

# skan Organisationsal regulations

SKAN Group AG  
(SKAN Group Ltd), (SKAN Group SA)  
and the SKAN Group



# 1. Basis in law and the Articles of Association

The Board of Directors of SKAN Group Ltd. (the "Company") adopts these regulations based on Article 716b of the Swiss Code of Obligations (OR) and Article 19 of the Articles of Association.

The purpose of the Organisational regulations are to define the lines of authority within the Company and all its local subsidiaries and branches (the "Group") and delegate some of the duties and powers of the Company's Board of Directors to the Group Management Board.

The Company is the Group's top holding company. As such, it manages, organises, and finances itself and all of its subsidiaries and branches.

The Organisational regulations apply to the Group directly and, subject to mandatory legal requirements and the extent permitted by law, to each direct and indirect subsidiary and branch indirectly. Each subsidiary may also adopt its own regulations to govern its own operations. However, the following provisions will take precedence over such separate regulations and will prevail in the event of a conflict to the extent permitted by law.

The Chart of Authorities (**Appendix 1**) is an integral component of these Organisational regulations.

## 2. Group organisation

The management of the Company and the Group is organised as follows:

- a) Board of Directors and its committees
- b) Chair of the Board of Directors
- c) Management Board
- d) Chief Executive Officer (CEO)

# 3. Board of Directors

## 3.1 Organisation of the Board

The General Meeting will elect all members and the Chair of the Board of Directors. The Board of Directors will elect its own Deputy Chair, delegates and Secretary. The latter need not be a member of the Board of Directors.

## 3.2 Nomination and Compensation Committee

The Nomination and Compensation Committee comprises at least three members of the Board of Directors, who are elected by the General Meeting each year. The term of office will end upon the conclusion of the next Ordinary General Meeting. The Board of Directors will appoint a Chair of the Nomination and Compensation Committee. If one or more members resign before the end of their term of office, the Board of Directors may appoint replacements from among its members until the end of the next Ordinary General Meeting. The Nomination and Compensation Committee will meet as required, but at least twice a year. It will make decisions according to the rules outlined in the appended Nomination and Compensation Committee Rules (**Appendix 2**).

The Nomination and Compensation Committee will determine the Group's remuneration strategy and its performance objectives and criteria. It will periodically review the implementation of the same and submit additional proposals and recommendations to the Board of Directors. The Nomination and Compensation Committee will prepare relevant decisions by the Board of Directors regarding the appointment and remuneration of the members of the Board of Directors, the CEO and the other members of the Management Board and present corresponding proposals to the Board of Directors. The Nomination and Compensation Committee will provide regular updates to the Board of Directors on its activities.

The Board of Directors may delegate additional powers and duties to the Nomination and Compensation Committee regarding appointment, remuneration and related matters. The Board of Directors will retain overall responsibility for the Nomination and Compensation Committee's tasks and powers.

The detailed powers and duties of the Nomination and Compensation Committee are set out in the Nomination and Compensation Committee Rules, which can be found in Appendix 2 to these Organisational regulations.

## 3.3 Audit Committee

The Board of Directors will form an Audit Committee consisting of at least three members of the Board of Directors. The term of office will end upon the conclusion of the next Ordinary General Meeting. The Board of Directors will appoint a Chair who cannot also be the Chair of the Board of Directors. The Audit Committee will meet as required, but at least four times a year. It will make its decisions pursuant to the rules outlined in the appended Audit Committee Rules (**Appendix 3**).

The Board of Directors will endeavour to appoint independent and non-executive members as members of the Audit Committee in accordance with the provisions of the Swiss Code of Best Practice for Corporate Governance. The Chair and the majority of the members should have experience in finance and accounting.

The Audit Committee will assist the Board of Directors in performing its legal obligations, particularly in financial auditing areas (overall supervision of internal and external auditing, monitoring of financial reporting) and overall supervision of the individual managers (internal control system). The detailed powers and duties

of the Audit Committee are set out in the Audit Committee Rules, which can be found in Appendix 3 to these Organisational regulations.

The Board of Directors will retain overall responsibility for the Audit Committee's task and powers. The Audit Committee will provide regular updates to the Board of Directors on its activities.

### **3.4 Board of Directors meetings**

The Board of Directors will meet as often as the Group's business requires or when requested by a Board member, but no less than six times a year.

The Board of Directors will generally deliberate and pass resolutions at physical meetings. Meetings may also be replaced by telephone and video conferences or meetings via other forms of electronic data communications.

The Chair or its Deputy Chair will convene meetings of the Board of Directors. Each member of the Board of Directors may request a meeting of the Board of Directors, specifying the agenda items.

Unless urgent business requires otherwise, the meeting will be convened at least ten days in advance, in writing or via electronic data communications (e.g. email, DocuSign, etc.), with details of the time, place and agenda items. Along with the written notice of the meeting, all documents required for careful preparation for the Board of Directors meeting will be sent to the members of the Board of Directors. This notice period may be waived by consent of all members of the Board of Directors, which must be provided in writing or via electronic data communications (e.g. email, DocuSign, etc.). If all members of the Board of Directors are present and no objections are raised, the meeting may proceed without adhering to the rules outlined above.

The Chair or their deputy will draft the meeting agenda. Each member of the Board of Directors is entitled to add a specific item to the agenda if the Board member submits a written request (including via electronic data communications (e.g. email, DocuSign, etc.)) to the Chair at least five days before the meeting. The Chair or their deputy must immediately notify all members of the Board of Directors of any such changes.

The Chair, or their deputy in their absence, will chair the meeting. If the Chair and deputy are unable to attend, the members of the Board of Directors present will appoint a member to chair the meeting.

The CEO usually attends the Board of Directors meetings. Any other members of the Management Board or other individuals who are not members of the Board of Directors may be invited to attend Board of Directors meetings.

Attendees who are not members of the Board of Directors will serve as advisors but will be unable to vote. Furthermore, they will leave the meeting at the request of the Chair of the Board of Directors or a majority of the members of the Board of Directors.

### **3.5 Resolutions**

The Board of Directors will have a quorum when the majority of its members are present at a duly convened meeting. Attendance may also be by telephone, video conference, or other electronic data communications. The presence of one member of the Board of Directors will suffice to constitute a quorum if an adjustment of the share capital is to be decided upon and a resolution is required for the subsequent amendment to the Articles of Association.

Resolutions of the Board of Directors will be passed by a majority of the validly cast votes. The Chair will have the casting vote.

### **3.6 Written resolutions**

Resolutions of the Board of Directors regarding a submitted proposal may also be made in writing or using electronic data communications (e.g. email, DocuSign, etc.) unless a member requests oral deliberation. The member requesting oral deliberation must do so as soon as possible, but no later than three days after the draft resolution has been sent out, in writing or using electronic data communications (e.g. email, DocuSign, etc.).

Written resolutions are passed if a majority of the members of the Board of Directors approve or reject a proposal and no member of the Board of Directors requests oral deliberation. These resolutions may be made in a single document or multiple separate documents. Individual Board members (who could not be reached in time) may participate retrospectively in the case of a written resolution.

Resolutions of this nature must be recorded in the minutes of the next Board of Directors meeting.

### **3.7 Minutes**

Minutes will be kept of all deliberations and resolutions of the Board of Directors, and these must be signed by the Chair and the Secretary. These minutes must be distributed within ten days of the meeting and approved at the next meeting.

### **3.8 Right to information and reporting**

Any member of the Board of Directors may request information about any Group matter at meetings.

The CEO and any other members of the Management Board who are present at the Board of Directors meetings will inform the Board of Directors about the current business situation and important business transactions. Any extraordinary events must be promptly brought to the attention of the Board of Directors via a circular letter.

Each member may ask the CEO for information about the business situation outside of meetings. With the Chair's permission, they may also inquire about individual items of business and ask to see relevant documentation. If the Chair declines such a request, the Board of Directors will decide.

### **3.9 Remuneration**

The Nomination and Compensation Committee will prepare the decision regarding the remuneration amount for the members of the Board of Directors and the Chair and Management Board according to the provisions of the law, the Articles of Association, and the Group's remuneration policy, and will present corresponding proposals to the Board of Directors at the General Meeting.

### **3.10 Succession planning**

The Nomination and Compensation Committee will prepare the relevant decisions of the Board of Directors on the appointment of members of the Board of Directors, the Management Board (incl. the CEO) and the committees and will present corresponding proposals to the Board of Directors.



# 4. Rights and obligations of the Board of Directors

## 4.1 Delegation

Unless otherwise stipulated by law, the Articles of Association or these Organisational regulations and their appendices, the Board of Directors hereby delegates the management of the Company and the Group to the Management Board.

## 4.2 Remaining rights and obligations of the Board of Directors

The Board of Directors will be responsible for the overall management of the Company and the Group as well as supervision and control of the CEO and the other members of the Management Board. It will receive regular updates about the business situation of the Company and the Group.

By law, the Board of Directors has the following non-transferable and inalienable duties in particular:

1. the ultimate direction of the Company and the Group (in particular, the setting of goals and strategy and the approval of the business plan) and the giving of the necessary instructions;
2. the determination of the organisation;
3. the structure of the accounting system, financial control and the financial planning, to the extent that this is necessary for the management of the Company and the Group;
4. the appointment and dismissal of the persons entrusted with the management and the representation as well as the determination of their signatory powers;
5. the ultimate supervision of the persons entrusted with the management, namely with regards to compliance with the law, the Statutes, regulations and directives;
6. the preparation of the annual report consisting of the management report and the group financial statements, the remuneration report as well as the preparation of the General Meeting and the execution of its resolutions;
7. the passing of resolutions on the subsequent payment of contributions on shares not fully paid up;
8. the passing of resolutions on the determination of capital increases and subsequent amendments to the Statutes;
9. the notification of the judge in case of over-indebtedness;
10. other non-transferable and inalienable duties and powers of the Board of Directors under the Merger Act and other applicable laws;
11. the passing resolutions on other matters reserved to the General Meeting by law or by the Statutes.

### 4.3 Delegation of duties

The Board of Directors may assign the preparation and execution of its resolutions or the supervision of business to committees or individual members. It shall ensure adequate reporting to its members.

## 5. The Management Board

### 5.1 Delegation of management

The Board of Directors has delegated operational management to the Management Board of a Group company. The following paragraphs govern their rights and obligations.

The Board of Directors will appoint and dismiss the CEO and members of the Management Board.

The Management Board will manage the business under the guidance of the Group's CEO. The Management Board will decide on all matters not reserved for the Board of Directors, the CEO or another body in accordance with the law, the Articles of Association or these Organisational regulations.

The Management Board must follow the orders and instructions of the Board of Directors. The Management Board will regularly report to the Board of Directors, informing it of the current business situation and significant business transactions.

Significant transactions and events that may have a lasting impact on the Group's business situation must be brought to the attention of the Board of Directors by way of circular letter without delay.

### 5.2 Rights and obligation of the CEO

The CEO will be appointed by the Board of Directors and will be in charge of the Group's operational management. They will also be responsible for implementing all Board of Directors resolutions and supervising all management levels within the Group.

The CEO will be the Chair of the Management Board. The CEO will be the point of contact within the Management Board for the Chair of the Board and other members of the Board of Directors. The CEO will represent and coordinate the Management Board in its dealings with the Board of Directors. The CEO will present appropriate proposals to the Board of Directors in the case of matters requiring the Board of Directors' approval in accordance with the law, the Articles of Association or the Organisational regulations.

The CEO will notify other members of the Management Board of the Board of Directors' resolutions and suggestions. They will ensure that the resolutions are implemented and the suggestions are considered.

The CEO will be authorised to sub-delegate parts of the management entrusted to them under the Organisational regulations to the other members of the Management Board where necessary or appropriate.

The CEO will be the Group's internal and external representative.

The CEO will arrange an official representative in the event of their absence.

## 6. Signatory powers

The Board of Directors will designate the individuals authorised to represent the Company and the Group and determine the nature of their signatory powers.

In general, those with signatory powers will be joint signatories.

## 7. Conflict of Interest

Members of the Board of Directors and the Management Board shall abstain when dealing with matters involving their own interests or the interests of natural persons or legal entities close to them. They must disclose their personal, commercial and financial interests in the transactions.

## 8. Confidentiality

Members of the Board of Directors and the Management Board are required to keep all business matters relating to the Group, its shareholders and company employees' personal circumstances confidential.



# 9. Final provisions

The Board of Directors adopted these Organisational regulations by resolution on 4 October 2021, and they will enter into force immediately. They will replace all existing Organisational regulations of the Company and the Group as of this date, particularly those dated 12 January 2021.

# Appendix 1: Chart of Authorities

Chart of Authorities for the SKAN Group will not be published.

# Appendix 2: Nomination and Compensation Committee Rules

## 1. Powers and duties in detail

### 1.1 Remuneration and HR policy

The Nomination and Compensation Committee will monitor and review the objectives and principles of the Company's remuneration and human resources policy for the Board of Directors. The remuneration and human resources policy aims to find, promote and retain employees to ensure the company's competitiveness and long-term success.

The Management Board will report to the Nomination and Compensation Committee on the implementation of these principles on an annual basis. This will also include policies on leadership and cooperation, wages and incentives, training and internal communication.

The Nomination and Compensation Committee will prepare the relevant decisions of the Board of Directors on the appointment and remuneration of members of the Board of Directors and the Management Board (incl. the CEO) and present corresponding proposals to the Board of Directors.

### 1.2 Performance appraisal, training and succession planning

The Nomination and Compensation Committee will review the CEO's proposed assessment of Management Board members and the corresponding measures once a year. The Nomination and Compensation Committee will assess the CEO, and the CEO will assess the other Management Board members.

The Nomination and Compensation Committee will be informed annually about personnel developments and the corresponding specific measures by the Management Board as well as the management teams of the branches and subsidiaries.

The Nomination and Compensation Committee will inform the Board of Directors at least once a year about succession planning, which includes planning and training for unforeseen and emergency situations, management development for the members of the Management Board (incl. the CEO), and other critical roles within the Group as determined by the Nomination and Compensation Committee.

### 1.3 Contracts with members of the Board of Directors and the Management Board

The Nomination and Compensation Committee will prepare contract proposals for members of the Management Board (including the CEO) and members of the Board of Directors and present them to the Board of Directors.

## 1.4 Remuneration

### 1.4.1 General

According to the Articles of Association, the Nomination and Compensation Committee will evaluate and prepare the remuneration policies and plans and the applicable performance criteria for remuneration and present corresponding proposals to the Board of Directors.

In addition to the basic salary, remuneration will include variable cash bonuses, options, shares and/or similar instruments in accordance with the applicable share schemes, pensions and/or additional benefits in terms of total remuneration.

The Nomination and Compensation Committee will review the impact, attractiveness and competitiveness of these schemes at least every two years.

The Nomination and Compensation Committee will review the Management Board's remuneration report and present a corresponding proposal to the Board of Directors.

### 1.4.2 Remuneration of the Board of Directors and the Management Board

The Nomination and Compensation Committee will have the following powers and duties in relation to the remuneration of the Board of Directors and the Management Board (incl. the CEO):

1. The Nomination and Compensation Committee will take decisions on the Board of Directors' behalf regarding the remuneration of individual Board of Directors members within the framework of the maximum total amount approved by the General Meeting, and present corresponding proposals to the Board of Directors. The proposed remuneration will take the Board of Directors' roles and responsibilities into account. The Nomination and Compensation Committee should also give due consideration to remuneration paid to members of the Board of Directors in similar companies.
2. The Nomination and Compensation Committee will decide annually on the individual remuneration proposed by the CEO for the members of the Management Board within the framework of the maximum total amount approved by the General Meeting (incl. the CEO) and present proposals to the Board of Directors. The Nomination and Compensation Committee will make a direct proposal to the Board of Directors for the CEO's remuneration.
3. Each year, the Nomination and Compensation Committee will propose the maximum total amount of remuneration for each member of the Board of Directors and the Management Board (incl. the CEO) to the Board of Directors. The latter must then submit this to the General Meeting for approval.
4. Where necessary, the Nomination and Compensation Committee will propose the use of additional sums for the remuneration of new members of the Management Board (incl. the CEO) to the Board of Directors pursuant to the Articles of Association.
5. The Nomination and Compensation Committee will recommend to the Board of Directors the key performance indicators applicable to the CEO, evaluate the CEO's performance during the relevant period using these indicators and propose the CEO's remuneration based on this evaluation. The CEO will determine the key performance indicators for other members of the Management Board. Taking the CEO's recommendations into account, the Nomination and Compensation Committee will review and recommend to the Board of Directors the individual remuneration for the other Management Board members, based on the CEO's assessment.

## 1.5 Appointment of members of the Board of Directors, the Committees and the Management Board

The Nomination and Compensation Committee will have the following powers and duties in connection with the appointment of members of the Board of Directors, the Committees and the Management Board (incl. the CEO):

1. The Nomination and Compensation Committee will establish a requirements profile for selecting candidates (members of the Board of Directors, Chair of the Board of Directors, members of the Nomination and Compensation Committee and the Audit Committee) for election to the Board of Directors, the Chair of the Board of Directors or the Nomination and Compensation Committee by the General Meeting. It will then prepare the selection based on these criteria and present proposals to the Board of Directors.
2. When making its selection, the Nomination and Compensation Committee will consider each proposed individual's experience, independence, compatibility with other Board members, culture, other commitments and any other relevant factors. The Nomination and Compensation Committee will pay special attention to ensuring that significant shareholders or shareholder groups are adequately represented.
3. The Nomination and Compensation Committee will evaluate candidates for the CEO appointment by the Board of Directors and present proposals in this regard to the Board of Directors.
4. In collaboration with the CEO, the Nomination and Compensation Committee will evaluate candidates for the Management Board member appointments (excluding the CEO) by the Board of Directors and present proposals in this regard to the Board of Directors.
5. The Nomination and Compensation Committee will review the independence of the members of the Board of Directors and its Committees once a year. It will present its findings to the Board of Directors, which will perform the final evaluation.

When determining the requirement profiles for candidates for the Board of Directors, the Nomination and Compensation Committee will take the criteria of the Swiss Code of Best Practice on the composition of the Board of Directors into account.

## 1.6 Insurance and employee benefits

The Nomination and Compensation Committee will evaluate appropriate insurance policies for members of the Board of Directors and the Management Board (incl. the CEO) (e.g. Directors' and Officers' (D&O) insurance) at least every two years and recommend changes to the Board of Directors where necessary.

The Nomination and Compensation Committee will review the existing pension plans for the Company employees at least every two years.

## 1.7 Annual appraisal

The Nomination and Compensation Committee will help the Board of Directors conduct an annual review and appraisal of the performance of the Board of Directors and its Committees.

## 1.8 Mandates outside the SKAN Group

The Nomination and Compensation Committee will review the acceptance of mandates outside the company by members of the Board of Directors (only in the case of a potential conflict of interest) or the Management Board (incl. the CEO) and present proposals in this regard to the Board of Directors.

# 2. Organisation

## 2.1 Composition

The Board of Directors will endeavour to propose independent and non-executive members to the General Meeting for election to the Nomination and Compensation Committee in accordance with the Swiss Code of Best Practice for Corporate Governance.

The Board of Directors may also propose for election members who are or represent significant shareholders in the Company or Group.

## 2.2 Convening meetings

Meetings will be convened by the Chair of the Nomination and Compensation Committee or by the longest-serving member of the Nomination and Compensation Committee in their absence. Meetings may also be convened at the request of another member who must provide reasons.

The Nomination and Compensation Committee meetings may be held in person, over the phone, via video conference, or via other electronic data communications.

The meetings will be presided over by the Nomination and Compensation Committee Chair or by the longest-serving member in their absence.

A meeting must be convened at least three days in advance (by email or post) and include all Nomination and Compensation Committee members. This meeting notice will include an agenda specifying all matters to be discussed at the meeting in reasonable detail. All documents to be discussed at the meeting will also be sent to the members. In urgent cases, particularly where an agenda item does not allow a meeting to be convened with the appropriate notice, a meeting may be convened with a shorter notice period.

The Nomination and Compensation Committee may appoint a Secretary. The latter need not be a member of the Board of Directors.

The Nomination and Compensation Committee will invite the CEO regularly and may invite other members of the Management Board and, subject to prior notification of the relevant member of the Management Board, members of management, to its meetings as it deems desirable or appropriate. However, the CEO and other members of the Management Board may not be present when the Nomination and Compensation Committee discusses remuneration or other aspects of the respective member's employment. Similarly, the Chair of the Board of Directors and the Chair of the Nomination and Compensation Committee may not be present when the Nomination and Compensation Committee reviews their remuneration.



## 2.3 Resolutions

The Nomination and Compensation Committee will have a quorum when the majority of its members are present. Resolutions will be passed by a majority of the validly cast votes.

In the event of parity, the Chair of the Nomination and Compensation Committee will not have a casting vote. Instead, the matter will be referred to the Board of Directors.

Resolutions of the Nomination and Compensation Committee may also be passed by circular resolution, in other words, in writing or using electronic data communications (e.g. email, DocuSign, etc.), unless a member requests oral deliberation. The Nomination and Compensation Committee member requesting oral deliberation must do so as soon as possible, but no later than three days after the draft resolution has been sent out by email or fax. A circular resolution is passed when the majority of all members of the Nomination and Compensation Committee agree. All circular resolutions must be recorded in the next meeting's minutes.

All deliberations and resolutions will be documented in minutes. These must be signed by the meeting's Chair and Secretary and distributed to all Nomination and Compensation Committee and Board of Directors members, the Secretary of the Board of Directors and, if applicable, the CEO. The Nomination and Compensation Committee must approve the minutes at its next meeting.

# 3. Reporting

**The Nomination and Compensation Committee will report to the Board of Directors on its activities and matters within its area of responsibility at Board meetings. This reporting will include recommendations to the Board of Directors regarding such activities and matters the Nomination and Compensation Committee deems appropriate. The Chair or another member of the Nomination and Compensation Committee may make an oral report to the Board of Directors.**

# Appendix 3: Audit Committee Rules

## 1. Powers and duties in detail

### 1.1 Overall supervision of external auditors and management of internal auditors.

The Audit Committee shall:

- Establish the multi-year audit plan and the audit scope for the internal<sup>1</sup> and external audits. It will discuss the audit reports with the internal and external auditors as well as with the Management Board and monitor their implementation and the implementation of any recommendations.
- Evaluate the performance and cooperation of internal and external auditors.
- Assist the Board of Directors with the appointment of external auditors at the General Meeting. The Audit Committee will consider the Management Board's views, evaluate the external auditors' qualifications, independence and performance, and recommend an external auditor to the Board of Directors for election or re-election at the General Meeting each year.
- Annually examine the fees charged by external auditors and verify their independence. The Audit Committee will review the compatibility of the audit activities with any consulting mandates and approves them. The fees of such consulting mandates are approved by the Audit Committee.
- Confirm internal auditors' independence from the Management Board and the units being audited.
- Approve the internal audit rules and guidelines for internal audit activities.
- Review and approve the internal audit plan and any necessary and appropriate changes to the plan, activities, budget, organisational structure and internal audit qualifications. Internal audit activities can be outsourced if necessary.
- Review the results of all external assessments of internal audits. Such assessments should be conducted at least once every five years.

<sup>1</sup>The internal audit activities are outsourced.

### 1.2 Monitoring of the financial reporting

The Audit Committee shall:

- Evaluate the SKAN Group AG consolidated financial statements, the statutory annual financial statements, the interim financial statements intended for publication, the sustainability report and the management report.

- Decide whether submission of the Company's management report, the consolidated financial statements, the sustainability report and the annual financial statements to the General Meeting can be recommended to the Board of Directors.
- Review the accounting structure (applicable accounting rules, valuation rules, internal and external financial reporting, liquidity and funding management, assessment of valuation and funding principles), auditing and financial planning (forecast, budget, strategy) for adequacy, reliability and effectiveness and make recommendations to the Board of Directors.
- Discuss the integrity of the company's accounting process and internal audits with the Management Board and the internal and external auditors and review any significant financial risks and the measures taken by the Management Board to monitor, control and report them.
- Assess group financial solutions such as treasury, taxation and dividend flow of direct subsidiaries, and perform an individual assessment of significant acquisitions and investments for the Board of Directors' consideration.

### 1.3 Internal control system

The Audit Committee shall:

- Assess the internal control system's functionality, including risk management, compliance and internal audit, create an overview of compliance with the applicable standards and guidelines and further develop the internal control system.
- Monitor business activities for compliance with Board of Directors resolutions, internal rules and guidelines, corporate policy principles and directives, and the relevant legal provisions, particularly under stock market legislation (compliance).
- Review the Management Board's processes and procedures for monitoring all material risks and hazards to which the company is exposed. To that end, the Audit Committee will review the Management Board's Group Risk Report on risk assessment and risk management implementation and monitor the implementation of its measures at least once a year.

### 1.4 Information

The Audit Committee will have direct access to the internal audit. It will be able to obtain all information it requires within the company and question the employees responsible for it. The Audit Committee will ensure that internal and external auditors provide it with regular updates.

### 1.5 Employee benefits

The Audit Committee will obtain information from the Management Board on the financial situation of the company's employee benefits scheme and the associated risks on a regular basis, but at least semi-annually, and may consult with the company's employer representatives in this regard.

### 1.6 Corporate Governance

The Audit Committee will support the Board of Directors and the Nomination and Compensation Committee on corporate governance issues. It will monitor and update corporate governance aspects (e.g. stock market requirements) relevant to the Audit Committee's powers and duties. It will approve the Corporate Governance Report for the Board of Directors.

# 2. Organisation

## 2.1 Convening meetings

Meetings will be convened by the Audit Committee Chair or by the longest-serving member of the Audit Committee in their absence.

Meetings may also be convened at the request of another member who must provide reasons.

Audit Committee meetings may be held in person, over the phone, via video conference, or other electronic data communications.

The meetings will be presided over by the Audit Committee Chair or by the longest-serving member in their absence.

A meeting must be convened at least three days in advance (by email or post) and include all Audit Committee members. At a minimum, this meeting notice will include an agenda specifying all matters to be discussed at the meeting in reasonable detail. All documents to be discussed at the meeting will also be sent to the members. In urgent cases, particularly where an agenda item does not allow a meeting to be convened with the appropriate notice, a meeting may be convened with a shorter notice period.

The Audit Committee may appoint a minute-taker. The latter need not be a member of the Board of Directors.

The Audit Committee will invite the CEO, CFO and internal audit regularly and may invite other members of the Management Board and, subject to prior notification of the relevant member of the Management Board, members of management to its meetings as it deems desirable or appropriate. It will also be entitled to hold meetings solely with the internal and external audit representatives. In addition, at the Chair's invitation, other senior employees of the Company or the Group will also attend the Audit Committee meetings in an advisory capacity. Third parties may be invited to attend the Audit Committee meetings in an advisory capacity.

## 2.2 Resolutions

The Audit Committee will have a quorum when the majority of its members are present. Resolutions will be passed by a majority of the validly cast votes. In the event of parity, the Chair of the Audit Committee will not have a casting vote. Instead, the matter will be referred to the Board of Directors.

Resolutions of the Audit Committee may also be passed by circular resolution, in other words, in writing or using electronic data communications (e.g. email, DocuSign, etc.), unless a member requests oral deliberation. The Audit Committee member requesting oral deliberation must do so as soon as possible, but no later than three days after the draft resolution has been sent out by email or fax. A circular resolution is passed when the majority of all members of the Audit Committee agree. All circular resolutions must be recorded in the next meeting's minutes.

All deliberations and resolutions will be documented in minutes. These must be signed by the meeting's Chair and minute-taker and distributed to all Audit Committee and Board of Directors members, the Secretary of the Board of Directors, and, if applicable, the CEO, CFO and Head of Quality Management. The Secretary will submit the minutes to the Audit Committee for approval at its next meeting.

# 3. Reporting

The Audit Committee will report to the Board of Directors on its activities and matters within its area of responsibility at Board meetings. This reporting will include recommendations to the Board of Directors on activities and matters the Audit Committee deems appropriate. The Chair or another member of the Audit Committee may make an oral report to the Board of Directors.

**SKAN AG**

Kreuzstrasse 5, 4123 Allschwil, Switzerland  
Phone +41 61 485 44 44, info@skan.com

**SKAN Stein AG**

Industriestrasse 3, 4332 Stein, Switzerland  
Phone +41 62 885 03 00, info.stein@skan.com

**SKAN Deutschland GmbH**

Nickrischer Straße 2, 02827 Görlitz/Hagenwerder, Germany  
Phone +49 35822 399 000, de.info@de.skan.ch

**SKAN US, Inc.**

7409 ACC Blvd., Suite 200, Raleigh, NC 27617, USA  
Phone +1 919 354 638 0, us.info@us.skan.ch

**SKAN Japan**

5194-61 Katsuren-Haebaru, Uruma, Okinawa 904-2311, Japan  
Phone +81 98 934 9922, jpskan@skan.ch

**Aseptic Technologies**

Rue Camille Hubert, 7-9, 5032 Gembloux, Belgium  
Phone +32 81 409 410, info@aseptictech.com