



**Terms of Reference of the  
Compensation Committee of  
Zur Rose Group AG (“Company”), Steckborn**

**(Appendix to the Organizational Regulations)**



## 1. Objectives and Purpose of the Compensation Committee (CNC)

<sup>1</sup> The Compensation Committee (CNC) shall support the Board of Directors in establishing and reviewing the compensation policy and guidelines, and in preparing the proposals to the General Meeting of Shareholders on the compensation of the Board of Directors and Group Management. It shall submit proposals to the Board of Directors on other fundamental compensation issues and shall assist it in matters relating to the nomination and promotion of members of the first and second management levels.

<sup>2</sup> The role of the CNC shall be exclusively advisory and shall include the preparation of resolutions. The decision-making authority of the full Board of Directors shall remain unaffected. The CNC shall not appoint any subcommittees.

## 2. Composition and Meetings

<sup>1</sup> The CNC shall comprise three members of the Board of Directors. All members of the CNC shall be elected by the General Meeting of Shareholders for a term of one year until the end of the next Annual General Meeting of Shareholders. They shall be eligible for re-election. If there are any vacancies on the CNC, the Board of Directors may appoint substitute members from among its members for a term of office extending until the end of the next Annual General Meeting of Shareholders. The Executive Director and CEO shall not be proposed by the Board of Directors for election to the CNC or appointed as a member of it. The CNC shall constitute itself.

<sup>2</sup> The CNC shall meet at least twice a year and at such other times as required and may be requested by any member of the CNC.

<sup>3</sup> The CNC shall involve the Executive Director and CEO regularly and in a timely manner in its discussions and considerations, except when the CNC is discussing the Executive Director and CEO's compensation.

<sup>4</sup> In addition to the members of the CNC, the CEO and Executive Director shall regularly attend the meetings of the CNC without the right to vote.



### 3. Responsibilities and Duties

On behalf and for the attention of the Board of Directors, the CNC shall address the following issues (in relation to the Group) and prepare corresponding resolutions:

- a) organization of the Group's basic structure;
- b) compensation policy;
- c) compensation regulations, as well as bonus, performance-related pay and employee share schemes;
- d) pension plan benefits and other benefit plans;
- e) compensation of the members of the Board of Directors and Group Management (within the framework set by statutory legal provisions and the Articles of Association and subject to approval by the General Meeting of Shareholders), including the corresponding proposals to the General Meeting of Shareholders;
- f) compensation report;
- g) nominations to the Board of Directors (including the Executive Director and CEO);
- h) nominations to the Group Management, including compensation proposals, and the dismissal of members of the Group Management;
- i) review of agreements and employment contracts with the Chairman of the Board of Directors, the Executive Director and CEO, and the other members of the Group Management for their compliance with statutory legal provisions, the Articles of Association and resolutions of the General Meeting of Shareholders;
- j) succession and emergency planning at Group Management level;
- k) reporting to the Board of Directors after each CNC meeting;
- l) regular review and revision of these Terms of Reference (subject to the Board of Directors' approval of any amendments).

These Terms of Reference were approved by the Board of Directors on 16 May 2017. They shall take effect on the first trading day of the Company's shares on the SIX Swiss Exchange.