### List of Abbreviations

#### a) Bodies:

ShM	=	Shareholders Meeting
BoD AG	=	Board of Directors of the HUBER+SUHNER AG
Local Board	=	Board of directors of the Group company
CBoD	=	Chairman of the Board of Directors
AC	=	Audit Committee
NCC	=	Nomination and Compensation Committee
EGM	=	Executive Group Management
CEO	=	Delegate of the Board and CEO
CFO	=	Chief Financial Officer

#### b) Funktionen:

P	=	Proposal to the deciding body
D	=	Decision
R	=	Report to

Topic	ShM	BoD AG	CBoD	AC	NCC	EGM	CEO	CFO	Local Board
<b>1 General / Articles of Association</b>									
<b>1.1 Election of Board members</b>									
H+S AG	D	P							
Group companies		D					P		
<b>1.2 Election of the Chairman of the BoD</b>	D	P							
<b>1.3 Election of the members of the NCC</b>	D	P							
<b>1.4 Election of the members of the AC</b>		D							
<b>1.5 Election of the auditors</b>									
H+S AG	D	P							
Group companies								P	D
<b>1.6 Election of the independent proxy representative</b>	D	P							
<b>1.7 Amendment of the Articles of Association</b>									
H+S AG	D	P							
Group companies						P			D

Topic	ShM	BoD AG	CBoD	AC	NCC	EGM	CEO	CFO	Local Board
<b>1.8 Annual report</b>	D	P							
<b>1.9 Compensation report</b>		D			P				
<b>1.10 Preparing the Shareholders Meeting</b>									
H+S AG		D	P						
Group Companies						P			D
<b>1.11 Approval of the aggregated Compensation</b>									
<b>Board of Directors</b>	D	P							
<b>Executive General Management</b>	D	P							
<b>1.12 Determining the individual compensation of Board members<sup>1</sup></b>		D							
<b>1.13 Issuance of the compensation rules</b>		D			P				
<b>1.14 Legal signatory powers</b>									
H+S AG		D					P		
Group companies						P			D
<b>1.15 Issuance / Amendment of the Bylaws</b>									
H+S AG		D					P		
Group Companies						P			D

<sup>1</sup> In the frame of the maximum aggregate compensation approved by the Shareholders Meeting

Topic	ShM	BoD AG	CBoD	AC	NCC	EGM	CEO	CFO	Local Board
<b>1.16 Share Register</b>									
Entries in the Share Register in accordance to Art. 5 of the Articles of Association			D						
Exemptions from the transfer limitations in accordance to Art. 5 Para. 1 of the Articles of Association		D	P						
Deletion of shareholders from the share register as a result of breach of disclosure obligations in connection with the entry in the share register		D	P						

Topic	ShM	BoD AG	CBoD	AC	NCC	EGM	CEO	CFO	Local Board
<b>2 Planning and Organization</b>									
2.1 Business strategy		D				P			
2.2 Establishment / amendment of the overall organization		D	P						
2.3 Yearly objectives of the company		D				P			
2.4 Acquisitions / mergers / establishment, transfer and closing of Group companies		D				P			
2.5 Acquisition / sale of operative shares and conclusion / dissolution of Joint Ventures		D				R	P		
<b>3 Finance / Accounting</b>									
3.1 Establishment of the financing policy / directives (interests/ currencies/ investments)									
H+S AG		D				R		P	
Group companies								D	
3.2 Design of the accounting system of the company									
Strategic		D						P	
Operative								D	

Topic	ShM	BoD AG	CBoD	AC	NCC	EGM	CEO	CFO	Local Board
<b>3.3 Changes in share capital</b>									
H+S AG	D	P							
Group companies									
Amount > 2 Mio. CHF		D				R		P	
Amount ≤ 2 Mio. CHF							D	P	
<b>3.4 Yearly budget including investments of the company</b>		D				P			
<b>3.5 Yearly Financial statements</b>									
H+S Group (IFRS)	D	P		P <sup>2</sup>					
H+S AG (statutory)	D	P		P <sup>2</sup>					
Group companies								P	D
<b>3.6 Distribution of profits</b>									
H+S AG	D	P							
Group companies							R	P	D

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<sup>2</sup> Proposal to the Board of Directors

Topic	ShM	BoD AG	CBoD	AC	NCC	EGM	CEO	CFO	Local Board
<b>3.7 Purchase / sale of real estate</b>									
value > 2 Mio. CHF		D				R	P		
value ≤ 2 Mio. CHF							D	P	
<b>3.8 Banks' credit limits of the Group</b>									
Aggregate limit and bank policy		D				R		P	
> 20 Mio. CHF		D				R		P	
5 – 20 Mio. CHF							D	P	
< 5 Mio. CHF								D	
<b>3.9 Investments beyond the overall budget</b>		D					P		

Topic	ShM	BoD AG	CBoD	AC	NCC	EGM	CEO	CFO	Local Board
<b>4 Personnel</b>									
<b>4.1 Employment of:</b>									
CEO		D			P				
Members of the Executive Group Management		D			P				
- Group and staff functions (Direct Reports to EGM)						P	D		
<b>4.2 Individual compensation of:</b>									
CEO <sup>3</sup>		D			P				
Members of the Executive Group Management <sup>3</sup>		D			P				
Group and staff functions						P	D		
<b>4.3 Dismissal of:</b>									
CEO		D			P				
Members of the Executive Group Management		D			P				
Group and staff functions						P	D		

<sup>3</sup> In the frame of the maximum aggregate compensation approved by the Shareholders Meeting



Topic	ShM	BoD AG	CBoD	AC	NCC	EGM	CEO	CFO	Local Board
<b>4.4 Annual salary adjustments per country</b>					D		P		
<b>4.5 Objectives and performance reviews of:</b>									
CEO		D			P				
Members of the Executive Group Management		D					P		
Group and staff functions						P	D		
<b>4.6 Principles of the structure of the pension fund H+S AG</b>		D					P		
<b>4.7 Election of the employer's board member of the pension fund</b>		D					P		
<b>4.8 Membership in boards of directors (external) and other time-consuming secondary functions</b>									
Executive Group Level			D				P		
Group and staff functions							D		

Topic	ShM	BoD AG	CBoD	AC	NCC	EGM	CEO	CFO	Local Board
<b>5 Contractual matters</b>									
<b>5.1 Strategic licensing of patents/trademarks to third parties</b>						R	D		
<b>5.2 Strategic important cooperation agreements with third parties</b>						D			
<b>5.3 Litigation in amounts in dispute</b>									
up to 1 Mio. CHF			R			D	P		
over 1 Mio. CHF		R	D			P			
<b>6 External information</b>									
<b>6.1 Towards shareholders</b>		R	D				P		
<b>6.2 Ad-hoc Publicity announcements</b>		R	D				P		
<b>6.3 Towards media and the public by</b>									
H+S AG / Group			R				D		
Group companies			R				D		
<b>6.4 Communication policy towards banks, investors, analysts, SIX</b>							D	P	

**This is a translation of the German original and the German version is binding.**

## **Reglement des 'Audit Committee' (AC) der HUBER+SUHNER AG**

### **1. Organisation und Auftrag**

Der Ausschuss besteht aus mindestens zwei Mitgliedern. Der Verwaltungsrat bestellt jährlich die Mitglieder und bezeichnet den Vorsitzenden.

Der Ausschuss unterstützt den Verwaltungsrat in seiner Oberaufsichtsfunktion und seinen finanziellen Führungsaufgaben, namentlich bezüglich der Vollständigkeit der Abschlüsse, der Erfüllung der rechtlichen Vorschriften für die finanzielle Berichterstattung, der Prüfung der Befähigung und Unabhängigkeit des zugelassenen und staatlich beaufsichtigten Revisionsunternehmens sowie der Arbeit der Internen Revision und der Externen Revision. Er beurteilt zudem die Wirksamkeit des internen Kontrollsystems und des Risiko-Managements. Er entscheidet über dringliche technische Fragen. Die dem Verwaltungsrat gemäss Organisationsreglement und Gesetz zugewiesenen Pflichten und Kompetenzen verbleiben dem Verwaltungsrat als Gesamtgremium.

Der Ausschuss kann für seine Arbeit notwendige Informationen jederzeit direkt bei den zuständigen Personen einholen. Zu diesem Zweck ist ihm die Interne Revision unterstellt.

### **2. Aufgaben**

Der Ausschuss hat insbesondere folgende Aufgaben:

- a) Überprüfung der Ausgestaltung des Rechnungswesens (anzuwendende Rechnungslegungsvorschriften, Bewertungsvorschriften, interne und externe finanzielle Berichterstattung, Liquiditäts- und Finanzierungsmanagement, Beurteilung von Bewertungs- und Finanzierungsgrundsätzen) in Bezug auf Angemessenheit, Zuverlässigkeit und Wirksamkeit und gegebenenfalls Unterbreitung von Änderungsanträgen zuhanden des Verwaltungsrats;
- b) Überprüfung des Jahres- und des Halbjahresabschlusses sowie der anderen zu publizierenden Finanzinformationen;
- c) Überwachung der Einschätzung der Unternehmensrisiken und Überprüfung der Praktiken des Risikomanagements;
- d) Überprüfung des Controllings;
- e) Überwachung der Geschäftstätigkeit hinsichtlich Einhaltung von Beschlüssen des Verwaltungsrates, interner Reglemente und Richtlinien, unternehmenspolitischer

Grundsätze und Weisungen und der einschlägigen Rechtsvorschriften, insbesondere auch aus der Börsengesetzgebung (Compliance);

- f) Überprüfung der Leistung, Unabhängigkeit und Honorierung der Externen Revision sowie Wahlempfehlung zuhanden des Verwaltungsrats bzw. der Generalversammlung;
- g) Behandlung der Prüfberichte, Beratung aller bedeutender Feststellungen und Empfehlungen der Externen Revision mit dem Vorsitzenden der Konzernleitung und dem Finanzchef sowie mit der Externen Revision;
- h) Überwachung der Umsetzung von Empfehlungen der Externen Revision;
- i) Festlegung des Prüfplanes der Internen Revision;
- j) Behandlung der Prüfberichte; Beratung aller bedeutender Feststellungen und Empfehlungen der Internen Revision mit dem Vorsitzenden der Konzernleitung und dem Finanzchef sowie mit der Internen Revision;
- k) Information des Verwaltungsrates über alle AC-relevanten Vorkommnisse, welche nicht direkt in der Kompetenz des Verwaltungsrates liegen;
- l) Erledigung von weiteren ihm vom Verwaltungsrat in Auftrag gegebenen Aufgaben.

### **3. Arbeitsweise**

Der Ausschuss tagt, so oft es die Geschäfte erfordern, mindestens aber zweimal im Jahr.

In der Regel nehmen der Vorsitzende der Konzernleitung, der Finanzchef, der Leiter der Internen Revision sowie die Externe Revision an den Sitzungen des Ausschusses teil. Zu den Sitzungen können andere Mitglieder des Verwaltungsrates und weitere Mitglieder der Konzernleitung oder andere Fachspezialisten beigezogen werden.

Der Ausschuss kann der Internen und der Externen Revision sowie externen Fachberatern Sonderaufgaben zuweisen, sofern der Ausschuss zusätzliche Informationen oder Kenntnisse für die Erfüllung seiner Aufgaben benötigt.

Der Vorsitzende leitet die Sitzungen und ist insbesondere zuständig für die Organisation der Arbeit, die Einberufung der Sitzungen und die Berichterstattung an den Verwaltungsrat. Von jeder Sitzung wird ein Protokoll erstellt und allen Mitgliedern des Verwaltungsrats sowie den Teilnehmenden zugestellt.

### **4. Inkrafttreten**

Das vorliegende Reglement ist vom Verwaltungsrat am 5. Dezember 2011 genehmigt und mit sofortiger Wirkung in Kraft gesetzt worden.

## **Regulations of the Nomination and Compensation Committee (NCC) of HUBER+SUHNER AG**

### **1. Organization and assignment**

The Committee consists of at least two non-executive members of the Board of Directors elected by the Shareholders Meeting. The Committee constitutes itself and appoints from its ranks a chairman of the Committee.

The Committee prepares all relevant decisions in the areas of nomination and compensation with regard to the members of the Board of Directors and Executive Group Management and in connection with the compensation policy of the Group. The Committee supports the Board of Directors in its supervisory and controlling duties and supervises the implementation of resolutions passed by the Board of Directors in this area.

The Committee may gather information necessary for its work at all times directly from the persons responsible.

### **2. Duties**

The Committee has the following tasks:

- a) to manage the selection process and to put forward proposals concerning new Board members and the CEO
- b) to examine the selection process of the other members of the Executive Group Management as well as to examine the main conditions of their employment contracts
- c) to prepare the compensation report
- d) to prepare the proposals for the compensation voting to the Shareholders Meeting according to Art. 23 of the Articles of Association for the attention of the Board of Directors
- e) to examine and propose the individual compensations of the CEO and of the other members of the Executive Group Management in the frame of the maximum aggregate compensations approved by the Shareholders Meeting
- f) to approve the annual salary adjustment within the Group proposed by the CEO
- g) to inform the Board of Directors regarding all NCC-relevant events which are not directly within the responsibility of the Board of Directors
- h) to perform further tasks assigned to the Committee by the Board of Directors.

### **3. Mode of operation**

The Committee meets as business dictates, but not less than twice a year.

As a rule, the CEO attends the meetings, except when his performance is being assessed or his remuneration is being determined, and, if required, the Director of Human Resources. Other members of the Board of Directors, individual members of the Executive Group Management or other specialists may be asked to join the meetings.

The Committee discusses in due time with the CEO all planned important personnel changes within the organization and determines with him the appropriate level selection procedure and the essential parameters of the remuneration.

The Committee discusses once a year the organizational chart, the deputy arrangements and the succession planning with the CEO.

The chairman presides the meetings and is responsible in particular for the work organization, the convening of meetings and the reporting to the Board of Directors. Minutes are taken of each meeting and are distributed to all members of the Board of Directors.

### **4. Validity**

The present regulations have been approved by the Board of Directors on April 9, 2014 and have entered immediately in force.

**This is a translation of the German original and the German version is binding.**