

# Additional information on agenda item 5

Amendment of the Articles of Association due to the new remuneration policy  
Gurit Holding AG, Annual General Meeting of April 15, 2020

*WITH PASSION FOR A SUSTAINABLE FUTURE*



## Amendment of the Articles of Association due to the new remuneration policy

The Board of Directors has reviewed the current compensation system. It has come to the conclusion that it wants to significantly simplify the existing system, make it **more transparent** and more **internationally applicable**.

Since the compensation system is anchored in the **Articles of Association**, the Board of Directors proposes the corresponding **changes** to the shareholders for approval:

### 5. Amendment of the Articles of Association due to the new remuneration policy

The Board of Directors proposes to amend §§ 21, 23 and 24 of the Articles of Association as follows (amendments marked in **bold**): *see appendix p. 6-7.*

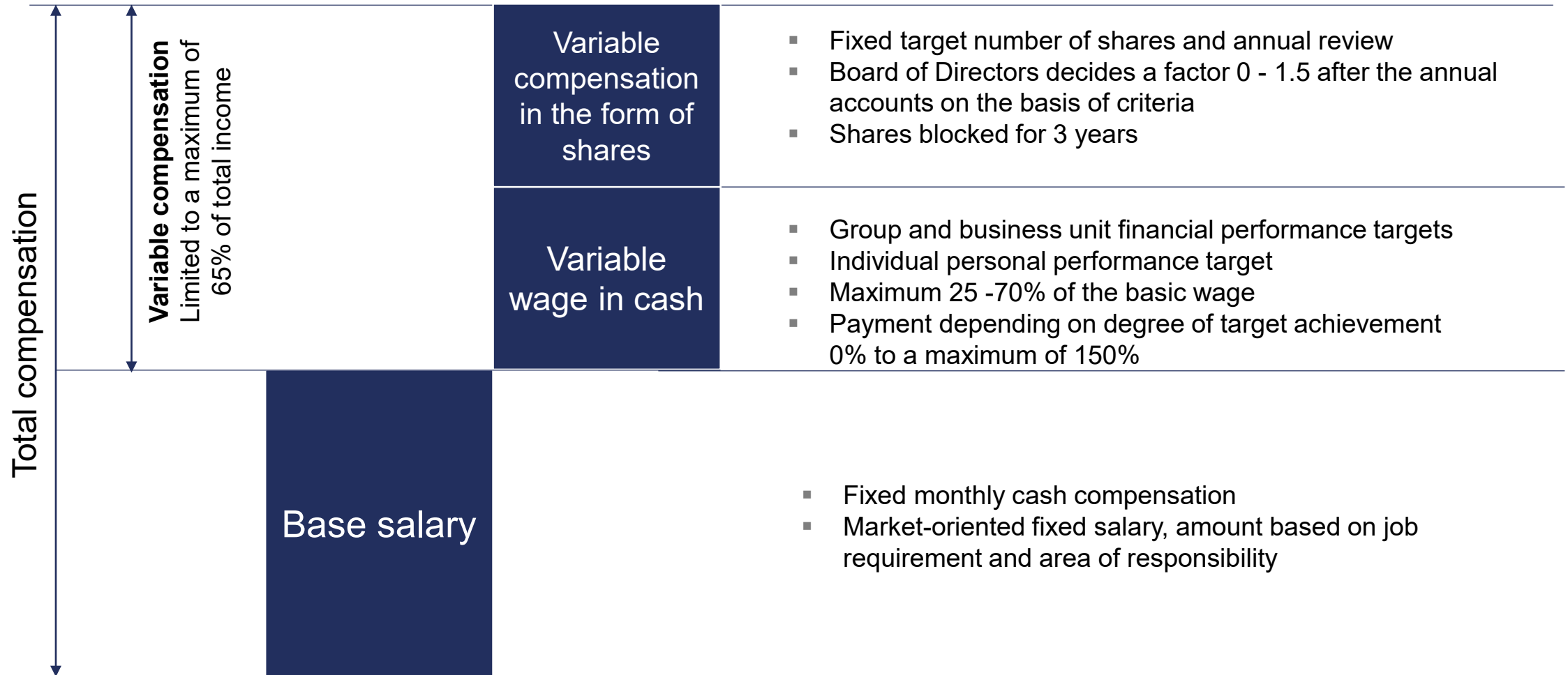
## Why we want to put the remuneration system on a new basis and restructure it

- **Aligning the interests** of management and shareholders
- **Transparent** rules for the variable remuneration of members of the Executive Board
- Variable compensation components are clearly **limited**
- **Flexibility** in applying the system to international employment contracts; this increases Gurit's attractiveness as an **employer**
- Flexibility in the composition of the individual components of the total compensation package, allows for an adapted contract design for **contracts outside Switzerland**. The total compensation is clearly **capped**
- Clear definition by the Board of Directors for **target setting**, quantified results-oriented and individual qualitative objectives
- **Approval** by the Board of Directors of the assessment of the management meeting its objectives. This ensures "good governance "

## Basic principles of the new remuneration system

- **Target income** in line with the market, nationally and internationally, which allows to attract and retain **talent in the team**
- **Fixed** and **variable** as well as **short- and long-term** salary components
- **Target and performance-oriented** variable remuneration
- Variable compensation components are an **incentive system** that can be **flexibly designed** with clearly defined upper and lower limits
- **Transparent** and easy to understand
- **Gender neutral**
- Clearly defined contractual minimum and maximum **remuneration package**
- Clearly defined process for determining the achievement of objectives

# Remuneration system



**5. Amendment of the Articles of Association due to the new remuneration policy**

The Board of Directors proposes to amend §§ 21, 23 and 24 of the Articles of Association as follows (amendments marked in bold):

| Current Language  | Amended Language  |
|---|---|
| <p>§ 21 para. 2<br/>The members of the Executive Committee may receive a fixed and a success based remuneration. Such success based remuneration of a member of the Executive Committee must not exceed <b>the fixed remuneration by more than 100%</b>.</p>  | <p>§ 21 para. 2<br/>The members of the Executive Committee may receive a fixed and a success based remuneration. Such success based remuneration of a member of the Executive Committee must not exceed <b>65% of the total remuneration</b>.</p>   |
| <p>§23<br/>If the remuneration is paid in shares, options or similar instruments, the Board of Directors (or the Remuneration Committee, respectively, if delegated to such committee) determines the conditions and requirements in one or several plans or regulations. Such plans or regulations may in particular regulate the date of allocation, fair valuation, practicable holding, vesting and/or exercise periods (including the fastening, reduction or cancellation of such periods in case of pre-defined events such as change of control or termination of employment agreement), the maximum amount of shares and/or options to be allocated, any claw-back mechanism as well as any deduction in the allocation of shares or options. <b>The value of the allocated shares, options or similar instruments at their allocation may, in general, not exceed the remuneration in cash.</b></p> | <p>§ 23<br/>If the remuneration is paid in shares, options or similar instruments, the Board of Directors (or the Remuneration Committee, respectively, if delegated to such committee) determines the conditions and requirements in one or several plans or regulations. Such plans or regulations may in particular regulate the date of allocation, fair valuation, practicable holding, vesting and/or exercise periods (including the fastening, reduction or cancellation of such periods in case of pre-defined events such as change of control or termination of employment agreement), the maximum amount of shares and/or options to be allocated, any claw-back mechanism as well as any deduction in the allocation of shares or options.</p> |

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| <p>§ 24 para. 1</p> <p>2. The Board of Directors proposes to the General Meeting each year the approval of a maximum aggregate amount for the fixed remunerations of the Executive Committee <b>(in cash and in shares, options or similar instruments)</b> for a term beginning on July 1 after the current General Meeting and ending on June 30 of the following year.</p> <p>3. The Board of Directors proposes to the General Meeting each year the approval of the maximum aggregate amount of success based remunerations of the Executive Committee for a term beginning on January 1 and ending on December 31 of the year in which the current General Meeting takes place.</p> | <p>§ 24 para. 1</p> <p>2. The Board of Directors proposes to the General Meeting each year the approval of a maximum aggregate amount for the fixed remunerations of the Executive Committee <b>in cash</b> for a term beginning on July 1 after the current General Meeting and ending on June 30 of the following year.</p> <p>3. The Board of Directors proposes to the General Meeting each year the approval of the maximum aggregate amount of success based remunerations of the Executive Committee <b>(in cash and in shares, options and similar instruments)</b> for a term beginning on January 1 and ending on December 31 of the year in which the current General Meeting takes place.</p> |
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