

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 9, 2023

GARMIN LTD.  
(Exact name of registrant as specified in its charter)

Switzerland  
(State or other jurisdiction  
of incorporation)

001-41118  
(Commission  
File Number)

98-0229227  
(I.R.S. Employer  
Identification No.)

Mühlentalstrasse 2  
8200 Schaffhausen  
Switzerland  
(Address of principal executive offices)

Registrant's telephone number, including area code: +41 52 630 1600

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Registered Shares, \$0.10 Per Share Par Value	GRMN	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e) Effective as of June 9, 2023, Garmin Ltd. (“Garmin”) amended and restated the Garmin Ltd. Employee Stock Purchase Plan (the “ESPP”) to increase the number of shares authorized for issuance under the ESPP from 8,000,000 to 10,000,000. A copy of the ESPP, as amended and restated, is filed herewith as Exhibit 10.1 and is incorporated herein by reference, and the foregoing summary of the ESPP is qualified in its entirety by reference to such exhibit.

Effective as of June 9, 2023, Garmin also amended and restated the Garmin Ltd. 2011 Non-Employee Directors’ Equity Incentive Plan (the “2011 Plan”) to increase the number of shares authorized under the 2011 Plan from 122,592 to 150,000. A copy of the 2011 Plan, as amended and restated, is filed herewith as Exhibit 10.2 and is incorporated herein by reference, and the foregoing summary of the 2011 Plan is qualified in its entirety by reference to such exhibit.

**Item 5.07. Submission of Matters to a Vote of Security Holders.**

On June 9, 2023, Garmin held its annual general meeting of shareholders. At the annual general meeting, Garmin's shareholders voted on the proposals set forth below, each of which is described in Garmin’s proxy statement for the 2023 annual general meeting:

The shareholders re-elected the six individuals listed below as directors, each for a term extending until completion of the 2024 annual general meeting. The tabulation of votes with respect to the re-election of directors was as follows:

	For	Against	Abstain	Non-votes
Jonathan C. Burrell	103,915,033	32,581,415	78,848	26,857,501
Joseph H. Hartnett	113,693,292	22,799,274	82,730	26,857,501
Min H. Kao	132,259,987	4,237,403	77,907	26,857,501
Catherine A. Lewis	131,251,829	5,241,341	82,126	26,857,501
Charles W. Peffer	111,023,704	25,466,486	85,106	26,857,501
Clifton A. Pemble	133,980,077	2,516,191	79,028	26,857,501

The shareholders re-elected the four individuals listed below as members of the Compensation Committee, each for a term extending until completion of the 2024 annual general meeting. The tabulation of votes with respect to the re-election of members of the Compensation Committee was as follows:

	For	Against	Abstain	Non-votes
Jonathan C. Burrell	127,647,652	8,841,945	85,699	26,857,501
Joseph H. Hartnett	131,825,287	4,659,523	90,486	26,857,501
Catherine A. Lewis	133,348,182	3,137,526	89,589	26,857,501
Charles W. Peffer	131,066,298	5,417,055	91,944	26,857,501

The shareholders approved Garmin’s 2022 Annual Report, including the consolidated financial statements of Garmin for the fiscal year ended December 31, 2022 and Garmin’s statutory financial statements for the fiscal year ended December 31, 2022. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
163,064,089	39,354	329,354	0

The shareholders approved the appropriation of available earnings. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
163,188,916	63,718	180,163	0

The shareholders approved the payment of a cash dividend in the aggregate amount of U.S. \$2.92 per outstanding share out of Garmin’s reserve from capital contribution in four equal installments. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
163,302,781	48,052	81,964	0

The shareholders discharged the members of the Board of Directors and the Executive Management from liability for the fiscal year ended December 31, 2022. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
105,611,485	1,197,741	29,766,071	26,857,501

The shareholders re-elected Min H. Kao as Executive Chairman of the Board of Directors for a term extending until completion of the 2024 annual general meeting. The tabulation of votes with respect to the re-election of the Executive Chairman was as follows:

For	Against	Abstain	Non-votes
128,420,289	8,074,493	80,515	26,857,501

The shareholders re-elected the law firm of Wuersch & Gering LLP as independent voting rights representative for a term extending until completion of the 2024 annual general meeting. The tabulation of votes with respect to the re-election of the independent voting rights representative was as follows:

For	Against	Abstain	Non-votes
136,395,714	94,674	84,909	26,857,501

The shareholders ratified the appointment of Ernst & Young LLP as Garmin's independent registered public accounting firm for Fiscal Year 2023 and re-elected Ernst & Young Ltd as Garmin's statutory auditor for another one-year term. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
157,659,126	5,628,371	145,302	0

The shareholders passed an advisory resolution approving the compensation of Garmin's Named Executive Officers. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
130,561,002	5,901,184	113,110	26,857,501

The shareholders passed an advisory resolution to hold an advisory vote on compensation of Garmin's Named Executive Officers every one year. The tabulation of votes on this matter was as follows:

1 year	2 years	3 years	Abstain	Non-votes
134,234,255	68,574	2,012,436	260,032	26,857,501

As a result of the shareholder vote regarding the frequency of future advisory votes on compensation of Garmin's Named Executive Officers, Garmin has decided to hold such advisory vote every one year until the next required advisory vote on the frequency of future advisory votes on compensation of Garmin's Named Executive Officers.

The shareholders passed an advisory resolution approving Garmin's 2022 Swiss Statutory Compensation Report for the fiscal year ended December 31, 2022. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
130,965,626	5,505,152	104,519	26,857,501

The shareholders approved a binding vote to approve the Fiscal Year 2024 maximum aggregate compensation for Garmin's Executive Management. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
131,914,749	4,307,613	352,935	26,857,501

The shareholders approved a binding vote to approve the maximum aggregate compensation for Garmin's Board of Directors for the period between the 2023 annual general meeting and the 2024 annual general meeting. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
135,984,317	229,395	361,584	26,857,501

The shareholders approved the cancellation of shares repurchased under Garmin's share repurchase program and a corresponding reduction in Garmin's share capital. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
163,006,458	194,844	231,496	0

The shareholders approved an amendment to Garmin's Employee Stock Purchase Plan to increase the number of shares authorized for issuance under such plan from 8 million to 10 million. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
134,825,480	1,664,092	85,724	26,857,501

The shareholders approved an amendment to Garmin's 2011 Non-Employee Directors' Equity Incentive Plan to increase the number of shares authorized for issuance under such plan from 122,592 to 150,000. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
132,307,286	4,162,038	105,973	26,857,501

The shareholders approved a reduction of the nominal value of Garmin's registered shares. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
162,675,458	459,533	297,807	0

The shareholders approved a change of the currency in which Garmin's share capital is expressed from Swiss francs to U.S. dollars. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
163,161,639	96,018	175,141	0

The shareholders approved replacement of Garmin's existing authorized share capital with a capital band provision and approved the Board of Directors' authority to issue new shares and/or to cancel shares or reduce the nominal value of the shares thereunder for a 1-year period ending on June 9, 2024. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
135,451,141	981,039	143,117	26,857,501

The shareholders approved amendments to Garmin's Articles of Association to align them with new statutory provisions of Swiss law pertaining to (i) shares and shareholder rights; and (ii) general meeting of shareholders matters. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
136,391,340	72,616	111,341	26,857,501

The shareholders approved amendments to Garmin's Articles of Association to align them with new statutory provisions of Swiss law pertaining to (i) board of directors' matters and (ii) compensation and related matters. The tabulation of votes on this matter was as follows:

For	Against	Abstain	Non-votes
136,311,169	144,577	119,551	26,857,501

### Item 8.01. Other Events

On June 9, 2023, Garmin issued a press release, a copy of which is attached hereto as Exhibit No. 99.1 and incorporated by reference herein, announcing that its shareholders have approved a cash dividend in the amount of \$2.92 per outstanding share out of Garmin's reserve from capital contribution payable in four equal installments on dates to be determined by the Board of Directors in its discretion. The Board has determined that the first installment of \$0.73 will be payable on June 30, 2023 to shareholders of record on June 20, 2023. The Board currently expects that the dividend payment and record dates for the remaining three installments will be as follows: \$0.73 on September 29, 2023 to shareholders of record on September 15, 2023, \$0.73 on December 29, 2023 to shareholders of record on December 15, 2023 and \$0.73 on March 29, 2024 to shareholders of record on March 15, 2024.

### Item 9.01. Financial Statements and Exhibits

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits. The following exhibits are furnished herewith.

<u>Exhibit No.</u>	<u>Description</u>
10.1	<a href="#">Garmin Ltd. Employee Stock Purchase Plan, as amended and restated on June 9, 2023</a>
10.2	<a href="#">Garmin Ltd. 2011 Non-Employee Directors' Equity Incentive Plan, as amended and restated on June 9, 2023</a>
10.3	<a href="#">Garmin Ltd. Articles of Association, as amended and restated on June 9, 2023</a>
99.1	<a href="#">Press Release dated June 9, 2023 (furnished pursuant to Item 8.01)</a>
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL (included as Exhibit 101)

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 12, 2023

**GARMIN LTD.**

/s/ Andrew R. Etkind

Andrew R. Etkind

Vice President, General Counsel and Corporate  
Secretary

**GARMIN LTD.  
EMPLOYEE STOCK PURCHASE PLAN  
(as Amended and Restated on June 9, 2023)**

**I. Purpose and Effective Date**

1.1 The purpose of the Garmin Ltd. Employee Stock Purchase Plan is to provide an opportunity for eligible employees to acquire a proprietary interest in Garmin Ltd. through accumulated payroll deductions. It is the intent of the Company to have the Plan qualify as an “employee stock purchase plan” under Section 423 of the Code. The provisions of the Plan shall be construed to extend and limit participation in a manner consistent with the requirements of Section 423 of the Code.

1.2 The Plan was initially approved by the board of directors of Garmin Ltd., a company incorporated in the Cayman Islands (“Garmin Cayman”), on October 20, 2000 and approved by Garmin Cayman’s stockholders on October 24, 2000. The Plan was amended and restated as of January 1, 2010 and again as of June 27, 2010 following the re-domestication transaction on June 27, 2010 pursuant to which the shares of Garmin Cayman were exchanged for shares of the Company and the Company became the public holding company of Garmin Cayman and its subsidiaries. The Plan was amended and restated again on June 5, 2015, October 21, 2016, June 7, 2019, October 21, 2022, and February 17, 2023. No option shall be granted under the Plan after the date as of which the Plan is terminated by the Board in accordance with Section 11.7 of the Plan.

**II. Definitions**

The following words and phrases, when used in this Plan, unless their context clearly indicates otherwise, shall have the following respective meanings:

2.1 “Account” means a recordkeeping account maintained for a Participant to which payroll deductions are credited in accordance with Article VIII of the Plan.

2.2 “Administrator” means the persons or committee appointed under Section 3.1 to administer the Plan.

2.3 “Article” means an Article of this Plan.

2.4 “Accumulation Period” means, as to the Company or a Participating Subsidiary, a period of six months commencing with the first regular payroll period commencing on or after each successive January 1 and ending on each successive June 30 and a period of six months commencing with the first regular payroll period commencing on or after each successive July 1 and ending on each successive December 31. The Committee may modify (including increasing or decreasing the length of time covered) or suspend Accumulation Periods at any time and from time to time.

2.5 “Base Earnings” means base salary and wages payable by the Company or a Participating Subsidiary to an Eligible Employee, prior to pre-tax deductions for contributions to qualified or non-qualified (under the Code) benefit plans or arrangements, and excluding bonuses, incentives and overtime pay but including commissions.

2.6 “Board” means the Board of Directors of the Company.

2.7 “Code” means the Internal Revenue Code of 1986, as amended.

2.8 “Company” means Garmin Ltd., a Swiss corporation.

2.9 “Cut-Off Date” means the date established by the Administrator from time to time by which enrollment forms must be received with respect to an Accumulation Period.

2.10 “Eligible Employee” means an Employee, including an employee on an Authorized Leave of Absence (as defined in Section 10.3), eligible to participate in the Plan in accordance with Article V.

2.11 “Employee” means an individual who performs services for the Company or a Participating Subsidiary pursuant to an employment relationship described in Treasury Regulations Section 31.3401(c)-1 or any successor provision, or an individual who would be performing such services but for such individual’s Authorized Leave of Absence (as defined in Section 10.3).

2.12 “Enrollment Date” means the first Trading Day of an Accumulation Period beginning on or after January 1, 2000.

2.13 “Exchange Act” means the Securities Exchange Act of 1934.

2.14 “Fair Market Value” means, as of any applicable date:

(a) If the security is listed on the New York Stock Exchange or any other established stock exchange or traded on any established market system, the closing price, regular way, of the security on such exchange or market system, or if no such reported sale of the security shall have occurred on such date, on the latest preceding date on which there was such a reported sale, in all cases, as reported in The Wall Street Journal or such other source as the Board deems reliable.

(b) In the absence of such markets for the security, the value determined by the Board in good faith.

2.15 “Participant” means an Eligible Employee who has enrolled in the Plan pursuant to Article VI. A Participant shall remain a Participant until the applicable date set forth in Article X.



2.16 “Participating Subsidiary” means a Subsidiary incorporated under the laws of any state in the United States, a territory of the United States, Puerto Rico, or the District of Columbia, or such foreign Subsidiary approved under Section 3.3, which has adopted the Plan as a Participating Subsidiary by action of its board of directors and which has been designated by the Board in accordance with Section 3.3 as covered by the Plan, subject to the requirements of Section 423 of the Code except as noted in Section 3.3.

2.17 “Plan” means the Garmin Ltd. Employee Stock Purchase Plan, as amended and restated on June 9, 2023 as set forth herein and as from time to time amended.

2.18 “Purchase Date” means the specific Trading Day during an Accumulation Period on which Shares are purchased under the Plan in accordance with Article IX. For each Accumulation Period, the Purchase Date shall be the last Trading Day occurring in such Accumulation Period. The Administrator may, in its discretion, designate a different Purchase Date with respect to any Accumulation Period.

2.19 “Qualified Military Leave” means an absence due to service in the uniformed services of the United States (as defined in Chapter 43 of Title 38 of the United States Code) by an individual employee of the Company or a Participating Subsidiary, provided the individual’s rights to reemployment under the Uniformed Services Employment and Reemployment Rights Act of 1994 have not expired or terminated.

2.20 “Section” means a section of this Plan, unless indicated otherwise.

2.21 “Securities Act” means the Securities Act of 1933, as amended.

2.22 “Share” means a share, USD \$0.10 par value, of Garmin Ltd.

2.23 “Subsidiary” means any corporation in an unbroken chain of corporations beginning with the Company if, as of the applicable Enrollment Date, each of the corporations other than the last corporation in the chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.

2.24 “Trading Day” means a day the national exchange on which the Shares are listed for trading or, if not so listed, a day the New York Stock Exchange is open for trading.

### III. Administration

3.1 Subject to Section 11.7, the Plan shall be administered by the Board, or committee (“Committee”) appointed by the Board. The Committee shall consist of at least one Board member, but may additionally consist of individuals who are not members of the Board. The Committee shall serve at the pleasure of the Board. If the Board does not so appoint a Committee, the Board shall administer the Plan. Any references herein to “Administrator” are, except as the context requires otherwise, references to the Board or the Committee, as applicable.

3.2 If appointed under Section 3.1, the Committee may select one of its members as chairman and may appoint a secretary. The Committee shall make such rules and regulations for the conduct of its business as it shall deem advisable; provided, however, that all determinations of the Committee shall be made by a majority of its members.

3.3 The Administrator shall have the power, in addition to the powers set forth elsewhere in the Plan, and subject to and within the limits of the express provisions of the Plan, to construe and interpret the Plan and options granted under it; to establish, amend and revoke rules and regulations for administration of the Plan; to determine all questions of policy and expediency that may arise in the administration of the Plan; to allocate and delegate such of its powers as it deems desirable to facilitate the administration and operation of the Plan; and, generally, to exercise such powers and perform such acts as it deems necessary or expedient to promote the best interests of the Company. The Administrator's determinations as to the interpretation and operation of this Plan shall be final and conclusive.

The Board may designate from time to time which Subsidiaries of the Company shall be Participating Subsidiaries. Without amending the Plan, the Board may adopt special or different rules for the operation of the Plan which allow employees of any foreign Subsidiary to participate in the purposes of the Plan. In furtherance of such purposes, the Board may approve such modifications, procedures, rules or sub-plans as it deems necessary or desirable, including those deemed necessary or desirable to comply with any foreign laws or to realize tax benefits under foreign law. Any such different or special rules for employees of any foreign Subsidiary shall not be subject to Code Section 423 and for purposes of the Code shall be treated as separate and apart from the balance of the Plan.

3.4 This Article III relating to the administration of the Plan may be amended by the Board from time to time as may be desirable to satisfy any requirements of or under the federal securities and/or other applicable laws of the United States, or to obtain any exemption under such laws.

#### IV. Number of Shares

4.1 Ten million (10,000,000) Shares are reserved for sales and authorized for issuance pursuant to the Plan. Shares sold under the Plan may be newly-issued Shares, outstanding Shares reacquired in private transactions or open market purchases, or any combination of the foregoing. If any option granted under the Plan shall for any reason terminate without having been exercised, the Shares not purchased under such option shall again become available for the Plan.

4.2 In the event of any reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, acquisition of property or shares, separation, asset spin-off, stock rights offering, liquidation or other similar change in the capital structure of the Company, the Board shall make such adjustment, if any, as it deems appropriate in the number, kind and purchase price of the Shares available for purchase under the Plan. In the event that, at a time when options are outstanding hereunder, there occurs a dissolution or liquidation of the Company, except pursuant to a transaction to which Section 424(a) of the Code applies, each option to purchase Shares shall terminate, but the Participant holding such option shall have the right to exercise his or her option prior to such termination of the option upon the dissolution or liquidation. The Company reserves the right to reduce the number of Shares which Employees may purchase pursuant to their enrollment in the Plan.

## V. Eligibility Requirements

5.1 Except as provided in Section 5.2, each individual who is an Eligible Employee of the Company or a Participating Subsidiary on the applicable Cut-Off Date shall become eligible to participate in the Plan in accordance with Article VI as of the first Enrollment Date following the date the individual becomes an Employee of the Company or a Participating Subsidiary, provided that the individual remains an Eligible Employee on the first day of the Accumulation Period associated with such Enrollment Date. Participation in the Plan is entirely voluntary.

5.2 Employees meeting any of the following restrictions are not eligible to participate in the Plan:

(a) Employees who, immediately upon enrollment in the Plan or upon grant of an Option would own directly or indirectly, or hold options or rights to acquire, an aggregate of 5% or more of the total combined voting power or value of all outstanding shares of all classes of stock of the Company or any Subsidiary (and for purposes of this paragraph, the rules of Code Section 424(d) shall apply, and stock which the Employee may purchase under outstanding options shall be treated as stock owned by the Employee);

(b) Employees (other than individuals on Authorized Leave of Absence (as defined in Section 10.3)) who are customarily employed by the Company or a Participating Subsidiary for not more than 20 hours per week; or

(c) Employees (other than individuals on Authorized Leave of Absence (as defined in Section 10.3)) who are customarily employed by the Company or a Participating Subsidiary for not more than five (5) months in any calendar year.

5.3 The Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the options shall be granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and the options granted hereunder shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

## VI. Enrollment

6.1 Eligible Employees will be automatically enrolled in the Plan on the first day of each Accumulation Period. Any Eligible Employee may consent to enrollment in the Plan for an Accumulation Period by completing and signing an enrollment form (which authorizes payroll deductions during such Accumulation Period in accordance with Section 8.1) and submitting such enrollment form to the Company or the Participating Subsidiary on or before the Cut-Off Date specified by the Administrator. Payroll deductions pursuant to the enrollment form shall be effective as of the first payroll period with a pay day after the Enrollment Date for the Accumulation Period to which the enrollment form relates, and shall continue in effect until the earliest of:

- (a) the end of the last payroll period with a payday in the Accumulation Period;
- (b) the date during the Accumulation Period as of which the Employee elects to cease his or her enrollment in accordance with Section 8.3; and
- (c) the date during the Accumulation Period as of which the Employee withdraws from the Plan or has a termination of employment in accordance with Article X.

## VII. Grant of Options on Enrollment

7.1 The automatic enrollment by an Eligible Employee in the Plan as of an Enrollment Date will constitute the grant as of such Enrollment Date by the Company to such Participant of an option to purchase Shares from the Company pursuant to the Plan.

7.2 An option granted to a Participant pursuant to this Plan shall expire, if not terminated earlier for any reason, on the earliest to occur of: (a) the end of the Purchase Date with respect to the Accumulation Period in which such option was granted; (b) the completion of the purchase of Shares under the option under Article IX; or (c) the date on which participation of such Participant in the Plan terminates for any reason.

7.3 As of each Enrollment Date, each Participant shall automatically be granted an option to purchase a maximum number of Shares, subject to the terms of the Plan, equal to the quotient of \$25,000 divided by the Fair Market Value of a Share on the Enrollment Date.

7.4 Notwithstanding any other provision of this Plan, no Employee may be granted an option which permits his or her rights to purchase Shares under the Plan and any other Code Section 423 employee stock purchase plan of the Company or any of its Subsidiaries or parent companies to accrue (when the option first becomes exercisable) at a rate which exceeds \$25,000 of Fair Market Value of such Shares (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time. For purposes of administering this accrual limitation, the Administrator shall limit purchases under the Plan as follows:

- (a) The number of Shares that may be purchasable by an Employee during his or her first Accumulation Period during a calendar year may not exceed a number of Shares determined by dividing \$25,000 by the Fair Market Value of a Share on the Enrollment Date for that Accumulation Period.

(b) The number of Shares that may be purchasable by an Employee during any subsequent Accumulation Period during the same calendar year (if any) shall not exceed the number of Shares determined by performing the calculation below:

(i) First, the number of Shares purchased by the Employee during any previous Accumulation Period during the same calendar year shall be multiplied by the Fair Market Value of a Share on the Enrollment Date of such previous Accumulation Period.

(ii) Second, the amount determined under (i) above shall be subtracted from \$25,000.

(iii) Third, the amount determined under (ii) above shall be divided by the Fair Market Value of a Share on the Enrollment Date for such subsequent Accumulation Period (for which the maximum number of Shares purchasable is being determined by this calculation) occurs. The quotient thus obtained shall be the maximum number of Shares that may be purchased by any Employee for such subsequent Accumulation Period.

#### VIII. Payroll Deductions

8.1 An Employee who files an enrollment form pursuant to Article VI shall elect and authorize in such form to have deductions made from his or her pay on each payday he or she receives a paycheck during the Accumulation Period to which the enrollment form relates, and he or she shall designate in such form the percentage (in whole percentages) of Base Earnings to be deducted each payday during such Accumulation Period. The minimum an Employee may elect and authorize to have deducted is 1% of his or her Base Earnings paid per pay period in such Accumulation Period, and the maximum is 10% of his or her Base Earnings paid per pay period in such Accumulation Period (or such larger or smaller percentage as the Administrator may designate from time to time).

8.2 Except as provided in the last paragraph of Section 6.1, deductions from a Participant's Base Earnings shall commence upon the first payday on or after the commencement of the Accumulation Period, and shall continue until the date on which such authorization ceases to be effective in accordance with Article VI. The amount of each deduction made for a Participant shall be credited to the Participant's Account. All payroll deductions received or held by the Company or a Participating Subsidiary may be, but are not required to be, used by the Company or Participating Subsidiary for any corporate purpose, and the Company or Participating Subsidiary shall not be obligated to segregate such payroll deductions, but may do so at the discretion of the Board.

8.3 As of the last day of any month during an Accumulation Period, a Participant may elect to cease (but not to increase or decrease) payroll deductions made on his or her behalf for the remainder of such Accumulation Period by filing the applicable election with the Company or Participating Subsidiary in such form and manner and at such time as may be permitted by the Administrator. A Participant who has ceased payroll deductions may have the amount which was credited to his or her Account prior to such cessation applied to the purchase of Shares as of the Purchase Date, in accordance with Section 9.1, and receive the balance of the Account with respect to which the enrollment is ceased, if any, in cash. A Participant who has ceased payroll deductions may also voluntarily withdraw from the Plan pursuant to Section 10.1. Any Participant who ceases payroll deductions for an Accumulation Period may re-enroll in the Plan on the next subsequent Enrollment Date following the cessation in accordance with the provisions of Article VI. A Participant who ceases to be employed by the Company or any Participating Subsidiary will cease to be a Participant in accordance with Section 10.2.

8.4 A Participant may not make any separate or additional contributions to his Account under the Plan. Neither the Company nor any Participating Subsidiary shall make separate or additional contributions to any Participant's Account under the Plan.

#### IX. Purchase of Shares

9.1 Subject to Section 9.2, any option held by the Participant which was granted under this Plan and which remains outstanding as of a Purchase Date shall be deemed to have been exercised on such Purchase Date for the purchase of the number of whole Shares which the funds accumulated in his or her Account as of the Purchase Date will purchase at the applicable purchase price (but not in excess of the number of Shares for which options have been granted to the Participant pursuant to Section 7.3). No Shares will be purchased on behalf of any Participant who fails to file an enrollment form authorizing payroll deductions for an Accumulation Period.

9.2 A Participant who holds an outstanding option as of a Purchase Date shall not be deemed to have exercised such option if the Participant elected not to exercise the option by withdrawing from the Plan in accordance with Section 10.1.

9.3 If, after a Participant's exercise of an option under Section 9.1, an amount remains credited to the Participant's Account as of a Purchase Date, then the remaining amount shall be distributed to the Participant in cash as soon as administratively practical after such Purchase Date. However, if the cash to be returned to a Participant pursuant to the preceding sentence is an amount less than the amount that would have been necessary to purchase an additional whole Share on such Purchase Date, the Company may retain such amount in the Participant's Account to be applied toward the purchase of Shares in the subsequent Accumulation Period.

9.4 Except as otherwise set forth in this Section 9.4, the purchase price for each Share purchased under any option shall be 85% of the lower of:

(a) the Fair Market Value of a Share on the Enrollment Date on which such option is granted; or

(b) the Fair Market Value of a Share on the Purchase Date, but - in the case of newly issued Shares - not lower than the par value of a Share.

Notwithstanding the above, the Board may establish a different purchase price for each Share purchased under any option provided that such purchase price is determined at least thirty (30) days prior to the Accumulation Period for which it is applicable and provided that such purchase price may not be less than (i) the purchase price set forth above and (ii) – in the case of newly issued Shares - than the par value per Share.

9.5 If Shares are purchased by a Participant pursuant to Section 9.1, then such Shares shall be held in non-certificated form at a bank or other appropriate institution selected by the Administrator until the earlier of the Participant's termination of employment or the time a Participant requests delivery of certificates representing such shares, which would only be possible if the Board resolved that share certificates shall be issued. If any law governing corporate or securities matters, or any applicable regulation of the Securities and Exchange Commission or other body having jurisdiction with respect to such matters, shall require that the Company or the Participant take any action in connection with the Shares being purchased under the option, delivery of such Shares shall be postponed until the necessary action shall have been completed, which action shall be taken by the Company at its own expense, without unreasonable delay.

Shares transferred pursuant to this Section 9.5 shall be registered in the name of the Participant or, if the Participant so elects, in the names of the Participant and one or more such other persons as may be designated by the Participant in joint tenancy with rights of survivorship or in tenancy by the entirety or as spousal community property, or in such forms of trust as may be approved by the Administrator, to the extent permitted by law.

9.6 In the case of Participants employed by a Participating Subsidiary, the Board may provide for Shares to be sold through the Subsidiary to such Participants, to the extent consistent with and governed by Section 423 of the Code.

9.7 If the total number of Shares for which an option is exercised on any Purchase Date in accordance with this Article IX, when aggregated with all Shares previously granted under this Plan, exceeds the maximum number of Shares reserved in Section 4.1, the Administrator shall make a pro rata allocation of the Shares available for delivery and distribution in as nearly a uniform manner as shall be practicable and as it shall determine to be equitable, and the balance of the cash amount credited to the Account of each Participant under the Plan shall be returned to him or her as promptly as administratively practical.

9.8 If a Participant or former Participant sells, transfers, or otherwise makes a disposition of Shares purchased pursuant to an option granted under the Plan within two years after the date such option is granted or within one year after the Purchase Date to which such option relates, or if the Participant or former Participant otherwise has a taxable event relating to Shares purchased under the Plan, and if such Participant or former Participant is subject to U.S. federal income tax, then such Participant or former Participant shall notify the Company or Participating Subsidiary in writing of any such sale, transfer or other disposition within 10 days of the consummation of such sale, transfer or other disposition, and shall remit to the Company or Participating Subsidiary or authorize the Company or Participating Subsidiary to withhold from other sources such amount as the Company may determine to be necessary to satisfy any federal, state or local tax withholding obligations of the Company or Participating Subsidiary. A Participant must reply to a written request, within 10 days of the receipt of such written request, from the Company, Participating Subsidiary, or Administrator regarding whether such a sale, transfer or other disposition has occurred.

The Administrator may from time to time establish rules and procedures (including but not limited to postponing delivery of Shares until the earlier of the expiration of the two-year or one-year period or the disposition of such Shares by the Participant) to cause the withholding requirements to be satisfied.

X. Withdrawal From the Plan; Termination of Employment; Leave of Absence; Death

10.1 Withdrawal from the Plan. Effective as of the last day of any calendar month during an Accumulation Period, a Participant may withdraw from the Plan in full (but not in part) by delivering a notice of withdrawal to the Company (in a manner prescribed by the Administrator) at least ten business days prior to the end of such calendar month, (but in no event later than the June 1 or December 1 immediately preceding the Purchase Date for the Plan's two Accumulation Periods, respectively). Upon such withdrawal from participation in the Plan, all funds then accumulated in the Participant's Account shall not be used to purchase Shares, but shall instead be distributed to the Participant as soon as administratively practical after the end of such calendar month, and the Participant's payroll deductions shall cease as of the end of such calendar month. An Employee who has withdrawn during an Accumulation Period may not return funds to the Company or a Participating Subsidiary during the same Accumulation Period and require the Company or Participating Subsidiary to apply those funds to the purchase of Shares, nor may such Participant's payroll deductions continue, in accordance with Article VI. Any Eligible Employee who has withdrawn from the Plan may, however, re-enroll in the Plan on the next subsequent Enrollment Date following withdrawal in accordance with the provisions of Article VI.



10.2 Termination of Employment. Participation in the Plan terminates immediately when a Participant ceases to be employed by the Company or any Participating Subsidiary for any reason whatsoever, including but not limited to termination of employment, whether voluntary or involuntary, or on account of disability, or retirement, but not including death, or if the participating Subsidiary employing the Participant ceases for any reason to be a Participating Subsidiary. Participation in the Plan also terminates immediately when a Participant ceases to be an Eligible Employee under Article V or withdraws from the Plan. Upon termination of participation such terminated Participant's outstanding options shall thereupon terminate. As soon as administratively practical after termination of participation, the Company shall pay to the Participant or legal representative all amounts accumulated in the Participant's Account and held by the Company at the time of termination of participation, and any Participating Subsidiary shall pay to the Participant or legal representative all amounts accumulated in the Participant's Account and held by the Participating Subsidiary at the time of termination of participation.

10.3 Leaves of Absence.

(a) If a Participant takes a leave of absence (other than an Authorized Leave of Absence) without terminating employment, such Participant will be deemed to have discontinued contributions to the Plan in accordance with Section 8.3, but will remain a Participant in the Plan through the balance of the Accumulation Period in which his or her leave of absence begins, so long as such leave of absence does not exceed 90 days. If a Participant takes a leave of absence (other than an Authorized Leave of Absence) without terminating employment, such Participant will be deemed to have withdrawn from the Plan in accordance with Section 10.1 if such leave of absence exceeds 90 days.

(b) An Employee on an Authorized Leave of Absence shall remain a Participant in the Plan and, in the case of a paid Authorized Leave of Absence, shall have deductions made under Section 8.1 from payments that would, but for the Authorized Leave of Absence, be Base Earnings. An Employee who does not return from an Authorized Leave of Absence on the scheduled date (or, in the case of Qualified Military Leave, prior to the date such individual's reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 have expired or terminated) shall be deemed to have terminated employment on the last day of such Authorized Leave of Absence (or, in the case of Qualified Military Leave, the date such reemployment rights expire or are terminated).

(c) An "Authorized Leave of Absence" means (a) a Qualified Military Leave, and (b) an Employee's absence of more than 90 days which has been authorized, either pursuant to a policy of the Company or the Participating Subsidiary that employs the Employee, or pursuant to a written agreement between the employer and the Employee, which policy or written agreement guarantees the Employee's rights to return to employment.

10.4 Death. Unless mandatory applicable law provides otherwise as soon as administratively feasible after the death of a Participant, amounts accumulated in his or her Account shall be paid in cash to the beneficiary or beneficiaries designated by the Participant on a beneficiary designation form approved by the Board, but if the Participant does not make an effective beneficiary designation then such amounts shall be paid in cash to the Participant's spouse if the Participant has a spouse, or, if the Participant does not have a spouse, to the executor, administrator or other legal representative of the Participant's estate. Such payment shall relieve the Company and the Participating Subsidiary of further liability with respect to the Plan on account of the deceased Participant. If more than one beneficiary is designated, each beneficiary shall receive an equal portion of the Account unless the Participant has given express contrary instructions. None of the Participant's beneficiary, spouse, executor, administrator or other legal representative of the Participant's estate shall, prior to the death of the Participant by whom he has been designated, acquire any interest in the amounts credited to the Participant's Account under the Plan.

## XI. Miscellaneous

11.1 Interest. Interest or earnings will not be paid on any Employee Accounts.

11.2 Restrictions on Transfer. The rights of a Participant under the Plan shall not be assignable or transferable by such Participant, and an option granted under the Plan may not be exercised during a Participant's lifetime other than by the Participant. Any such attempt at assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw from the Plan in accordance with Section 10.1.

11.3 Administrative Assistance. If the Administrator in its discretion so elects, it may retain a brokerage firm, bank, other financial institution or other appropriate agent to assist in the purchase of Shares, delivery of reports or other administrative aspects of the Plan. If the Administrator so elects, each Participant shall (unless prohibited by applicable law) be deemed upon enrollment in the Plan to have authorized the establishment of an account on his or her behalf at such institution. Shares purchased by a Participant under the Plan shall be held in the account in the Participant's name, or if the Participant so indicates in the enrollment form, in the Participant's name together with the name of one or more other persons in joint tenancy with right of survivorship or in tenancy by the entirety or as spousal community property, or in such forms of trust as may be approved by the Administrator, to the extent permitted by law.

11.4 Costs. All costs and expenses incurred in administering the Plan shall be paid by the Company or Participating Subsidiaries, including any brokerage fees on the purchased Shares; excepting that any stamp duties, transfer taxes, fees to issue stock certificates, and any brokerage fees on the sale price applicable to participation in the Plan after the initial purchase of the Shares on the Purchase Date shall be charged to the Account or brokerage account of such Participant.

11.5 Equal Rights and Privileges. All Eligible Employees shall have equal rights and privileges with respect to the Plan so that the Plan qualifies as an “employee stock purchase plan” within the meaning of Section 423 or any successor provision of the Code and the related regulations. Notwithstanding the express terms of the Plan, any provision of the Plan which is inconsistent with Section 423 or any successor provision of the Code shall without further act or amendment by the Company or the Board be reformed to comply with the requirements of Code Section 423. This Section 11.5 shall take precedence over all other provisions in the Plan.

11.6 Applicable Law. The Plan shall be governed by the substantive laws (excluding the conflict of laws rules) of the State of Kansas.

11.7 Amendment and Termination. The Board may amend, alter or terminate the Plan at any time; provided, however, that no amendment which would amend or modify the Plan in a manner requiring stockholder approval under Code Section 423 or the requirements of any securities exchange on which the Shares are traded shall be effective unless, within one year after it is adopted by the Board, it is approved by the holders of a majority of the voting power of the Company’s outstanding shares. In addition, the Committee (if appointed under Section 3.1) may amend the Plan as provided in Section 3.3, subject to the conditions set forth therein and in this Section 11.7.

If the Plan is terminated, the Board may elect to terminate all outstanding options either prior to their expiration or upon completion of the purchase of Shares on the next Purchase Date, or may elect to permit options to expire in accordance with the terms of this Plan (and participation to continue through such expiration dates). If the options are terminated prior to expiration, all funds accumulated in Participants’ Accounts as of the date the options are terminated shall be returned to the Participants as soon as administratively feasible.

11.8 No Right of Employment. Neither the grant nor the exercise of any rights to purchase Shares under this Plan nor anything in this Plan shall impose upon the Company or Participating Subsidiary any obligation to employ or continue to employ any employee. The right of the Company or Participating Subsidiary to terminate any employee shall not be diminished or affected because any rights to purchase Shares have been granted to such employee.

11.9 Requirements of Law. The Company shall not be required to sell, issue, or deliver any Shares under this Plan if such sale, issuance, or delivery might constitute a violation by the Company or the Participant of any provision of law. Unless a registration statement under the Securities Act is in effect with respect to the Shares proposed to be delivered under the Plan, the Company shall not be required to issue such Shares if, in the opinion of the Company or its counsel, such issuance would violate the Securities Act. Regardless of whether such Shares have been registered under the Securities Act or registered or qualified under the securities laws of any state, the Company may impose restrictions upon the hypothecation or further sale or transfer of such shares if, in the judgment of the Company or its counsel, such restrictions are necessary or desirable to achieve compliance with the provisions of the Securities Act, the securities laws of any state, or any other law or are otherwise in the best interests of the Company. Any determination by the Company or its counsel in connection with any of the foregoing shall be final and binding on all parties.

The Company may, but shall not be obligated to, register or qualify any securities covered by the Plan. The Company shall not be obligated to take any other affirmative action in order to cause the grant or exercise of any right or the issuance, sale, or deliver of Shares pursuant to the exercise of any right to comply with any law.

11.10 Gender. When used herein, masculine terms shall be deemed to include the feminine, except when the context indicates to the contrary.

11.11 Data Protection. The Board, the Committee, and any other person or entity empowered by the Board or the Committee to administer the Plan may process, store, transfer or disclose personal data of the Participants to the extent required for the implementation and administration of the Plan. The Board, the Committee and any other person or entity empowered by the Board or the Committee to administer the Restated Plan shall comply with any applicable data protection laws.

11.12 Withholding of Taxes. The Company or Participating Subsidiary may withhold from any purchase of Shares under this Plan or any sale, transfer or other disposition thereof any local, state, federal or foreign taxes, employment taxes, social taxes or other taxes at such times and from such other amounts as it deems appropriate. The Company or Participating Subsidiary may require the Participant to remit an amount in cash sufficient to satisfy any required withholding amounts to the Company or Participating Subsidiary, as the case may be.

**Annex to the Plan for Grantees subject to Swiss inheritance law**

1. Section 10.4 shall be replaced with the following:

10.4 Death. After the death of a Participant, amounts accumulated in his or her Account shall be paid to the Participant's estate in accordance with the applicable Swiss inheritance rules.

GARMIN LTD.

2011 NON-EMPLOYEE DIRECTORS' EQUITY  
INCENTIVE PLAN

as amended and restated on June 9, 2023

**GARMIN LTD.**  
**2011 Non-Employee Directors' Equity Incentive Plan**

**Article 1. Establishment, Objectives and Duration**

- 1.1. Establishment and Amendment of the Plan. The Board of Directors (the “Board”) of Garmin Ltd., a Swiss company (the “Company”), established the Garmin Ltd. 2011 Non-Employee Directors’ Equity Incentive Plan on February 11, 2011, to be effective on June 3, 2011, the date the Plan was initially approved by the shareholders of the Company, (the “Effective Date”). The 2011 Non-Employee Directors’ Equity Incentive Plan was previously amended and restated on October 21, 2016 and on February 15, 2019 and on March 27, 2023. The Board has approved this amended and restated version of the 2011 Non-Employee Directors’ Equity Incentive Plan (the “Plan”), subject to approval by the shareholders of the Company at the Company’s shareholder meeting on June 9, 2023.
- 1.2. Objectives of the Plan. The Plan is intended to allow Eligible Directors of the Company to acquire or increase equity ownership in the Company, or to be compensated under the Plan based on growth in the Company's equity value, thereby strengthening their commitment to the success of the Company, aligning their interests with those of the shareholders of the Company, and to assist the Company in attracting and retaining experienced and knowledgeable individuals to serve as directors.
- 1.3. Duration of the Plan. The Plan shall commence on the Effective Date and shall remain in effect, subject to the right of the Board to amend or terminate the Plan at any time pursuant to Article 12 hereof, until all Shares subject to it shall have been purchased or acquired according to the Plan's provisions.

**Article 2. Definitions**

Whenever used in the Plan, the following terms shall have the meanings set forth below:

- 2.1. “Article” means an Article of the Plan.
- 2.2. “Award” means Options, Restricted Shares, Bonus Shares, SARs, Restricted Stock Units, Performance Units or Performance Shares granted under the Plan.
- 2.3. “Award Agreement” means a written agreement by which an Award is evidenced.
- 2.4. “Beneficial Owner” has the meaning specified in Rule 13d-3 of the SEC under the Exchange Act.
- 2.5. “Board” has the meaning set forth in Section 1.1.
- 2.6. “Bonus Shares” means Shares that are awarded to a Grantee without cost and without restrictions in recognition of past performance.

- 2.7. “Business Criteria” has the meaning set forth in Section 5.8(c).
- 2.8. “Cause” means, (i) an Eligible Director’s conviction of a felony or other crime involving fraud, dishonesty or moral turpitude; (ii) willful or reckless material misconduct in an Eligible Director’s performance of his or her duties as a Director; or (iii) an Eligible Director’s habitual neglect of duties; provided, that an Eligible Director who agrees to resign from his or her position on the Board in lieu of being removed for Cause, may be deemed to have been removed for Cause for purposes of this Plan.
- 2.9. “Change of Control” means, unless otherwise defined in an Award Agreement, any one or more of the following:
- (a) any Person other than (i) a Subsidiary, (ii) any employee benefit plan (or any related trust) of the Company or any of its Subsidiaries or (iii) any Excluded Person, becomes the Beneficial Owner of 35% or more of the shares of the Company representing 35% or more of the combined voting power of the Company (such a person or group, a “35% Owner”), except that (i) no Change of Control shall be deemed to have occurred solely by reason of such beneficial ownership by a corporation with respect to which both more than 60% of the common shares of such corporation and Voting Securities representing more than 60% of the aggregate voting power of such corporation are then owned, directly or indirectly, by the persons who were the direct or indirect owners of the shares of the Company immediately before such acquisition in substantially the same proportions as their ownership, immediately before such acquisition, of the shares of the Company, as the case may be and (ii) such corporation shall not be deemed a 35% Owner; or
  - (b) the Incumbent Directors (determined using the Effective Date as the baseline date) cease for any reason to constitute at least a majority of the directors of the Company then serving; or
  - (c) the consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of a merger, reorganization, consolidation, or similar transaction, or the sale or other disposition of all or substantially all (at least 40%) of the consolidated assets of the Company or a resolution of dissolution of the Company (any of the foregoing transactions, a “Reorganization Transaction”) which is not an Exempt Reorganization Transaction.



The definition of “Change of Control” may be amended at any time prior to the occurrence of a Change of Control, and such amended definition shall be applied to all Awards granted under the Plan whether or not outstanding at the time such definition is amended, without requiring the consent of any Grantee. Notwithstanding the occurrence of any of the foregoing events, (a) a Change of Control shall be deemed not to have occurred with respect to any Section 16 Person if such Section 16 Person is, by agreement (written or otherwise), a participant on such Section 16 Person's own behalf in a transaction which causes the Change of Control to occur and (b) a Change of Control shall not occur with respect to a Grantee if, in advance of such event, the Grantee agrees in writing that such event shall not constitute a Change of Control.

- 2.10. “Change of Control Value” means the Fair Market Value of a Share on the date of a Change of Control.
- 2.11. “Code” means the Internal Revenue Code of 1986, as amended from time to time, and regulations and rulings thereunder. References to a particular section of the Code include references to successor provisions of the Code or any successor statute.
- 2.12. “Company” has the meaning set forth in Section 1.1.
- 2.13. “Director's Compensation Year” has the meaning set forth in Section 8.3.
- 2.14. “Disabled” or “Disability” means an individual (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than 3 months under a Company-sponsored accident and health plan.
- 2.15. “Effective Date” has the meaning set forth in Section 1.1.
- 2.16. “Eligible Director” means any individual serving as a director on the Board. A director who is an officer of the Company or a Subsidiary or otherwise employed by the Company or a Subsidiary shall not be an Eligible Director; provided, however, an individual who, but for this sentence is otherwise an Eligible Director, ceases providing services as a Director and immediately begins providing services as an employee of the Company or a Subsidiary shall be ineligible to receive any new Awards under this Plan but, with respect to any existing Award held by such individual, shall be deemed to continue to be an Eligible Director under this Plan until he or she experiences a Termination of Affiliation.
- 2.17. “Exchange Act” means the Securities Exchange Act of 1934, as amended. References to a particular section of the Exchange Act include references to successor provisions.

- 2.18. “Excluded Person” means any Person who, along with such Person's Affiliates and Associates (as such terms are defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act) is the Beneficial Owner of 15% or more of the Shares outstanding as of the Effective Date.
- 2.19. “Exempt Reorganization Transaction” means a Reorganization Transaction which (i) results in the Persons who were the direct or indirect owners of the outstanding shares of the Company immediately before such Reorganization Transaction becoming, immediately after the consummation of such Reorganization Transaction, the direct or indirect owners of both more than 60% of the then-outstanding common shares of the Surviving Corporation and Voting Securities representing more than 60% of the aggregate voting power of the Surviving Corporation, in substantially the same respective proportions as such Persons' ownership of the shares of the Company immediately before such Reorganization Transaction, or (ii) after such transaction, more than 50% of the members of the board of directors of the Surviving Corporation were Incumbent Directors at the time of the Board's approval of the agreement providing for the Reorganization Transaction or other action of the Board approving the transaction (or whose election or nomination was approved by a vote of at least two-thirds of the members who were members of the Board at that time).
- 2.20. “Fair Market Value” means, unless otherwise determined or provided by the Board in the circumstances, (A) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Board, and (B) with respect to Shares, (i) the last sale price (also referred to as the closing price) of a Share on such U.S. securities exchange as the Shares are then traded, for the applicable date, (ii) if such U.S. securities exchange is closed for trading on such date, or if the Shares do not trade on such date, then the last sales price used shall be the one on the date the Shares last traded on such U.S. securities exchange, or (iii) in the event that there shall be no public market for the Shares, the fair market value of the Shares as determined in good faith by the Board using a method consistently applied.
- 2.21. “Freestanding SAR” means any SAR that is granted independently of any Option.
- 2.22. “Grant Date” has the meaning set forth in Section 5.2.
- 2.23. “Grantee” means an Eligible Director who has been granted an Award.
- 2.24. “Including” or “includes” mean “including, without limitation,” or “includes, without limitation”, respectively.

- 2.25. “Incumbent Directors” means, as of any specified baseline date, individuals then serving as members of the Board who were members of the Board as of the date immediately preceding such baseline date; provided that any subsequently-appointed or elected member of the Board whose election, or nomination for election by shareholders of the Company or the Surviving Corporation, as applicable, was approved by a vote or written consent of a majority of the directors then comprising the Incumbent Directors shall also thereafter be considered an Incumbent Director, unless the initial assumption of office of such subsequently-elected or appointed director was in connection with (i) an actual or threatened election contest, including a consent solicitation, relating to the election or removal of one or more members of the Board, (ii) a “tender offer” (as such term is used in Section 14(d) of the Exchange Act), or (iii) a proposed Reorganization Transaction.
- 2.26. “Mandatory Retirement Age” means the age for mandatory retirement according to the policy of the Board, if any, in place from time to time.
- 2.27. “Option” means an option granted under Article 6 of the Plan.
- 2.28. “Option Price” means the price at which a Share may be purchased by a Grantee pursuant to an Option.
- 2.29. “Option Term” means the period beginning on the Grant Date of an Option and ending on the expiration date of such Option, as specified in the Award Agreement for such Option and as may, consistent with the provisions of the Plan, be extended from time to time by the Board prior to the expiration date of such Option then in effect.
- 2.30. “Performance Award” means any Award that will be issued, granted, vested, exercisable or payable, as the case may be, upon the achievement of one or more Business Criteria, as set forth in Section 5.8.
- 2.31. “Performance Period” has the meaning set forth in Section 10.2.
- 2.32. “Performance Share” or “Performance Unit” means the Awards described in Article 10.
- 2.33. “Person” shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a “group” as defined in Section 13(d) thereof.
- 2.34. “Plan” has the meaning set forth in Section 1.1.
- 2.35. “Plan Committee” has the meaning set forth in Section 3.1.
- 2.36. “Reorganization Transaction” has the meaning set forth in Section 2.9(c).
- 2.37. “Restricted Shares” means Shares that are issued as an Award under the Plan that is subject to Restrictions.

- 2.38. “Restricted Stock Units” means units awarded to Grantees pursuant to Article 9 hereof, which are convertible into Shares at such time as such units are no longer subject to Restrictions as established by the Board.
- 2.39. “Restriction” means any restriction on a Grantee's free enjoyment of the Shares or other rights underlying Awards, including (a) that the Grantee or other holder may not sell, transfer, pledge, or assign a Share or right, and (b) such other restrictions as the Board may impose in the Award Agreement that are permissible under Swiss law. Restrictions may be based on the passage of time or the satisfaction of performance criteria or the occurrence of one or more events or conditions, and shall lapse separately or in combination upon such conditions and at such time or times, in installments or otherwise, as the Board shall specify. Awards subject to a Restriction shall be forfeited if the Restriction does not lapse prior to such date or the occurrence of such event or the satisfaction of such other criteria as the Board shall determine.
- 2.40. “Rule 16b-3” means Rule 16b-3 promulgated by the SEC under the Exchange Act, together with any successor rule, as in effect from time to time.
- 2.41. “SAR” means a stock appreciation right and includes both Tandem SARs and Freestanding SARs.
- 2.42. “SAR Term” means the period beginning on the Grant Date of a SAR and ending on the expiration date of such SAR, as specified in the Award Agreement for such SAR and as may, consistent with the provisions of the Plan, be extended from time to time by the Board prior to the expiration date of such SAR then in effect.
- 2.43. “SEC” means the United States Securities and Exchange Commission, or any successor thereto.
- 2.44. “Section” means, unless the context otherwise requires, a Section of the Plan.
- 2.45. “Section 16 Person” means a person who is subject to obligations under Section 16 of the Exchange Act with respect to transactions involving equity securities of the Company.
- 2.46. “Share” means a registered share, USD \$0.10 par value, of the Company.
- 2.47. “Subsidiary” means with respect to any Person (a) any corporation of which more than 50% of the Voting Securities are at the time, directly or indirectly, owned by such Person, and (b) any partnership or limited liability company in which such Person has a direct or indirect interest (whether in the form of voting power or participation in profits or capital contribution) of more than 50%.
- 2.48. “Substitute Option” has the meaning set forth in Section 6.3.

- 2.49. “Surviving Corporation” means the corporation resulting from a Reorganization Transaction or, if Voting Securities representing at least 50% of the aggregate voting power of such resulting corporation are directly or indirectly owned by another corporation, such other corporation.
- 2.50. “Tandem SAR” means a SAR that is granted in connection with, or related to, an Option, and which requires forfeiture of the right to purchase an equal number of Shares under the related Option upon the exercise of such SAR; or alternatively, which requires the cancellation of an equal amount of SARs upon the purchase of the Shares subject to the Option.
- 2.51. “Termination of Affiliation” occurs on the first day on which an individual is for any reason no longer providing services to the Company in the capacity as an Eligible Director; provided, however, if an Eligible Director ceases providing services as a Director and immediately begins providing services as an employee, the individual will not be considered to have a Termination of Affiliation unless otherwise determined by the Board and as permitted under Code Section 409A. A Termination of Affiliation shall have the same meaning as a “separation from service” under Code Section 409A(2)(A)(i).
- 2.52. “Voting Securities” of a corporation means securities of such corporation that are entitled to vote generally in the election of directors, but not including any other class of securities of such corporation that may have voting power by reason of the occurrence of a contingency.

### **Article 3. Administration**

- 3.1. Board and Plan Committee. Subject to Article 12, and to Section 3.2, the Plan shall be administered by the Board, or a committee of the Board appointed by the Board to administer the Plan (“Plan Committee”). To the extent the Board considers it desirable for transactions relating to Awards to be eligible to qualify for an exemption under Rule 16b-3, the Plan Committee shall consist of two or more directors of the Company, all of whom qualify as “non-employee directors” within the meaning of Rule 16b-3. The number of members of the Plan Committee shall from time to time be increased or decreased, and shall be subject to such conditions, including, but not limited to having exclusive authority to make certain grants of Awards or to perform such other acts, in each case as the Board deems appropriate to permit transactions in Shares pursuant to the Plan to satisfy such conditions of Rule 16b-3 as then in effect.

Any references herein to “Board” are, except as the context requires otherwise, references to the Board or the Plan Committee, as applicable.

- 3.2. Powers of the Board. Subject to the express provisions of the Plan, the Board has full and final authority and sole discretion as follows:

- (a) taking into consideration the reasonable recommendations of management, to determine when, to whom and in what types and amounts Awards should be granted and the terms and conditions applicable to each Award, including the Option Price, the Option Term, the Restrictions, the benefit payable under any SAR, Performance Unit or Performance Share and whether or not specific Awards shall be granted in connection with other specific Awards, and if so whether they shall be exercisable cumulatively with, or alternatively to, such other specific Awards;
- (b) to determine the amount, if any, that a Grantee shall pay for Restricted Shares, whether and on what terms to permit or require the payment of cash dividends thereon to be deferred, when Restrictions on Restricted Shares (including Restricted Shares acquired upon the exercise of an Option) shall lapse and whether such shares shall be held in escrow;
- (c) to construe and interpret the Plan and to make all determinations necessary or advisable for the administration of the Plan;
- (d) to make, amend, and rescind rules relating to the Plan, including rules with respect to the exercisability and nonforfeitability of Awards and lapse of Restrictions upon the Termination of Affiliation of a Grantee;
- (e) to determine the terms and conditions of all Award Agreements (which need not be identical) and, with the consent of the Grantee, to amend any such Award Agreement at any time, among other things, to permit transfers of such Awards to the extent permitted by the Plan; *provided* that the consent of the Grantee shall not be required for any amendment which (A) does not adversely affect the rights of the Grantee, or (B) is necessary or advisable (as determined by the Board) to carry out the purpose of the Award as a result of any new or change in existing applicable law;
- (f) to cancel, with the consent of the Grantee, outstanding Awards and to grant new Awards in substitution therefor; *provided* that any replacement grant that would be considered a repricing shall be subject to shareholder approval;
- (g) to accelerate the exercisability (including exercisability within a period of less than six months after the Grant Date) of, and to accelerate or waive any or all of the terms, conditions or Restrictions applicable to, any Award or any group of Awards for any reason and at any time, including in connection with a Termination of Affiliation;
- (h) subject to Section 5.3, to extend the time during which any Award or group of Awards may be exercised;
- (i) to make such adjustments or modifications to Awards to Grantees who are located outside the United States as are advisable to fulfill the purposes of the Plan or to comply with applicable local law;

- (j) to delegate to any member of the Board or committee of Board members such of its powers as it deems appropriate, including the power to subdelegate, except that only a member of the Board of Directors of the Company (or a committee thereof) may grant Awards from time to time to specified categories of Eligible Directors in amounts and on terms to be specified by the Board; provided that no such grants shall be made other than by the Board or the Plan Committee to individuals who are then Section 16 Persons;
- (k) to delegate to officers, employees or independent contractors of the Company matters involving the routine administration of the Plan and which are not specifically required by any provision of the Plan to be performed by the Board of Directors of the Company;
- (l) to correct any defect or supply any omission or reconcile any inconsistency, and construe and interpret the Plan, the rules and regulations, any Award Agreement or any other instrument entered into or relating to an Award under the Plan, and to make all determinations, including factual determinations, necessary or advisable for the administration of the Plan;
- (m) to impose such additional terms and conditions upon the grant, exercise or retention of Awards as the Board may, before or concurrently with the grant thereof, deem appropriate, including limiting the percentage of Awards which may from time to time be exercised by a Grantee; and
- (n) to take any other action with respect to any matters relating to the Plan for which it is responsible.

All determinations on any matter relating to the Plan or any Award Agreement may be made in the sole and absolute discretion of the Board, and to the fullest extent permitted by the applicable law all such determinations of the Board shall be final, conclusive and binding on all Persons. To the fullest extent permitted by the applicable law no member of the Board shall be liable for any action or determination made with respect to the Plan or any Award.

#### **Article 4. Shares Subject to the Plan**

- 4.1. Number of Shares Available. Subject to adjustment as provided in Section 4.2, the Shares reserved for delivery under the Plan shall be 150,000 Shares. If any Shares subject to an Award granted hereunder are forfeited or an Award or any portion thereof otherwise terminates or is settled without the issuance of Shares, the Shares subject to such Award, to the extent of any such forfeiture, termination or settlement, shall again be available for grant under the Plan. The Board may from time to time determine the appropriate methodology for calculating the number of Shares issued pursuant to the Plan.

4.2. Adjustments in Shares.

- (a) *Adjustment Principle.* In the event that the Board determines that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, share split, reverse share split, subdivision, consolidation or reduction of capital, reorganization, merger, scheme of arrangement, split-up, spin-off or combination involving the Company or repurchase or exchange of Shares or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that any adjustment is determined by the Board to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Board shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or property of the Company or any Person that is a party to a Reorganization Transaction with the Company) with respect to which Awards may be granted, (ii) the number and type of Shares (or other securities or property of the Company or any Person that is a party to a Reorganization Transaction with the Company) subject to outstanding Awards, and (iii) the grant or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award or the substitution of other property for Shares subject to an outstanding Award; provided, that the number of Shares subject to any Award denominated in Shares shall always be a whole number.

**Article 5. Eligibility and General Conditions of Awards**

- 5.1. Eligibility. The Board may grant Awards to any Eligible Director, whether or not he or she has previously received an Award.
- 5.2. Grant Date. The Grant Date of an Award shall be the date on which the Board grants the Award or such later date as specified by the Board (i) in the Board's resolutions or minutes addressing the Award grants or (ii) in the Award Agreement.
- 5.3. Maximum Term. Subject to the following proviso, the Option Term or other period during which an Award may be outstanding shall not extend more than 10 years after the Grant Date, and shall be subject to earlier termination as herein specified.
- 5.4. Award Agreement. To the extent not set forth in the Plan, the terms and conditions of each Award (which need not be the same for each grant or for each Grantee) shall be set forth in an Award Agreement.
- 5.5. Restrictions on Share Transferability. The Board may include in the Award Agreement such restrictions on any Shares acquired pursuant to the exercise or vesting of an Award as it may deem advisable, including restrictions under applicable federal securities laws.



5.6. Termination of Affiliation. Except as otherwise provided in an Award Agreement (including an Award Agreement as amended by the Board pursuant to Section 3.2), and subject to the provisions of Section 12.1, the extent to which the Grantee shall have the right to exercise, vest in, or receive payment in respect of an Award following Termination of Affiliation shall be determined in accordance with the following provisions of this Section 5.6.

(a) For Cause. If a Grantee has a Termination of Affiliation for Cause:

- (i) the Grantee's Restricted Shares that are forfeitable immediately before such Termination of Affiliation shall automatically be forfeited on such date, subject in the case of Restricted Shares to the provisions of Section 8.5 regarding repayment of certain amounts to the Grantee;
- (ii) the Grantee's Restricted Stock Units shall automatically be forfeited; and
- (iii) any unexercised Option or SAR, and any Performance Share or Performance Unit with respect to which the Performance Period has not ended immediately before such Termination of Affiliation, shall terminate effective immediately upon such Termination of Affiliation.

(b) On Account of Death, Disability, Retirement or Mandatory Retirement. If a Grantee has a Termination of Affiliation on account of death, Disability or retirement on or after attaining Mandatory Retirement Age:

- (i) the Grantee's Restricted Shares that were forfeitable immediately before such Termination of Affiliation shall thereupon become nonforfeitable;
- (ii) the Grantee's Restricted Stock Units shall immediately be settled in accordance with Section 9.4;
- (iii) any unexercised Option or SAR, whether or not exercisable immediately before such Termination of Affiliation, shall be fully exercisable and may be exercised, in whole or in part, at any time up to one year after such Termination of Affiliation (but only during the Option Term or SAR Term, respectively) by the Grantee or, after his or her death, by (A) his or her legal personal representative or the person to whom the Option or SAR, as applicable, is transferred by will or the applicable laws of descent and distribution, or (B) the Grantee's beneficiary designated in accordance with Article 11; and

- (iv) the benefit payable with respect to any Performance Share or Performance Unit with respect to which the Performance Period has not ended immediately before such Termination of Affiliation on account of death or Disability shall be equal to the product of the Fair Market Value of a Share as of the date of such Termination of Affiliation or the value of the Performance Unit specified in the Award Agreement (determined as of the date of such Termination of Affiliation), as applicable, multiplied successively by each of the following:
  - (A) a fraction, the numerator of which is the number of months (including as a whole month any partial month) that have elapsed since the beginning of such Performance Period until the date of such Termination of Affiliation and the denominator of which is the number of months (including as a whole month any partial month) in the Performance Period; and
  - (B) a percentage determined by the Board that would be earned under the terms of the applicable Award Agreement assuming that the rate at which the performance goals have been achieved as of the date of such Termination of Affiliation would continue until the end of the Performance Period, or, if the Board elects to compute the benefit after the end of the Performance Period, the performance percentage, as determined by the Board, attained during the Performance Period.
- (c) Involuntary Removal. If an Eligible Director is removed by the Company other than for Cause including, but not limited to, the Company's decision not to slate such Eligible Director for reelection, then:
  - (i) the Grantee's Restricted Shares that were forfeitable shall thereupon become nonforfeitable;
  - (ii) the Grantee's Restricted Stock Units shall immediately be settled in accordance with Section 9.4;
  - (iii) any unexercised Option or SAR, whether or not exercisable on the date of such Termination of Affiliation, shall thereupon be fully exercisable and may be exercised, in whole or in part for ninety (90) days following such Termination of Affiliation (but only during the Option Term or SAR Term, respectively); and

- (iv) the Company shall immediately pay to the Grantee, with respect to any Performance Share or Performance Unit with respect to which the Performance Period has not ended as of the date of such Termination of Affiliation, a cash payment equal to the product of (A) with respect to a Performance Share either (I) in the case of an Involuntary Removal occurring within the one-year period immediately following a Change of Control, the Change of Control Value or (II) in the case of an Involuntary Removal outside of the one-year period immediately following a Change of Control, the Fair Market Value on the effective date of the Grantee's Termination of Affiliation, or (B) in the case of a Performance Unit, the value of the Performance Unit specified in the Award Agreement, as applicable, multiplied successively by each of the following:
  - (A) a fraction, the numerator of which is the number of whole and partial months that have elapsed between the beginning of such Performance Period and the date of such Termination of Affiliation and the denominator of which is the number of whole and partial months in the Performance Period; and
  - (B) a percentage equal to a greater of (x) the target percentage, if any, specified in the applicable Award Agreement or (y) the maximum percentage, if any, that would be earned under the terms of the applicable Award Agreement assuming that the rate at which the performance goals have been achieved as of the date of such Termination of Affiliation would continue until the end of the Performance Period.
- (d) Any Other Reason. If an Eligible Director has a Termination of Affiliation for any other reason including, but not limited to, failure to be reelected to the Board or voluntary resignation (including failure to run for reelection), then:
  - (i) the Grantee's Restricted Shares, to the extent forfeitable immediately before such Termination of Affiliation, shall thereupon automatically be forfeited, subject in the case of Restricted Shares to the provisions of Section 8.5 regarding repayment of certain amounts to the Grantee;
  - (ii) the Grantee's Restricted Stock Units shall automatically be forfeited;

- (iii) any unexercised Option or SAR, to the extent exercisable immediately before such Termination of Affiliation, shall remain exercisable in whole or in part for ninety (90) days after such Termination of Affiliation (but only during the Option Term or SAR Term, respectively) by the Grantee or, after his or her death, by (A) his or her legal personal representative or the person to whom the Option or SAR, as applicable, is transferred by will or the applicable laws of descent and distribution, or (B) the Grantee's beneficiary designated in accordance with Article 11; and
- (iv) any Performance Shares or Performance Units with respect to which the Performance Period has not ended as of the date of such Termination of Affiliation shall terminate immediately upon such Termination of Affiliation.

5.7. Nontransferability of Awards.

- (a) Except as provided in Section 5.7(c) below, each Award, and each right under any Award, shall be exercisable only by the Grantee during the Grantee's lifetime, or, if permissible under applicable law, by the Grantee's guardian or legal personal representative.
- (b) Except as provided in Section 5.7(c) below, no Award (prior to the time, if applicable, Shares are issued in respect of such Award), and no right under any Award, may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Grantee otherwise than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Subsidiary; *provided*, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.
- (c) To the extent and in the manner permitted by the Board, and subject to such terms and conditions as may be prescribed by the Board, a Grantee may transfer an Award to (i) a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Grantee, (including adoptive relationships), (ii) any person sharing the Grantee's household (other than a tenant or employee), (iii) a trust in which persons described in (i) or (ii) have more than 50% of the beneficial interest, (iv) a foundation in which persons described in (i) or (ii) or the Grantee own more than 50% of the voting interests; provided such transfer is not for value. The following shall not be considered transfers for value: (I) a transfer under a domestic relations order in settlement of marital property rights; and (II) a transfer to an entity in which more than 50% of the voting interests are owned by persons described in (i) or (ii) above or the Grantee, in exchange for an interest in that entity.

5.8. Performance Awards.

- (a) General. Any type of Award that is eligible to be granted under the Plan may be granted to Eligible Directors subject to or conditional upon one or more performance conditions (“Performance Awards”). The grant, vesting, exercisability or payment of Performance Awards may depend on the degree of achievement of one or more performance goals relative to a preestablished target level or levels using one or more of the Business Criteria set forth below.
- (b) Class. All Eligible Directors are eligible to receive Performance Awards.
- (c) Performance Goals. The specific performance goals for Performance Awards shall be, on an absolute or relative basis, established based on one or more of the following business criteria (“Business Criteria”) for the Company on a segregated or consolidated basis or for one or more of the Company's subsidiaries, segments, divisions, or business units, as selected by the Board:
  - (i) Earnings (either in the aggregate or on a per-Share basis);
  - (ii) Operating profit (either in the aggregate or on a per-Share basis);
  - (iii) Operating income (either in the aggregate or on a per-Share basis);
  - (iv) Net earnings on either a LIFO or FIFO basis (either in the aggregate or on a per-Share basis);
  - (v) Net income or loss (either in the aggregate or on a per-Share basis);
  - (vi) Ratio of debt to debt plus equity;
  - (vii) Net borrowing;
  - (viii) Credit quality or debt ratings;
  - (ix) Inventory levels, inventory turn or shrinkage;
  - (x) Cash flow provided by operations (either in the aggregate or on a per-Share basis);
  - (xi) Free cash flow (either in the aggregate or on a per-Share basis);
  - (xii) Reductions in expense levels, determined either on a Company-wide basis or in respect of any one or more business units;
  - (xiii) Operating and maintenance cost management and employee productivity;

- (xiv) Gross margin;
- (xv) Return measures (including return on assets, equity, or sales);
- (xvi) Productivity increases;
- (xvii) Share price (including attainment of a specified per-Share price during the relevant performance period; growth measures and total shareholder return or attainment by the Shares of a specified price for a specified period of time);
- (xviii) Where applicable, growth or rate of growth of any of the above Business Criteria set forth in this Section 5.8(c);
- (xix) Strategic business criteria, consisting of one or more objectives based on meeting specified revenue, market share, market penetration, geographic business expansion goals, objectively identified project milestones, production volume levels, cost targets, and goals relating to acquisitions or divestitures;
- (xx) Achievement of business or operational goals such as market share and/or business development; and/or
- (xxi) Accomplishment of mergers, acquisitions, dispositions, public offerings or similar extraordinary business transactions;
- (xxii) provided that applicable Business Criteria may be applied on a pre- or post-tax basis; and provided further that the Board may, when the applicable performance goals are established, provide that the formula for such goals may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts and any unusual, nonrecurring gain or loss. As established by the Board, the Business Criteria may include, without limitation, GAAP and non-GAAP financial measures. In addition to the foregoing performance goals, the performance goals shall also include any performance goals which are set forth in a Company bonus or incentive plan, if any, which are incorporated herein by reference.

- (d) Flexibility as to Timing, Weighting, Applicable Business Unit. The Board shall have full discretion as to when the applicable Business Criteria are established. The levels of performance required with respect to Business Criteria may be expressed in absolute or relative levels and may be based upon a set increase, set positive result, maintenance of the status quo, set decrease or set negative result. Business Criteria may differ for Awards to different Grantees. The Board shall specify the weighting (which may be the same or different for multiple objectives) to be given to each performance objective for purposes of determining the final amount payable with respect to any such Award. Any one or more of the Business Criteria may apply to a Grantee, to the Company as a whole, to one or more Subsidiaries or to a department, unit, division or function within the Company, within any one or more Subsidiaries or any one or more joint ventures of which the Company is a party, and may apply either alone or relative to the performance of other businesses or individuals (including industry or general market indices).
- (e) Discretion to Adjust. The Board shall have full discretion to adjust the determinations of the degree of attainment of the performance goals or to alter the governing Business Criteria applicable to any Award at any time.

## **Article 6. Stock Options**

- 6.1. Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to any Eligible Director in such number, and upon such terms, and at any time and from time to time as shall be determined by the Board. Without limiting the generality of the foregoing, the Board may grant to any Eligible Director, or permit any Eligible Director to elect to receive, an Option in lieu of or in substitution for any other compensation (whether payable currently or on a deferred basis, and whether payable under the Plan or otherwise) which such Eligible Director may be eligible to receive from the Company, which Option may have a value (as determined by the Board under Black-Scholes or any other option valuation method) that is equal to or greater than the amount of such other compensation.
- 6.2. Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the Option Term, the number of shares to which the Option pertains, the time or times at which such Option shall be exercisable and such other provisions as the Board shall determine.

- 6.3. Option Price. The Option Price of an Option under the Plan shall be determined by the Board, and shall be the higher of 100% of the Fair Market Value of a Share on the Grant Date or 100% of the par value of a Share; provided, however, that any Option (“Substitute Option”) that is (x) granted to a Grantee in connection with the acquisition (“Acquisition”), however effected, by the Company of another corporation or entity (“Acquired Entity”) or the assets thereof, (y) associated with an option to purchase shares of stock or other equity interest of the Acquired Entity or an affiliate thereof (“Acquired Entity Option”) held by such Grantee immediately prior to such Acquisition, and (z) intended to preserve for the Grantee the economic value of all or a portion of such Acquired Entity Option, shall be granted such that such option substitution is completed in conformity with the rules set forth in Section 424(a) of the Code.
- 6.4. Exercise of Options. Options shall be exercised by the delivery of a written notice of exercise to the Company or its designee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares as instructed by the Board or, subject to the approval of the Board pursuant to procedures approved by the Board,
- (a) through the sale of the Shares acquired on exercise of the Option through a broker-dealer to whom the Grantee has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale or loan proceeds sufficient to pay for such Shares, together with, if requested by the Company, the amount of federal, state, local or foreign withholding taxes payable by Grantee by reason of such exercise,
  - (b) through simultaneous sale through a broker of Shares acquired on exercise, as permitted under Regulation T of the Federal Reserve Board,
  - (c) by transfer to the Company of the number of Shares then owned by the Grantee, the Fair Market Value of which equals the purchase price of the Shares purchased in connection with the Option exercise, properly endorsed for transfer to the Company; *provided however*, that Shares used for this purpose must have been held by the Grantee for such minimum period of time as may be established from time to time by the Board; and provided further that the Fair Market Value of any Shares delivered in payment of the purchase price upon exercise of the Options shall be the Fair Market Value as of the exercise date, which shall be the date of delivery of the certificates for the Shares used as payment of the exercise price. For purposes of this Section 6.4, in lieu of actually transferring to the Company the number of Shares then owned by the Grantee, the Board may, in its discretion permit the Grantee to submit to the Company a statement affirming ownership by the Grantee of such number of Shares and request that such Shares, although not actually transferred, be deemed to have been transferred by the Grantee as payment of the exercise price, or



- (d) by a “net exercise” arrangement pursuant to which the Company will not require a payment of the Option Price but will reduce the number of Shares upon the exercise by the largest number of whole shares that has a Fair Market Value on the date of exercise that does not exceed the aggregate Option Price. With respect to any remaining balance of the aggregate option price, the Company will accept a cash payment from the Grantee.

## **Article 7. Stock Appreciation Rights**

- 7.1. Grant of SARs. Subject to the terms and conditions of the Plan, SARs may be granted to any Eligible Director at any time and from time to time as shall be determined by the Board in its sole discretion. The Board may grant Freestanding SARs or Tandem SARs, or any combination thereof.
  - (a) Number of Shares. The Board shall have complete discretion to determine the number of SARs granted to any Grantee, subject to the limitations imposed in the Plan and by applicable law.
  - (b) Exercise Price and Other Terms. All SARs shall be granted with an exercise price no less than the Fair Market Value of the underlying Shares on the SARs' Grant Date. The Board, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of SARs granted under the Plan. The exercise price per Share of Tandem SARs shall equal the exercise price per Share of the related Option.
- 7.2. SAR Award Agreement. Each SAR granted under the Plan shall be evidenced by a written SAR Award Agreement which shall be entered into by the Company and the Grantee to whom the SAR is granted and which shall specify the exercise price per share, the SAR Term, the conditions of exercise, and such other terms and conditions as the Board in its sole discretion shall determine.
- 7.3. Exercise of SARs. SARs shall be exercised by the delivery of a written notice of exercise to the Company or its designee, setting forth the number of Shares over which the SAR is to be exercised. Tandem SARs (a) may be exercised with respect to all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option; (b) may be exercised only with respect to the Shares for which its related Option is then exercisable; and (c) may be exercised only when the Fair Market Value of the Shares subject to the Option exceeds the Option Price of the Option. The value of the payment with respect to the Tandem SAR may be no more than 100% of the difference between the Option Price of the underlying Option and the Fair Market Value of the Shares subject to the underlying Option at the time the Tandem SAR is exercised.

- 7.4. Expiration of SARs. A SAR granted under the Plan shall expire on the date set forth in the SAR Award Agreement, which date shall be determined by the Board in its sole discretion. Unless otherwise specifically provided for in the SAR Award agreement, a Tandem SAR granted under the Plan shall be exercisable at such time or times and only to the extent that the related Option is exercisable. The Tandem SAR shall terminate and no longer be exercisable upon the termination or exercise of the related Options, except that Tandem SARs granted with respect to less than the full number of Shares covered by a related Option shall not be reduced until the exercise or termination of the related Option exceeds the number of Shares not covered by the SARs.
- 7.5. Payment of SAR Amount. Upon exercise of a SAR, a Grantee shall be entitled to receive payment from the Company in an amount determined by multiplying (i) the positive difference between the Fair Market Value of a Share on the date of exercise over the exercise price per Share by (ii) the number of Shares with respect to which the SAR is exercised. The payment upon a SAR exercise shall be solely in whole Shares of equivalent value. Fractional Shares shall be rounded down to the nearest whole Share with no cash consideration being paid upon exercise.

#### **Article 8. Restricted Shares and Bonus Shares**

- 8.1. Grant of Restricted Shares. Subject to the terms and provisions of the Plan, the Board, at any time and from time to time, may grant Restricted Shares to any Eligible Director in such amounts as the Board shall determine.
- 8.2. Bonus Shares. Subject to the terms of the Plan, the Board may grant Bonus Shares to any Eligible Director, in such amount and upon such terms and at any time and from time to time as shall be determined by the Board. Bonus Shares shall be Shares issued without any Restriction.
- 8.3. Award Agreement. Each grant of Restricted Shares shall be evidenced by an Award Agreement, which shall specify the Restrictions and the Period(s) of Restriction, the number of Restricted Shares granted, and such other provisions as the Board shall determine. The Board may impose such Restrictions on any Restricted Shares as it may deem advisable, including Restrictions based upon the achievement of specific performance goals (Company-wide, divisional, Subsidiary or individual), time-based Restrictions on vesting or Restrictions under applicable securities laws; provided that in all cases, the Restricted Shares shall be subject to a minimum one-year vesting period, except, if as provided in the Award Agreement, in the event of death, disability, retirement or Mandatory Retirement, or Termination of Affiliation by the Company other than for Cause. For purposes of this minimum one-year vesting period requirement, a one-year vesting period will include an approximate one-year period beginning on each regular annual meeting of the Company's shareholders and ending on the date of the next regular annual meeting of the Company's shareholders (a "Director's Compensation Year").

- 8.4. Consideration. The Board shall determine the amount, if any, that a Grantee shall pay for Restricted Shares or Bonus Shares. Such payment shall be made in full by the Grantee before the delivery of the shares and in any event no later than 10 business days after the Grant Date for such shares.
- 8.5. Effect of Forfeiture. If Restricted Shares are forfeited, and if the Grantee was required to pay for such shares or acquired such Restricted Shares upon the exercise of an Option, the Grantee shall resell such Restricted Shares to the Company at a price equal to the lesser of (x) the amount paid by the Grantee for such Restricted Shares, or (y) the Fair Market Value of a Share on the date of such forfeiture. The Company shall pay to the Grantee the required amount as soon as is administratively practical.
- 8.6. Escrow. The Board may provide that any Restricted Shares or Bonus Shares shall be represented by, at the option of the Board, either book entry registration or by a stock certificate or certificates. If the shares of Restricted Shares are represented by a certificate or certificates, such shares shall be held (together with an assignment or endorsement executed in blank by the Grantee) in escrow by an escrow agent until such Restricted Shares become nonforfeitable or are forfeited.
- 8.7. Notification under Code Section 83(b). If the Grantee, in connection with the exercise of any Option, or the grant of Restricted Shares, makes the election permitted under Section 83(b) of the Code to include in such Grantee's gross income in the year of transfer the amounts specified in Section 83(b) of the Code, then such Grantee shall notify the Company of such election within 10 days of filing the notice of the election with the Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code. The Board may, in connection with the grant of an Award or at any time thereafter prior to such an election being made, prohibit a Grantee from making the election described above.

## **Article 9. Restricted Stock Units**

- 9.1. Grant of Restricted Stock Units. Subject to and consistent with the provisions of the Plan and Code Sections 409A(a)(2), (3) and (4), the Board, at any time and from time to time, may grant Restricted Stock Units to any Eligible Director, in such amount and upon such terms as the Board shall determine. A Grantee shall have no voting rights in Restricted Stock Units.

- 9.2. Award Agreement. Each grant of Restricted Stock Units shall be evidenced by an Award Agreement that shall specify the Restrictions, the number of Shares subject to the Restricted Stock Units granted, and such other provisions as the Board shall determine in accordance with the Plan and Code Section 409A. The Board may impose such Restrictions on Restricted Stock Units, including time-based Restrictions, Restrictions based on the achievement of specific performance goals, time-based Restrictions following the achievement of specific performance goals, Restrictions based on the occurrence of a specified event, and/or restrictions under applicable securities laws; provided that in all cases the Restricted Stock Units shall be subject to a minimum one-year vesting period, except, if as provided in the Award Agreement, in the event of death, disability, retirement or Mandatory Retirement, or Termination of Affiliation by the Company other than for Cause. For purposes of this minimum one-year vesting period requirement, a one-year vesting period will include a Director's Compensation Year.
- 9.3. Crediting Restricted Stock Units. The Company shall establish an account (“RSU Account”) on its books for each Eligible Director who receives a grant of Restricted Stock Units. Restricted Stock Units shall be credited to the Grantee's RSU Account as of the Grant Date of such Restricted Stock Units. RSU Accounts shall be maintained for recordkeeping purposes only and the Company shall not be obligated to segregate or set aside assets representing securities or other amounts credited to RSU Accounts. The obligation to make distributions of securities or other amounts credited to RSU Accounts shall be an unfunded, unsecured obligation of the Company.
- 9.4. Settlement of RSU Accounts. The Company shall settle an RSU Account by delivering to the holder thereof (which may be the Grantee or his or her beneficiary, as applicable) a number of Shares equal to the whole number of Shares underlying the Restricted Stock Units then credited to the Grantee's RSU Account (or a specified portion in the event of any partial settlement); provided that any fractional Shares underlying Restricted Stock Units remaining in the RSU Account on the Settlement Date shall be distributed in cash in an amount equal to the Fair Market Value of a Share as of the Settlement Date multiplied by the remaining fractional Restricted Stock Unit. The “Settlement Date” for all Restricted Stock Units credited to a Grantee's RSU Account shall be the date when Restrictions applicable to an Award of Restricted Stock Units have lapsed.

## **Article 10. Performance Units and Performance Shares**

- 10.1. Grant of Performance Units and Performance Shares. Subject to the terms of the Plan, Performance Units or Performance Shares may be granted to any Eligible Director in such amounts and upon such terms, and at any time and from time to time, as the Board shall determine. Each grant of Performance Units or Performance Shares shall be evidenced by an Award Agreement which shall specify the terms and conditions applicable to the Performance Units or Performance Shares, as the Board determines.

- 10.2. Value/Performance Goals. Each Performance Unit shall have an initial value that is established by the Board at the time of grant, that is equal to the Fair Market Value of a Share on the Grant Date. The Board shall set the Business Criteria which, depending on the extent to which they are met, will determine the number or value of Performance Units or Performance Shares that will be paid to the Grantee. For purposes of this Article 10, the time period during which the performance goals must be met shall be called a “Performance Period.” The Board shall have complete discretion to establish the performance goals.
- 10.3. Payment of Performance Units and Performance Shares. Subject to the terms of the Plan, after the applicable Performance Period has ended, the holder of Performance Units or Performance Shares shall be entitled to receive a payment based on the number and value of Performance Units or Performance Shares earned by the Grantee over the Performance Period, determined as a function of the extent to which the corresponding performance goals have been achieved.
- 10.4. Form and Timing of Payment of Performance Units and Performance Shares. Payment of earned Performance Units or Performance Shares shall be made in a lump sum following the close of the applicable Performance Period. The Board may cause earned Performance Units or Performance Shares to be paid in cash or in Shares (or in a combination thereof) which have an aggregate Fair Market Value equal to the value of the earned Performance Units or Performance Shares at the close of the applicable Performance Period. Such Shares may be granted subject to any restrictions deemed appropriate by the Board. The form of payout of such Awards shall be set forth in the Award Agreement pertaining to the grant of the Award.

As determined by the Board, a Grantee may be entitled to receive any dividends declared with respect to Shares which have been earned in connection with grants of Performance Units or Performance Shares but not yet distributed to the Grantee. In addition, a Grantee may, as determined by the Board, be entitled to exercise his or her voting rights with respect to such Shares.

#### **Article 11. Beneficiary Designation**

Each Grantee under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of the Grantee's death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Grantee, shall be in a form prescribed by the Company, and will be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime. In the absence of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to the Grantee's estate.

## Article 12. Amendment, Modification, and Termination

- 12.1. Amendment, Modification, and Termination. Subject to the terms of the Plan, the Board may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part without the approval of the Company's shareholders, except to the extent the Board determines it is desirable to obtain approval of the Company's shareholders, to comply with the requirements for listing on any exchange where the Company's Shares are listed, or for any other purpose the Board deems appropriate.
- 12.2. Adjustments Upon Certain Unusual or Nonrecurring Events. The Board may make adjustments in the terms and conditions of Awards in recognition of unusual or nonrecurring events (including the events described in Section 4.2) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Board determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.
- 12.3. Awards Previously Granted. Notwithstanding any other provision of the Plan to the contrary (but subject to Section 2.9 (amendments in connection with a Change of Control) and Section 12.2), no termination, amendment or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Grantee of such Award. Any adjustment, modification, extension or renewal of an Award shall be effected such that the Award, at all times, is either exempt from, or is compliant with, Code section 409A.
- 12.4. Adjustments in Connection with Change of Control. In the event the Company undergoes a Change of Control or in the event of a separation, spin-off, sale of a material portion of the Company's assets or any "going private" transaction under Rule 13e-3 promulgated pursuant to the Exchange Act and in which a Change of Control does not occur, the Board, or the board of directors of any corporation assuming the obligations of the Company, shall have the full power and discretion to prescribe and amend the terms and conditions for the exercise, or modification, of any outstanding Awards granted hereunder in the manner as agreed to by the Board as set forth in the definitive agreement relating to the transaction. Without limitation, the Board may:
- (a) remove restrictions on Restricted Shares and Restricted Stock Units;
  - (b) modify the performance requirements for any other Awards;
  - (c) provide that Options or other Awards granted hereunder must be exercised in connection with the closing of such transactions, and that if not so exercised such Awards will expire;

- (d) provide for the purchase by the Company of any such Award, upon the Grantee's request, for an amount of cash equal to the amount that could have been attained upon the exercise of such Award or realization of the Grantee's rights had such Award been currently exercisable or payable;
- (e) make such adjustment to any such Award then outstanding as the Board deems appropriate to reflect such Change of Control;
- (f) cause any such Award then outstanding to be assumed, or new rights substituted therefore, by the acquiring or surviving corporation after such Change of Control. Any such determinations by the Board may be made generally with respect to all Grantees, or may be made on a case-by-case basis with respect to particular Grantees.

Notwithstanding the foregoing, any transaction undertaken for the purpose of reincorporating the Company under the laws of another jurisdiction, if such transaction does not materially affect the beneficial ownership of the Company's Shares, such transaction shall not constitute a merger, consolidation, major acquisition of property for stock, separation, reorganization, liquidation, or Change of Control.

- 12.5. Prohibition on Repricings. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding Awards may not be amended to reduce the exercise price of outstanding Options or SARs or cancel outstanding Options or SARs in exchange for cash, other Awards or Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs without stockholder approval.

### **Article 13. Withholding Tax**

To the extent applicable under applicable tax laws, whenever under the Plan, Shares are to be delivered upon exercise or payment of an Award, or upon the lapse of Restrictions on an Award, or any other event with respect to rights and benefits hereunder (the exercise date, date such Restrictions lapse or such payment of any other benefit or right occurs hereinafter referred to as the "Tax Date"), the Company shall be entitled to require and may accommodate the Eligible Director's request if so requested, to satisfy all Federal and Cantonal withholding taxes, including Social Security taxes related thereto ("Tax Withholding"), by one or a combination of the following methods:

- (i) Payment of an amount in cash equal to the amount to be withheld;
- (ii) Requesting the Company to withhold from those Shares that would otherwise be received upon exercise of the Option or the SAR payable in Shares, upon the lapse of Restrictions on an Award, a number of Shares having a Fair Market Value on the Tax Date equal to the amount to be withheld; or

- (iii) Withholding from compensation otherwise due to the Eligible Director.

Any fractional share amount and any additional withholding not paid by the withholding or surrender of Shares must be paid in cash. If no timely election is made, the Grantee must deliver cash to satisfy all tax withholding requirements.

#### **Article 14. Additional Provisions**

- 14.1. Successors. All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise of all or substantially all of the business or assets of the Company.
- 14.2. Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine and vice-versa; the plural shall include the singular and the singular shall include the plural.
- 14.3. Severability. If any part of the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any other part of the Plan. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.
- 14.4. Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges as may be required. Notwithstanding any provision of the Plan or any Award, Grantees shall not be entitled to exercise, or receive benefits under, any Award, and the Company shall not be obligated to deliver any Shares or other benefits to a Grantee, if such exercise or delivery would constitute a violation by the Grantee or the Company of any applicable law or regulation.



14.5. Securities Law Compliance.

- (a) If the Board deems it necessary to comply with any applicable securities law, or the requirements of any stock exchange upon which Shares may be listed, the Board may impose any restriction on Shares acquired pursuant to Awards under the Plan as it may deem advisable. All Shares transferred under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under the rules, regulations and other requirements of the SEC, any stock exchange upon which Shares are then listed, and any applicable securities law. If so requested by the Company, the Grantee shall represent to the Company in writing that he or she will not sell or offer to sell any Shares unless a registration statement shall be in effect with respect to such Shares under the Securities Act of 1933 or unless he or she shall have furnished to the Company evidence satisfactory to the Company that such registration is not required.
- (b) If the Board determines that the exercise of, or delivery of benefits pursuant to, any Award would violate any applicable provision of securities laws or the listing requirements of any stock exchange upon which any of the Company's equity securities are then listed, then the Board may postpone any such exercise or delivery, as applicable, but the Company shall use all reasonable efforts to cause such exercise or delivery to comply with all such provisions at the earliest practicable date.

14.6. No Rights as a Shareholder. A Grantee shall not have any rights as a shareholder with respect to the Shares (other than Restricted Shares) which may be deliverable upon exercise or payment of such Award until such shares have been delivered to him or her. Restricted Shares, whether held by a Grantee or in escrow by the escrow agent, shall confer on the Grantee all rights of a shareholder of the Company, except as otherwise provided in the Plan or Award Agreement. Unless otherwise determined by the Board at the time of a grant of Restricted Shares, any cash dividends that become payable on Restricted Shares shall be deferred and, if the Board so determines, reinvested in additional Restricted Shares. Except as otherwise provided in an Award Agreement, any share dividends and deferred cash dividends issued with respect to Restricted Shares shall be subject to the same restrictions and other terms as apply to the Restricted Shares with respect to which such dividends are issued. The Board may provide for payment of interest on deferred cash dividends.

14.7. Compliance with Code Section 409A.

- (a) All Awards granted under the Plan are intended to comply with Section 409A of the Code and the Treasury regulations and guidance issued thereunder (“Section 409A”) and that the Plan be interpreted and operated consistent with such requirements of Section 409A in order to avoid the application of additive income taxes under Section 409A (“409A Penalties”). To the extent that an Award is subject to Section 409A, except as the Grantee and Company may otherwise determine in writing, all Awards shall be created in a manner that will meet the requirements of Section 409A, such that the Grantees of such Awards are not subject to the 409A Penalties.
- (b) To extent that a Grantee would otherwise be entitled to any payment under the Plan that (i) constitutes “deferred compensation” subject to Section 409A, (ii) is payable on account of the Grantee's “separation from service” (within the meaning of Section 409A), and (iii) that if paid during the six months beginning on the date of the Grantee's termination of employment would be subject the 409A Penalties because the Grantee is a “specified employee” of the Company (within the meaning of Section 409A and as determined from time to time by the Plan Committee), the payment will be paid to the Grantee on the earliest of the six-month anniversary of the termination of employment, a change in ownership or effective control of the Company (within the meaning of Section 409A) or the Grantee's death.
- (c) Notwithstanding any provision of the Plan to the contrary, the Plan shall not be amended in any manner that would cause (i) the Plan or any amounts or benefits payable hereunder to fail to comply with the requirements of Section 409A, to the extent applicable, or (ii) any amounts or benefits payable hereunder that are not subject to Section 409A to become subject thereto (unless they also are in compliance therewith), and the provisions of any purported amendment that may reasonably be expected to result in such non-compliance shall be of no force or effect with respect to the Plan.

- (d) Notwithstanding any other provision in the Plan, the Board, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify the Plan or any Award granted thereunder to reflect the intention that the Plan (and any Award) qualifies for exemption from or complies with Section 409A in a manner that as closely as practicable achieves the original intent of the Plan and with the least reduction, if any, in overall benefit to the Grantee to comply with Section 409A on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A; provided, however, that neither the Company, the Board, nor any of their officers or individual directors make any representation that the Plan or any Award shall be exempt from or comply with Section 409A and make no undertaking to preclude Section 409A from applying to the Plan or any Award.
- 14.8. Nature of Payments. Awards shall be special incentive payments to the Grantee and shall not be taken into account for any other Company compensatory plan, arrangement or contract relating to the Grantee except as such plan, arrangement or agreement shall otherwise expressly provide.
- 14.9. Military Service. Awards shall be administered in accordance with Section 414(u) of the Code and the Uniformed Services Employment and Reemployment Rights Act of 1994.
- 14.10. Data Protection. The Board and any other person or entity empowered by the Board to administer the Plan may process, store, transfer or disclose personal data of the Grantees to the extent required for the implementation and administration of the Plan. The Board and any other person or entity empowered by the Board to administer the Plan shall comply with any applicable data protection laws.
- 14.11. Governing Law. The Plan and the rights of any Grantee receiving an Award thereunder shall be construed and interpreted in accordance with and governed by the laws of the State of Kansas without giving effect to the principles of the conflict of laws to the contrary.

Annex to the Plan for Swiss based Grantees and Grantees subject to Swiss inheritance law

1. Article 11. shall be replaced with the following:

Each Grantee under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of the Grantee's death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Grantee, shall be in a form and procedure prescribed by the applicable Swiss inheritance law. Irrespective of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to the Grantee's estate.

<b>Statuten</b>  <b>der</b>  <b>Garmin Ltd.</b> <b>(Garmin AG)</b>  <b>mit Sitz in Schaffhausen</b>	<b>Articles of Association</b>  <b>of</b>  <b>Garmin Ltd.</b> <b>(Garmin AG)</b>  <b>with registered office in Schaffhausen</b>
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## I. Firma, Sitz und Zweck

### Art. 1 Firma und Sitz

Unter der Firma Garmin Ltd. (Garmin AG) besteht eine Aktiengesellschaft gemäss den vorliegenden Statuten und den Vorschriften des Schweizerischen Obligationenrechtes (OR). Der Sitz der Gesellschaft ist in Schaffhausen.

### Art. 2 Zweck

<sup>1</sup> Die Gesellschaft bezweckt den Erwerb, das Halten, die Finanzierung, die Verwaltung und den Verkauf von Beteiligungen an inländischen sowie auch an ausländischen Unternehmen jeglicher Art.

<sup>2</sup> Die Gesellschaft kann jede Art von finanzieller Unterstützung für und an Gruppengesellschaften gewähren, einschliesslich der Leistung von Garantien.

<sup>3</sup> Die Gesellschaft kann ferner im In- und Ausland Zweigniederlassungen und Tochtergesellschaften errichten, sich an anderen Unternehmen im In- und Ausland beteiligen sowie solche Unternehmen erwerben und finanzieren. Im Weiteren kann die Gesellschaft im In- und Ausland Grundstücke und gewerbliche Schutzrechte erwerben, belasten, veräussern und verwalten sowie alle Geschäfte tätigen, die geeignet sein können, den Zweck der Gesellschaft zu fördern, oder die direkt oder indirekt damit in Zusammenhang stehen.

## II. Aktienkapital und Aktien

### Art. 3 Aktienkapital

Das Aktienkapital der Gesellschaft („**Aktienkapital**“) beträgt USD 19'588'042.80 und ist eingeteilt in 195'880'428 Namenaktien („**Aktien**“) mit einem Nennwert von je USD 0.10. Die Aktien sind vollständig liberiert.

### Art. 4 Anerkennung der Statuten

Jede Ausübung von Aktionärsrechten schliesst die Anerkennung der Gesellschaftsstatuten in der jeweils gültigen Fassung in sich ein.

### Art. 5 Kapitalband

<sup>1</sup> Die Gesellschaft verfügt über ein Kapitalband zwischen USD 17'629'238.60 (untere Grenze) und USD 23'505'651.20 (obere Grenze). Der Verwaltungsrat ist im Rahmen des Kapitalbands ermächtigt, bis zum 9. Juni 2024 oder bis zu einem früheren Dahinfallen des Kapitalbands das Aktienkapital einmal oder mehrmals und in beliebigen Beträgen zu erhöhen oder herabzusetzen oder Aktien direkt oder indirekt zu erwerben oder zu veräussern. Die Kapitalerhöhung oder -herabsetzung kann durch Ausgabe von bis zu 39'176'084 voll zu liberierenden Aktien mit einem Nennwert von je USD 0.10 bzw. Vernichtung von bis zu 19'588'042 Aktien mit einem Nennwert von je USD 0.10 oder durch eine Erhöhung bzw. Herabsetzung der Nennwerte der bestehenden Aktien mit einem Nennwert von je

## I. Company Name, Registered Office and Objects

### Art. 1 Company Name and Registered Office

Under the company name of Garmin Ltd. (Garmin AG) exists a corporation pursuant to the present Articles of Association and the provisions of the Swiss Code of Obligations (CO). The registered office of the Company is in Schaffhausen.

### Art. 2 Objects

<sup>1</sup> The objects of the Company are the acquisition, holding, financing, management and sale of participations in Swiss and foreign enterprises of all kinds.

<sup>2</sup> The Company may provide any kind of financial assistance, including guarantees, to and for group companies.

<sup>3</sup> The Company may establish branches and subsidiaries in Switzerland and abroad as well as participate in, acquire and finance other enterprises in Switzerland and abroad. The company may acquire, encumber, sell and manage real estate and intellectual property rights in Switzerland and abroad. It may furthermore make all transactions which may be appropriate to promote the purpose of the company or which are directly or indirectly connected therewith.

## II. Share Capital and Shares

### Art. 3 Share Capital

The share capital of the Company (“**Share Capital**”) amounts to USD 19,588,042.80 and is divided into 195,880,428 registered shares (“**Shares**”) with a nominal value of USD 0.10 each. The Shares are fully paid up.

### Art. 4 Recognition of Articles of Association

Any exercise of shareholders’ rights automatically comprises recognition of the version of these Articles of Association in force at the time.

### Art. 5 Capital Band

<sup>1</sup> The Company has a capital band ranging from USD 17,629,238.60 (lower limit) to USD 23,505,651.20 (upper limit). The Board of Directors shall be authorized within the capital band to increase or decrease the share capital once or several times and in any amounts or to acquire or dispose of Shares directly or indirectly, until June 9, 2024 or until an earlier expiration of the capital band. The capital increase or decrease may be effected by issuing up to 39,176,084 fully paid-in shares with a nominal value of USD 0.10 each and cancelling up to 19,588,042 shares with a nominal value of USD 0.10 each, as applicable, or by increasing or decreasing the nominal value of the existing shares with a nominal value of USD 0.10 each within the limits of the capital band or by simultaneous decrease and re-increase of the share capital.



USD 0.10 im Rahmen des Kapitalbands oder durch gleichzeitige Herabsetzung und Wiedererhöhung erfolgen.

<sup>2</sup> Im Falle einer Ausgabe von neuen Aktien unterliegen Zeichnung und Erwerb der neuen Aktien sowie jede nachfolgende Übertragung der Aktien den Beschränkungen von Art. 8 dieser Statuten.

<sup>3</sup> Bei einer Erhöhung des Aktienkapitals im Rahmen des Kapitalbands legt der Verwaltungsrat, soweit erforderlich, den Ausgabebetrag, die Art der Einlagen (einschliesslich Barliberierung, Sacheinlage, Verrechnung und Umwandlung von Reserven oder eines Gewinnvortrags in Aktienkapital), den Zeitpunkt der Ausgabe, die Bedingungen der Bezugsrechtsausübung und den Beginn der Dividendenberechtigung fest. Dabei kann der Verwaltungsrat neue Aktien mittels Festübernahme durch eine Bank, ein Bankenkonsortium oder einen anderen Dritten und anschliessendem Angebot an die bisherigen Aktionäre oder an Dritte (sofern die Bezugsrechte der bisherigen Aktionäre aufgehoben oder nicht gültig ausgeübt wurden) ausgeben. Der Verwaltungsrat ist ermächtigt, den Handel mit Bezugsrechten zu ermöglichen, zu beschränken oder auszuschliessen. Nicht gültig ausgeübte Bezugsrechte kann der Verwaltungsrat verfallen lassen, oder er kann diese bzw. Aktien, für welche Bezugsrechte eingeräumt, aber nicht gültig ausgeübt wurden, zu Marktkonditionen platzieren oder anderweitig im Interesse der Gesellschaft verwenden.

<sup>4</sup> Der Verwaltungsrat ist im Fall einer Ausgabe von Aktien ermächtigt, das Bezugsrecht der bisherigen Aktionäre aufzuheben oder zu beschränken und Dritten, der Gesellschaft oder einer ihrer Konzerngesellschaften zuzuweisen:

(a) wenn der Ausgabebetrag der neuen Aktien unter Berücksichtigung des Marktpreises festgesetzt wird; oder

(b) für die Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen, den Erwerb von Produkten, Immaterialgütern oder Lizenzen durch oder Investitionsvorhaben der Gesellschaft oder einer ihrer Konzerngesellschaften oder für die Finanzierung oder Refinanzierung solcher Transaktionen durch eine Aktienplatzierung; oder

(c) zum Zwecke der Erweiterung des Aktionärskreises der Gesellschaft in gewissen Finanz- oder Investorenmärkten oder im Zusammenhang mit der Kotierung neuer Aktien an inländischen oder an ausländischen Börsen; oder

(d) für nationale und internationale Platzierungen von neuen Aktien zum Zwecke der Erhöhung des Streubesitzes oder zur Einhaltung anwendbarer Kotierungsvorschriften; oder

(e) zwecks Beteiligung von strategischen Investoren, einschliesslich Finanzinvestoren; oder

(f) für die Einräumung einer Mehrzuteilungsoption ("*greenshoe*") von bis zu 20% der zu platzierenden oder zu verkaufenden Aktien an die betreffenden Erstkäufer oder

<sup>2</sup> In the event of an issue of new Shares, the subscription and acquisition of the new Shares and any subsequent transfer of the Shares shall be subject to the limitations pursuant to Art. 8 of these Articles of Association.

<sup>3</sup> In the event of a capital increase within the capital band, the Board of Directors shall, to the extent necessary, determine the issue price, the type of contribution (including cash contributions, contributions in kind, set-off and conversion of reserves or of profit carried forward into share capital), the date of issue, the conditions for the exercise of subscription rights and the commencement date for dividend entitlement. In this regard, the Board of Directors may issue new Shares by means of a firm underwriting through a bank, a syndicate of banks or another third party and a subsequent offer of these Shares to the existing shareholders or third parties (if the subscription rights of the existing shareholders have been withdrawn or have not been duly exercised). The Board of Directors is entitled to permit, to restrict or to exclude the trade with subscription rights. The Board of Directors may permit the expiration of subscription rights that have not been duly exercised, or it may place such rights or Shares as to which subscription rights have been granted, but not duly exercised, at market conditions or may use them otherwise in the interest of the Company.

<sup>4</sup> In the event of an issuance of Shares, the Board of Directors is further authorized to withdraw or restrict subscription rights of existing shareholders and allocate such rights to third parties (including individual shareholders), the Company or any of its group companies:

(a) if the issue price of the new Shares is determined by reference to the market price; or

(b) for the acquisition of companies, parts of companies or participations, for the acquisition of products, intellectual property or licenses by or for investment projects of the Company or any of its group companies, or for the financing or refinancing of any of such transactions through a placement of Shares; or

(c) for the purpose of broadening the shareholder constituency of the Company in certain financial or investor markets or in connection with the listing of new Shares on domestic or foreign stock exchanges; or

(d) for purposes of national and international offerings of new Shares for the purpose of increasing the free float or to meet applicable listing requirements; or

(e) for purposes of the participation of strategic partners, including financial investors; or

(f) for purposes of granting an over-allotment option ("*greenshoe*") of up to 20% of the total number of Shares in a

Festübernehmer im Rahmen einer Aktienplatzierung oder eines Aktienverkaufs; oder

(g) für die Beteiligung der Verwaltungsratsmitgliedern, Geschäftsleitungsmitgliedern, Mitarbeitern, Beauftragten, Beratern der Gesellschaft oder einer Gruppengesellschaft, oder anderen Personen, die Dienstleistungen an die Gesellschaft oder eine ihrer Gruppengesellschaft erbringen; oder

(h) um Eigenkapital auf eine schnelle und flexible Weise zu beschaffen, welche ohne den Ausschluss der Bezugsrechte der bestehenden Aktionäre nicht oder nur schwer oder zu wesentlich schlechteren Bedingungen möglich wäre.

<sup>5</sup> Nach einer Nennwertveränderung sind neue Aktien im Rahmen des Kapitalbands mit gleichem Nennwert auszugeben wie die bestehenden Aktien

<sup>6</sup> Erhöht sich das Aktienkapital aufgrund einer Erhöhung aus bedingtem Kapital nach Art. 6 dieser Statuten, so erhöhen sich die obere und die untere Grenze des Kapitalbands entsprechend dem Umfang der Erhöhung des Aktienkapitals. Der Verwaltungsrat macht die erforderlichen Feststellungen und ändert die Statuten entsprechend.

<sup>7</sup> Bei einer Herabsetzung des Aktienkapitals im Rahmen des Kapitalbands legt der Verwaltungsrat, soweit erforderlich, die Verwendung des Herabsetzungsbetrags fest. Der Verwaltungsrat kann den Herabsetzungsbetrag auch zur teilweisen oder vollständigen Beseitigung einer Unterbilanz im Sinne von Artikel 653p OR verwenden oder das Aktienkapital im Sinne von Artikel 653q OR gleichzeitig herabsetzen und mindestens auf den bisherigen Betrag erhöhen.

#### **Art. 6 Bedingtes Aktienkapital**

<sup>1</sup> Das Aktienkapital kann sich durch Ausgabe von höchstens 99'038'709 voll zu liberierenden Namenaktien im Nennwert von je USD 0.10 um höchstens USD 9'903'870.90 erhöhen durch:

die Ausübung von Optionsrechten, die Mitarbeitern und / oder Mitgliedern des Verwaltungsrates der Gesellschaft oder einer Gruppengesellschaft gewährt werden.

<sup>2</sup> Das Bezugsrecht der Aktionäre ist ausgeschlossen.

<sup>3</sup> Die Aktien, welche über die Ausübung von Umwandlungsrechten erworben werden, unterliegen den Eintragungsbeschränkungen in das Aktienbuch gemäss Art. 8 dieser Statuten.

#### **Art. 7 Aktienzertifikate**

<sup>1</sup> Anstelle von einzelnen Aktien können Aktienzertifikate über mehrere Aktien ausgestellt werden. Aktien und Zertifikate sind durch ein Mitglied des Verwaltungsrates zu unterzeichnen.

placement or sale of Shares to the respective initial purchaser(s) or underwriter(s); or

(g) for the participation of the members of the Board of Directors, members of the Management Team, employees, contractors, consultants or other persons performing services for the benefit of the Company or any of its group companies; or

(h) for raising equity capital in a fast and flexible manner which would not be possible, or would only be possible with great difficulty or at significantly less favorable conditions, without the exclusion of the subscription rights of the existing shareholders.

<sup>5</sup> After a change of the nominal value, new Shares shall be issued within the capital band with the same nominal value as the existing Shares.

<sup>6</sup> If the share capital increases as a result of an increase from conditional capital pursuant to Art. 6 of these Articles of Association, the upper and lower limits of the capital band shall increase in an amount corresponding to such increase in the share capital. The Board of Directors shall make the necessary ascertainments and amend the Articles of Association accordingly.

<sup>7</sup> In the event of a decrease of the share capital within the capital band, the Board of Directors shall, to the extent necessary, determine the use of the decrease amount. The Board of Directors may also use the decrease amount for the partial or full elimination of a share capital shortfall in the sense of article 653p CO or may, in the sense of article 653q CO, simultaneously decrease and increase the share capital to at least the previous amount.

#### **Art. 6 Conditional Share Capital**

<sup>1</sup> The Share Capital may be increased in an amount not to exceed USD 9,903,870.90 through the issuance of up to 99,038,709 fully paid-up registered Shares with a par value of USD 0.10 each through:

the exercise of option rights which are granted to employees and / or members of the board of directors of the Company or group companies.

<sup>2</sup> The preferential subscription rights of the shareholders are excluded.

<sup>3</sup> The Shares acquired through the exercise of rights shall be subject to the limitations for registration in the share register pursuant to Art. 8 of these Articles of Association.

#### **Art. 7 Share Certificates**

<sup>1</sup> In lieu of single shares, the Company may issue share certificates covering several shares. Shares and certificates shall be signed by a member of the Board of Directors.

<sup>2</sup> Ein Aktionär hat nur dann Anspruch auf die Ausgabe eines Aktienzertifikates, wenn der Verwaltungsrat die Ausgabe von Aktienzertifikaten beschliesst. Aktienzertifikate werden in der vom Verwaltungsrat festgelegten Form ausgegeben. Ein Aktionär kann jederzeit eine Bescheinigung über die Anzahl der von ihm gehaltenen Aktien verlangen.

<sup>3</sup> Die Gesellschaft kann jederzeit auf die Ausgabe und Aushändigung von Zertifikaten verzichten und mit Zustimmung des Aktionärs ausgegebene Urkunden, die bei ihr eingeliefert werden, ersatzlos annullieren.

<sup>4</sup> Der Verwaltungsrat kann beschliessen, den Aktionären anstelle von Wertpapieren einfache Beweisurkunden über ihre Beteiligung auszustellen.

<sup>5</sup> Die Gesellschaft kann ihre Aktien als Wertrechte gemäss Schweizerischem Obligationenrecht und Bucheffekten gemäss Bucheffektengesetz ausgeben.

#### **Art. 8 Aktienbuch, Eintragungsbeschränkungen, Nominees**

<sup>1</sup> Die Gesellschaft selbst oder ein von ihr beauftragter Dritter führt ein Aktienbuch („**Aktienbuch**“). Darin werden die Eigentümer und Nutzniesser der Namenaktien sowie Nominees mit Namen und Vornamen, Adresse und Staatsangehörigkeit (bei Rechtseinheiten mit Firma und Sitz) eingetragen. Ändert eine im Aktienbuch eingetragene Zivilrechtliche Person ihre Adresse, so hat sie dies dem Aktienbuchführer mitzuteilen. Solange dies nicht geschehen ist, gelten alle schriftlichen Mitteilungen der Gesellschaft an die im Aktienbuch eingetragenen Zivilrechtlichen Personen als rechtsgültig an die bisher im Aktienbuch eingetragene Adresse erfolgt.

<sup>2</sup> Ein Erwerber von Namenaktien wird auf Gesuch als Aktionär mit Stimmrecht im Aktienbuch eingetragen, vorausgesetzt, dass ein solcher Erwerber auf Aufforderung durch die Gesellschaft ausdrücklich erklärt, die Namenaktien im eigenen Namen und auf eigene Rechnung erworben zu haben. Der Verwaltungsrat kann Nominees, welche Namenaktien im eigenen Namen aber auf fremde Rechnung halten, als Aktionäre mit Stimmrecht im Aktienbuch der Gesellschaft eintragen. Der Verwaltungsrat kann Kriterien für die Billigung solcher Nominees als Aktionäre mit Stimmrecht festlegen. Die an den Namenaktien wirtschaftlich Berechtigten, welche die Namenaktien über einen Nominee halten, üben Aktionärsrechte mittelbar über den Nominee aus.

<sup>3</sup> Sollte der Verwaltungsrat die Eintragung eines Aktionärs als Aktionär mit Stimmrecht ablehnen, muss dem Aktionär diese Ablehnung innerhalb von 20 Tagen nach Erhalt des Eintragungsgesuches mitgeteilt werden. Aktionäre, die nicht als Aktionäre mit Stimmrecht anerkannt wurden, sind als Aktionäre ohne Stimmrecht im Aktienbuch einzutragen.

<sup>4</sup> Der Verwaltungsrat kann nach Anhörung des eingetragenen Aktionärs dessen Eintragung im Aktienbuch als Aktionär mit

<sup>2</sup> A shareholder shall be entitled to a share certificate only if the Board of Directors resolves that share certificates shall be issued. Share certificates, if any, shall be in such form as the Board of Directors may determine. A shareholder may at any time request an attestation of the number of registered Shares held by it.

<sup>3</sup> The Company may dispense with the obligation to issue and deliver certificates, and may, with the consent of the shareholder, cancel without replacement issued certificates delivered to the Company.

<sup>4</sup> The Board of Directors may decide to issue to the shareholders, in lieu of securities, simple documentary evidence for their participation.

<sup>5</sup> The Company may issue its Shares as uncertificated securities within the meaning of the Swiss Code of Obligations and as intermediated securities within the meaning of the Intermediated Securities Act.

#### **Art. 8 Share Register, Restrictions on Registration, Nominees**

<sup>1</sup> The Company shall maintain, itself or through a third party, a share register (“**Share Register**”) that lists the surname, first name, address and citizenship (or the name and registered office for legal entities) of the owners and usufructuaries of the registered Shares as well as the nominees. A Person recorded in the Share Register shall notify the share registrar of any change in address. Until such notification shall have occurred, all written communication from the Company to Persons of record shall be deemed to have validly been made if sent to the address recorded in the Share Register.

<sup>2</sup> An acquirer of registered Shares shall be recorded upon request in the Share Register as a shareholder with voting rights; provided, however, that any such acquirer upon request of the Company expressly declares to have acquired the registered Shares in its own name and for its own account. The Board of Directors may record nominees who hold registered Shares in their own name, but for the account of third parties, as shareholders with voting rights in the Share Register of the Company. The Board of Directors may set forth the relevant requirements for the acceptance of nominees as shareholders with voting rights. Beneficial owners of registered Shares who hold registered Shares through a nominee exercise the shareholders’ rights through the intermediation of such nominee.

<sup>3</sup> If the Board of Directors refuses to register a shareholder as a shareholder with voting rights, it shall notify the shareholder of such refusal within 20 days upon receipt of the application. Nonrecognized shareholders shall be entered in the Share Register as shareholders without voting rights.

<sup>4</sup> After hearing the registered shareholder concerned, the Board of Directors may cancel the registration of such

Stimmrecht mit Rückwirkung auf das Datum der Eintragung streichen, wenn diese durch falsche oder irreführende Angaben zustande gekommen ist. Der Betroffene muss über die Streichung sofort informiert werden.

<sup>5</sup> Sofern die Gesellschaft an einer Börse im Ausland kotiert ist, ist es der Gesellschaft mit Bezug auf den Regelungsgegenstand dieses Art. 8 und soweit gesetzlich zulässig gestattet, die in der jeweiligen Rechtsordnung geltenden Vorschriften und Normierungen anzuwenden.

#### **Art. 9 Übertragung**

<sup>1</sup> Die Übertragung von Namenaktien und aller damit verbundenen Rechte zu Eigentum oder zur Nutzniessung erfolgt durch Indossament (Unterschrift) auf dem Aktientitel oder Zertifikat und Besitzesübertragung. Falls keine Aktientitel oder Zertifikate bestehen, erfolgt die Übertragung der Aktien zu Eigentum oder zur Nutzniessung durch eine schriftliche Abtretungserklärung.

<sup>2</sup> Die Verfügung über die als Bucheffekten ausgegebenen Aktien erfolgt gemäss Bucheffektengesetz.

<sup>3</sup> Im Rahmen des gesetzlich zulässigen und unter Vorbehalt der übrigen Bestimmungen dieses Art. 9 darf die Übertragung von unsertifizierten Aktien, die im Namen eines Aktionärs durch einen Transfer Agenten, Trust oder einer ähnlichen Einrichtung (der „**Transfer Agent**“) verwaltet werden, nur in Co-Operation mit diesem Transfer Agenten erfolgen.

#### **Art. 10 Umwandlung und Zerlegung von Aktien**

<sup>1</sup> Durch Änderung der Statuten kann die Generalversammlung jederzeit Namenaktien in Inhaberaktien umwandeln und umgekehrt.

<sup>2</sup> Sie ist ferner befugt, Aktien in solche von kleinerem Nennwert zu zerlegen oder mit Zustimmung der erforderlichen gesetzlichen Mehrheit der Stimmen und des Kapitals zu solchen von grösserem Nennwert zusammenzulegen, wobei für die Zusammenlegung von Aktien, soweit sie nicht an einer Börse kotiert sind, es der Zustimmung aller betroffenen Aktionäre bedarf.

#### **Art. 11 Bezugsrechte**

<sup>1</sup> Im Falle der Erhöhung des Aktienkapitals durch Ausgabe neuer Aktien haben die bisherigen Aktionäre ein Bezugsrecht im Verhältnis ihrer bisherigen Beteiligung, sofern die Generalversammlung dieses Recht nicht aus wichtigen Gründen einschränkt oder ausschliesst (einschliesslich durch Delegation an den Verwaltungsrat im Rahmen von Art. 5 und 6 dieser Statuten). Wichtige Gründe sind insbesondere die Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen sowie die Beteiligung der Arbeitnehmer.

<sup>2</sup> Die Generalversammlung setzt die Emissionsbedingungen fest, sofern sie nicht durch Beschluss den Verwaltungsrat dazu ermächtigt. Der Verwaltungsrat setzt die

shareholder as a shareholder with voting rights in the Share Register with retroactive effect as of the date of registration if such registration was made based on false or misleading information. The relevant shareholder shall be informed promptly of the cancellation.

<sup>5</sup> In case the Company is listed on any foreign Exchange, the Company is permitted to comply with the relevant rules and regulations that are applied in that foreign jurisdiction with regard to the subject of this Art. 8 to the extent permitted by Swiss law.

#### **Art. 9 Transfer**

<sup>1</sup> The transfer of ownership or the granting of a usufruct in registered Shares and in all the rights connected therewith shall be made by endorsement (signature) of the share title or certificate and by transfer of possession. If neither share titles nor certificates have been issued, such transfer shall be made by written declaration of assignment.

<sup>2</sup> The transfer of Shares issued as intermediated securities, including the granting of security interests, shall be made according to the Intermediated Securities Act.

<sup>3</sup> Subject to the provisions contained in this Art. 9 and to the extent permitted by applicable law if uncertificated securities are administered on behalf of a shareholder by a transfer agent, trust company or similar entity (“**Transfer Agent**”), such securities and the rights deriving from them may be transferred only with the cooperation of the Transfer Agent.

#### **Art. 10 Conversion and Splitting of Shares**

<sup>1</sup> The general meeting of the shareholders may at any time convert registered shares into bearer shares and vice versa by amending the Articles of Association.

<sup>2</sup> Furthermore, it is authorized to split shares into shares with lower nominal value or with the approval of the prerequisite statutory majority of votes and capital to consolidate shares into shares with higher nominal value, whereby for the consolidation of shares if these are not listed on a stock exchange, the consent of all shareholders concerned is required.

#### **Art. 11 Subscription Rights**

<sup>1</sup> In the event of an increase of the Share Capital by issuing new shares, each existing shareholder has subscription rights in proportion to his/her existing shareholding, to the extent the general meeting of shareholders does not restrict or exclude this right for important reasons (including by giving authority to the Board of Directors under to Art. 5 and Art. 6 of these Articles of Association). Important reasons are, in particular, the takeover of companies, of company parts, or of participations, as well as the participation of employees.

<sup>2</sup> The general meeting of the shareholders shall determine the terms of the share issue to the extent it has not, by resolution, authorized the Board of Directors to do so. The Board of

Einzahlungsbedingungen fest und gibt die Emissions- und Einzahlungsbedingungen den bezugsberechtigten Aktionären bekannt.

### III. Organisation

#### A. Die Generalversammlung

##### Art. 12 Befugnisse

Oberstes Organ der Gesellschaft ist die Generalversammlung. Ihr stehen folgende unübertragbare Befugnisse zu:

1. Festsetzung und Änderung der Statuten; vorbehalten bleibt Art. 27;
2. Festsetzung der Zahl der Mitglieder des Verwaltungsrates sowie Wahl und Abberufung derselben;
3. Wahl und Abberufung des Verwaltungsratspräsidenten;
4. Wahl und Abberufung der Mitglieder des für Vergütungsfragen zuständigen Ausschusses ("Vergütungsausschuss");
5. Wahl und Abberufung des unabhängigen Stimmrechtsvertreters;
6. Wahl und Abberufung der Revisionsstelle;
7. Genehmigung des Lageberichtes des Verwaltungsrates;
8. Genehmigung der Jahresrechnung und einer allfälligen Konzernrechnung;
9. Beschlussfassung über die Verwendung des Bilanzgewinnes, insbesondere die Festsetzung der Dividende;
10. die Festsetzung der Zwischendividende und die Genehmigung des dafür erforderlichen Zwischenabschlusses
11. die Beschlussfassung über die Rückzahlung der gesetzlichen Kapitalreserve, unter Vorbehalt des Artikels 671 Abs. 2 OR;
12. die Dekotierung der Beteiligungspapiere der Gesellschaft;
13. die Genehmigung des Berichts über nichtfinanzielle Belange nach Artikel 964c OR;
14. wird variable Vergütung von der Generalversammlung prospektiv genehmigt, legt der Verwaltungsrat der Generalversammlung den Vergütungsbericht gemäss dem Schweizerischen Obligationenrecht zur Konsultativabstimmung vor.

Directors shall determine the payment terms and communicate the issue and payment terms to the shareholders entitled to subscription rights.

### III. Organization

#### A. The General Meeting

##### Art. 12 Authority

The general meeting of the shareholders is the supreme corporate body of the Company. It has the following non-transferable powers:

1. adoption and amendment of the Articles of Association; Art. 27 remains reserved;
2. determination of the number of members of the Board of Directors as well as their election and removal;
3. election and removal of the chair of the Board of Directors;
4. election and removal of the members of the committee responsible for compensation matters ("Compensation Committee");
5. election and removal of the independent voting rights representative;
6. appointment and removal of the Auditors;
7. approval of the management report of the Board of Directors;
8. approval of the annual financial accounts and (if applicable) the group accounts;
9. resolution on the allocation of the balance sheet profit, in particular the determination of dividends;
10. the determination of interim dividends and the approval of the interim financial statements required for this purpose;
11. the resolution on the repayment of the statutory capital reserve, subject to article 671 para. 2 CO;
12. the delisting of the Company's equity securities;
13. the approval of the report on non-financial matters pursuant to article 964c CO;
14. if variable compensation is approved by the general meeting of shareholders prospectively, the Board of Directors shall submit the compensation report established pursuant to the Swiss Code of Obligations to an advisory vote of the general meeting of shareholders.

15. Genehmigung der Vergütung des Verwaltungsrates und der Geschäftsleitung gemäss Art. 22 a) dieser Statuten;

16. Entlastung der Mitglieder des Verwaltungsrates und der übrigen mit der Geschäftsführung betrauten Zivilrechtlichen Personen;

17. Beschlussfassung über die Gegenstände, die der Generalversammlung durch das Gesetz oder die Statuten vorbehalten sind oder ihr, vorbehaltlich Artikel 716a OR, durch den Verwaltungsrat vorgelegt werden;

18. Die Genehmigung von Zusammenschlüssen (die Definition eines Zusammenschlusses findet sich in Art. 41 dieser Statuten), (i) soweit sich die Zuständigkeit der Generalversammlung nicht bereits aus Art. 12 Ziff. 1. bis 17. ergibt und (ii) soweit nicht zwingend ein anderes Organ der Gesellschaft zuständig ist.

### **Art. 13 Recht zur Einberufung**

<sup>1</sup> Die Generalversammlung wird vom Verwaltungsrat, nötigenfalls von der Revisionsstelle, einberufen. Das Einberufungsrecht steht auch den Liquidatoren und den Vertretern der Anleihegläubiger zu. Sie findet am Gesellschaftssitz oder an einem anderen Ort im In- oder Ausland oder, soweit nach den gesetzlichen Bestimmungen zulässig, ausschliesslich in einer vom Verwaltungsrat von Zeit zu Zeit festgelegten virtuellen Form statt.

<sup>2</sup> Die ordentliche Generalversammlung findet alljährlich innerhalb von sechs Monaten nach Abschluss des Geschäftsjahres statt. Ausserordentliche Generalversammlungen finden in den vom Gesetz vorgesehenen Fällen statt, insbesondere, wenn der Verwaltungsrat es für notwendig oder angezeigt erachtet oder die Revisionsstelle dies verlangt. Ausserdem muss der Verwaltungsrat eine ausserordentliche Generalversammlung einberufen, wenn es eine Generalversammlung so beschliesst oder wenn dies von Aktionären beantragt wird, die allein oder zusammen Aktien halten, die mindestens 5 Prozent des Aktienkapitals oder der Stimmen vertreten.

### **Art. 14 Form der Einberufung**

<sup>1</sup> Die Generalversammlung wird durch einmalige Anzeige in der in Art. 39 für Mitteilungen an die Aktionäre vorgeschriebenen Art und Weise einberufen. Diese Anzeige muss mindestens 20 Tage vor der Generalversammlung ergehen.

<sup>2</sup> Tag, Zeit und Ort der Generalversammlung, die Verhandlungsgegenstände (Traktandenliste) sowie die Anträge des Verwaltungsrates und der Aktionäre, welche die Durchführung der Generalversammlung oder die Traktandierung eines Verhandlungsgegenstandes verlangt haben, und den Namen und die Adresse des unabhängigen Stimmrechtsvertreters sind bei der Einberufung bekannt zu geben.

15. approval of the compensation of the Board of Directors and Executive Management pursuant to Art. 22 a) of these Articles of Association;

16. discharge of the members of the Board of Directors and the Persons entrusted with the management;

17. resolution on matters which are reserved to the general meeting of the shareholders either by law or the Articles of Association or that are, subject to article 716a CO, submitted to the general meeting of the shareholders by the Board of Directors;

18. the approval of Business Combinations (definition of this term is in Art. 41 of these Articles of Association), if and to the extent that such approval (i) is not covered by the powers of the general meeting pursuant to Art. 12 para. 1. to 17. and (ii) that it is not an inalienable power of another corporate body of the Company.

### **Art. 13 Right to call a General Meeting**

<sup>1</sup> The general meeting of the shareholders shall be called by the Board of Directors or, if necessary, by the Auditors. Liquidators and representatives of bond creditors are also entitled to call the general meeting of the shareholders. It shall be held at the Company's registered office or at another place in Switzerland or abroad or, to the extent permissible under applicable laws, solely in virtual form, as determined by the Board of Directors from time to time.

<sup>2</sup> The ordinary general meeting of the shareholders shall take place annually within six months after the end of the business year. Extraordinary general meetings of the shareholders shall be held in the circumstances provided by law, in particular when deemed necessary or appropriate by the Board of Directors or if so requested by the Auditor. An extraordinary general meeting shall further be convened by the Board of Directors upon resolution of a general meeting of shareholders or if so requested by shareholders who hold, alone or together, Shares representing at least 5 percent of the share capital or votes.

### **Art. 14 Form of the calling of a General Meeting**

<sup>1</sup> The general meeting of the shareholders shall be convened by a single notice as provided for in Art. 39 regarding the manner of communications to shareholders. Such notice must be given at least 20 days prior to the general meeting of the shareholders.

<sup>2</sup> The calling shall state the date, time and place of the general meeting of the shareholders as well as the agenda and motions of the Board of Directors and of the shareholders who have requested the holding of a general meeting of the shareholders or the inclusion of an item on the agenda, and the name and address of the independent voting rights representative.

<sup>3</sup> Über Gegenstände, die nicht in dieser Weise angekündigt worden sind, können Beschlüsse nicht gefasst werden, ausser über einen Antrag auf Einberufung einer ausserordentlichen Generalversammlung, auf Durchführung einer Sonderprüfung oder auf Wahl einer Revisionsstelle infolge eines Begehrens eines Aktionärs nach Artikel 727a Abs. 4 OR.

#### **Art. 15 Universalversammlung**

Die Eigentümer oder Vertreter sämtlicher Aktien können, falls kein Widerspruch erhoben wird, eine Generalversammlung ohne Einhaltung der für die Einberufung vorgeschriebenen Formvorschriften abhalten.

In dieser Versammlung kann über alle in den Geschäftskreis der Generalversammlung fallenden Gegenstände gültig verhandelt und Beschluss gefasst werden, solange die Eigentümer oder Vertreter sämtlicher Aktien anwesend sind.

#### **Art. 16 Vorsitz und Protokoll**

<sup>1</sup> Die Generalversammlung wird durch den Präsidenten bzw. Vizepräsidenten des Verwaltungsrates, den Chief Executive Officer, den Sekretär des Verwaltungsrates oder eine vom Verwaltungsrat ernannte Person geleitet.

<sup>2</sup> Der Vorsitzende ernennt den Protokollführer und den oder die Stimmzähler. Der Protokollführer und der oder die Stimmzähler müssen nicht Aktionäre sein. Der Vorsitzende kann zugleich auch Protokollführer und Stimmzähler sein.

<sup>3</sup> Über die Beschlüsse und Wahlen der Generalversammlung ist ein Protokoll zu führen, das vom Vorsitzenden und vom Protokollführer zu unterzeichnen ist. Es hält die Angaben gemäss Art. 702 Abs. 2 OR fest.

<sup>4</sup> Die Beschlüsse und Wahlergebnisse sind unter Angabe der genauen Stimmenverhältnisse innerhalb von 15 Kalendertagen nach der Generalversammlung auf elektronischem Weg zugänglich zu machen; jeder Aktionär kann verlangen, dass ihm das Protokoll innerhalb von 30 Kalendertagen nach der Generalversammlung zugänglich gemacht wird.

#### **Art. 17 Stimmrecht und Vertretung**

<sup>1</sup> Jede Aktie berechtigt zu einer Stimme.

<sup>2</sup> Sofern die Statuten es vorsehen, ist jeder an einem bestimmten, durch den Verwaltungsrat vorgegebenen Stichtag, im Aktienbuch eingetragene Aktionär berechtigt, an der Generalversammlung teilzunehmen und an der Beschlussfassung mitzuwirken.

<sup>3</sup> Die Aktionäre wählen den unabhängigen Stimmrechtsvertreter an einer Generalversammlung für eine Amtszeit bis zum Abschluss der nächsten ordentlichen Generalversammlung. Wiederwahl ist möglich. Ist das Amt des unabhängigen Stimmrechtsvertreters aus irgendeinem Grund vakant, ernennt der Verwaltungsrat einen unabhängigen Stimmrechtsvertreter für die nächste Generalversammlung.

<sup>3</sup> No resolutions may be passed on agenda items which have not been announced in this manner, except on motions for the calling of an extraordinary general meeting of the shareholders, for the conduct of a special audit or the appointment of auditors at the request of a shareholder pursuant to article 727a paragraph 4 CO.

#### **Art. 15 Universal Meeting**

The holders of all Shares or their representatives may, if no objection is raised, hold a general meeting of the shareholders without observing the formalities required for the calling of a general meeting of the shareholders.

Provided the holders of all shares or their representatives are present, all items within the powers of a general meeting of the shareholders may validly be discussed and resolved at such a meeting.

#### **Art. 16 Chairperson and Minutes**

<sup>1</sup> The general meeting of the shareholders shall be chaired by the Chairman, the vice-chairman of the Board of Directors, Chief Executive Officer, Corporate Secretary or any person appointed by the Board of Directors.

<sup>2</sup> The chairperson shall appoint the keeper of the minutes and the scrutineer(s). The keeper of the minutes and the scrutineer(s) need not be shareholders. The chairperson may also be the keeper of the minutes and the scrutineer.

<sup>3</sup> Minutes shall be kept of the resolutions and votes of the general meeting of the shareholders that shall be signed by the chairperson and the keeper of the minutes. They shall contain the information required by Art. 702 paragraph 2 CO.

<sup>4</sup> The resolutions and election results shall be made available electronically within 15 calendar days after the general meeting of the shareholders, stating the exact proportion of votes; each shareholder may request that the minutes be made available to it within 30 calendar days after the general meeting of the shareholders.

#### **Art. 17 Voting Rights and Representation**

<sup>1</sup> Each share carries one vote.

<sup>2</sup> If provided in these Articles of Association, each shareholder recorded in the Share Register on a specific qualifying day which may be designated by the Board of Directors shall be entitled to participate at the general meeting of the shareholders and in any vote taken.

<sup>3</sup> The shareholders shall elect the independent voting rights representative at a general meeting of the shareholders for a term of office extending until completion of the next annual general meeting. Re-election is possible. If the office of the independent voting rights representative is vacant, for any reason, the Board of Directors shall appoint an independent

<sup>4</sup> Jeder Aktionär kann sich in der Generalversammlung durch einen anderen Aktionär, einen Dritten oder den unabhängigen Stimmrechtsvertreter vertreten lassen. Vertreter haben sich durch eine schriftliche Vollmacht auszuweisen, wobei die Vollmacht und die Weisungen an den unabhängigen Stimmrechtsvertreter auch in einer vom Verwaltungsrat von Zeit zu Zeit festgelegten elektronischen Form erteilt werden können.

<sup>5</sup> Die Gesellschaft anerkennt nur einen Vertreter für jede Aktie.

<sup>6</sup> Der Verwaltungsrat kann die Einzelheiten über die Vertretung und Teilnahme an der Generalversammlung in Verfahrensvorschriften regeln, einschliesslich mittels Verfahrensvorschriften in der Einladung zur Generalversammlung oder in den Stimmrechtskarten, die den Aktionären im Zusammenhang mit einer Generalversammlung zugestellt werden.

<sup>7</sup> Stimmrechte und die damit verbundenen Rechte können der Gesellschaft gegenüber von einem Aktionär oder Nutzniesser der Aktien jeweils nur in dem Umfang ausgeübt werden, wie diese Person mit Stimmrecht im Aktienbuch eingetragen ist.

#### **Art. 18 Teilnahme der Mitglieder des Verwaltungsrates**

Die Mitglieder des Verwaltungsrates sind berechtigt, an der Generalversammlung teilzunehmen. Sie können Anträge stellen.

#### **Art. 19 Beschlussfassung und Wahlen**

Die Generalversammlung fasst ihre Beschlüsse und vollzieht ihre Wahlen mit der Mehrheit der abgegebenen Aktienstimmen, unter Ausschluss der leeren, ungültigen und nicht ausübaren Stimmen, soweit Gesetz oder Statuten nichts anderes bestimmen. Bei Stimmgleichheit gilt ein Beschluss als nicht zustande gekommen; bei Wahlen entscheidet das Los.

#### **Art. 20 Besonderes Stimmen-Quorum**

<sup>1</sup> Insbesondere folgende Beschlüsse müssen von Gesetzes wegen mindestens zwei Drittel der vertretenen Stimmen und die absolute Mehrheit der vertretenen Aktiennennwerte auf sich vereinigen:

1. Änderung des Gesellschaftszweckes gemäss Art. 2 dieser Statuten;
2. Einführung und Abschaffung von Stimmrechtsaktien;
3. Zusammenlegung von Aktien (*reverse stock split*);
4. Beschränkung der Übertragbarkeit von Namenaktien und Aufhebung einer solchen Beschränkung;

voting rights representative for the next general meeting of shareholders.

<sup>4</sup> Each shareholder may arrange representation through another shareholder, a third party or the independent voting rights representative. The representative must produce a written power of attorney; provided, however, that the proxy and the instructions to the independent voting rights representative may also be granted by electronic means as determined by the Board of Directors from time to time.

<sup>5</sup> The Company shall acknowledge only one representative for each share.

<sup>6</sup> The Board of Directors may issue the particulars of the right to representation and participation at the general meeting of the shareholders in procedural rules, including in procedural rules included in the notice of the general meeting of the shareholders or the proxy cards made available to shareholders in connection with a general meeting of the shareholders.

<sup>7</sup> Voting rights and rights derived from them may be exercised in relation to the Company by a shareholder or usufructuary of Shares only to the extent that such Person is recorded in the Share Register with the right to exercise his voting rights.

#### **Art. 18 Participation of the Members of the Board of Directors**

The members of the Board of Directors may take part in the general meeting of the shareholders. They may submit motions.

#### **Art. 19 Resolutions and Voting**

The general meeting of the shareholders shall pass its resolutions and elections with a majority of the share votes cast, excluding unmarked, invalid and non-exercisable votes, to the extent not otherwise stated by the law or the Articles of Association. Where the votes are tied, a resolution shall be deemed not to be passed; in the case of elections, the decision shall be by lot.

#### **Art. 20 Special Vote**

<sup>1</sup> The following resolutions, among others, require by law two thirds of the votes represented and the absolute majority of the nominal value of the Shares represented in favor:

1. amendment of the Company objects as described in Art. 2 of these Articles of Association;
2. creation and cancellation of Shares with privileged voting rights;
3. combination of Shares (*reverse stock split*);
4. restriction on the transferability of registered Shares and cancellation of such a restriction;



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| <p>5. Einführung oder Änderung eines Kapitalbands oder eines/des bedingten Kapitals;</p> <p>6. Kapitalerhöhung aus Eigenkapital, gegen Sacheinlage oder durch Verrechnung mit einer Forderung und die Gewährung von besonderen Vorteilen;</p> <p>7. Wechsel der Währung des Aktienkapitals;</p> <p>8. Einschränkung oder Aufhebung des Bezugsrechtes;</p> <p>9. Verlegung des Sitzes der Gesellschaft;</p> <p>10. Auflösung der Gesellschaft;</p> <p>11. Dekotierung der Aktien;</p> <p>12. Fusionsbeschluss gemäss Artikel 18 des Fusionsgesetzes (FusG), Spaltungsbeschluss gemäss Artikel 43 FusG und Umwandlungsbeschluss gemäss Artikel 64 FusG.</p> | <p>5. the introduction of or the amendment to a capital band or conditional share capital;</p> <p>6. capital increase through the conversion of equity surplus, against contributions in kind or by set-off against a claim and the granting of special benefits;</p> <p>7. change of currency of the share capital;</p> <p>8. restriction or withdrawal of subscription rights;</p> <p>9. relocation of the registered office of the Company;</p> <p>10. winding-up of the Company;</p> <p>11. delisting of the Shares;</p> <p>12. merger resolution pursuant to article 18 of the Merger Act (FusG), demerger resolution pursuant to article 43 FusG and transformation resolution pursuant to article 64 FusG.</p> |
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<sup>2</sup> Im Rahmen des gesetzlich Zulässigen und unter Vorbehalt anderslautender Vorschriften in diesem Art. 20 ist für folgende Gegenstände ein Beschluss der Generalversammlung erforderlich, der mindestens 75 % der an der Generalversammlung vertretenen Aktien auf sich vereinigt:

1. Die Genehmigung von Zusammenschlüssen (die Definition eines Zusammenschlusses findet sich in Art. 41 dieser Statuten) gemäss Art. 12 Ziff. 18 dieser Statuten. Dieses besondere Zustimmungserfordernis ist nicht erforderlich für Zusammenschlüsse, welche von der Mehrheit der Unparteiischen Mitgliedern des Verwaltungsrates (die Definition der Unparteiischen Mitglieder des Verwaltungsrates findet sich in Art. 41 der Statuten) genehmigt wurden. Für solche von der Mehrheit der Unparteiischen Mitgliedern des Verwaltungsrates genehmigte Zusammenschlüsse genügen die im Gesetz oder in den Statuten vorgesehenen Mehrheiten, je nach dem welche strenger sind. Für den Zweck dieser Bestimmung ist die Mehrheit der Unparteiischen Mitglieder des Verwaltungsrates berechtigt und verpflichtet, gestützt auf die ihnen nach angemessenem Aufwand zur Verfügung stehenden Informationen zu bestimmen, (i) ob eine Person ein Nahestehender Aktionär ist; (ii) die Anzahl Aktien, die eine Person oder eine Gesellschaft direkt oder indirekt hält; (iii) ob eine Gesellschaft eine Nahestehende Gesellschaft einer anderen ist; und ob (iv) die Aktiven, welche Gegenstand eines solchen Zusammenschlusses sind oder die von der Gesellschaft oder einer ihrer Tochtergesellschaften im Zusammenhang mit einem solchen Zusammenschluss ausgegebenen oder übertragenden Effekten einen aggregierten Marktwert von mindestens 25 % des Marktwertes der gesamten Aktiven unmittelbar vor dem Zusammenschluss haben. Die Mehrheit der Unparteiischen Mitglieder des Verwaltungsrates hat zudem das Recht, sämtliche Bestimmungen und Begriffe dieses Art. 20 auszulegen.

2. Jede Änderung von Art. 20 Abs. 2 dieser Statuten.

<sup>2</sup> Subject to the provisions of the applicable law and except as otherwise expressly provided in this Art. 20, the approval of at least 75 % of the Shares represented at a general meeting of the shareholders shall be required for:

1. The approval of Business Combinations (definition of this term is in Art. 41 of these Articles of Association) pursuant to Art. 12 para. 18 of these Articles of Association. The foregoing requiring a special resolution of the shareholders shall not be applicable to any particular Business Combination, and such Business Combination shall require only such vote as is required by the law or by these Articles of Association, whichever is greater, if the Business Combination shall have been approved by a majority of the Disinterested Directors (as hereinafter defined in Art. 41 of these Articles of Association) whereby it is understood that such majority of the Disinterested Directors shall have the power and duty to determine for the purposes of this Article, on the basis of information known to them after reasonable inquiry, (i) whether a person is an Interested Shareholder; (ii) the number of Shares of which any person is the beneficial owner; (iii) whether a Person is an Affiliate of another; and (iv) whether the assets which are the subject of any Business Combination have, or any securities to be issued or transferred by the Company or any Subsidiary in any Business Combination have, an aggregate Fair Market Value equaling or exceeding twenty-five percent (25 %) of the Fair Market Value of the combined assets immediately prior to such transfer of the Company and its subsidiaries. A majority of the Disinterested Directors shall have the further power to interpret all of the terms and provisions of this Art. 20.

2. Any change to Art. 20 para. 2 of these Articles of Association.

<sup>3</sup> Ein Beschluss der Generalversammlung der mindestens zwei Drittel der Gesamtstimmen (die Definition von Gesamtstimmen findet sich in Art. 41 dieser Statuten) auf sich vereinigt, ist erforderlich für:

1. Die Abwahl eines amtierenden Mitglieds des Verwaltungsrates
2. Jede Änderung von Art. 20 Abs. 3 dieser Statuten.

<sup>4</sup> Ein Beschluss der Generalversammlung der mindestens 75 % der Gesamtstimmen (die Definition von Gesamtstimmen findet sich in Art. 41 dieser Statuten) auf sich vereinigt, ist erforderlich für:

1. Die Reduktion oder Erhöhung der Anzahl Verwaltungsräte in Art. 24 dieser Statuten.
2. Jede Änderung von Art. 20 Abs. 4 dieser Statuten.

<sup>5</sup> Auf Verlangen eines Aktionärs erfolgt die Wahl der Mitglieder des Verwaltungsrates in geheimer Abstimmung. Die übrigen Wahlen und Beschlussfassungen erfolgen in offener Abstimmung, falls die Generalversammlung nichts anderes beschliesst.

#### **Art. 21 Auskunfts- und Einsichtsrecht der Aktionäre**

<sup>1</sup> Jeder Aktionär ist berechtigt, an der Generalversammlung vom Verwaltungsrat Auskunft über die Angelegenheiten der Gesellschaft und von der Revisionsstelle über Durchführung und Ergebnis ihrer Prüfung zu verlangen.

<sup>2</sup> Die Auskunft ist insoweit zu erteilen, als sie für die Ausübung der Aktionärsrechte erforderlich ist. Sie kann verweigert werden, wenn durch sie Geschäftsgeheimnisse oder andere schutzwürdige Interessen der Gesellschaft gefährdet werden.

<sup>3</sup> Die Geschäftsbücher und Korrespondenzen können nur mit ausdrücklicher Ermächtigung der Generalversammlung oder durch Beschluss des Verwaltungsrates und unter Wahrung des Geschäftsgeheimnisses eingesehen werden.

#### **Art. 22 Recht auf Einleitung einer Sonderuntersuchung**

Jeder Aktionär, der das Recht auf Auskunft oder das Recht auf Einsicht bereits ausgeübt hat, kann der Generalversammlung beantragen, bestimmte Sachverhalte durch unabhängige Sachverständige untersuchen zu lassen, sofern dies zur Ausübung der Aktionärsrechte erforderlich ist.

#### **Art. 22 a) Vergütung des Verwaltungsrates und der Geschäftsleitung**

<sup>1</sup> Die Aktionäre genehmigen, unter Vorbehalt der nachstehenden Abs. 2 und 4, an jeder ordentlichen Generalversammlung die

<sup>3</sup> The approval of at least two thirds of the Total Voting Shares shall be required for (definition of the term Total Voting Shares is in Art. 41 of these Articles of Association):

1. A resolution with respect to the removal of a serving member of the Board of Directors.
2. Any change to Art. 20 para. 3 of these Articles of Association.

<sup>4</sup> The approval of at least 75 % of the Total Voting Shares shall be required for (definition of the term Total Voting Shares is in Art. 41 of these Articles of Association):

1. The increase or reduction of the number of members of the Board of Directors in Art. 24 of these Articles of Association.
2. Any change to Art. 20 para. 4 of these Articles of Association.

<sup>5</sup> At the request of a shareholder the election of members of the Board of Directors shall take place by secret ballot. All other voting and passing of resolutions shall occur by open ballot unless otherwise resolved by the general meeting of the shareholders.

#### **Art. 21 Information and Inspection Rights of the Shareholders**

<sup>1</sup> At the general meeting of the shareholders, any shareholder is entitled to request information from the Board of Directors concerning the affairs of the Company and from the Auditors concerning the conduct and the results of their review.

<sup>2</sup> The information shall be given to the extent necessary for the exercising of shareholders' rights. It may be denied if business secrets or other interests of the Company worth being protected are jeopardized.

<sup>3</sup> Company books and correspondence may only be inspected with the express authorization of the general meeting of the shareholders or by resolution of the Board of Directors and under the condition that business secrets are safeguarded.

#### **Art. 22 Right to Initiate a Special Examination**

Any shareholder who has already exercised his/her information or consultation right may propose to the general meeting of the shareholders that certain matters be examined by independent experts if this is necessary for the exercising of his/her rights.

#### **Art. 22 a) Compensation of the Board of Directors and Executive Management**

<sup>1</sup> The shareholders shall, subject to paras. 2 and 4 below, at each annual general meeting ratify the proposals of the Board

Anträge des Verwaltungsrates betreffend den Maximalgesamtbetrag (in US Dollars, Schweizer Franken oder einer anderen Wahrung):

- a. der Vergutung des Verwaltungsrates fur die Periode zwischen der ordentlichen Generalversammlung, an welcher um Genehmigung ersucht wird, und der nachsten ordentlichen Generalversammlung; und
- b. der Vergutung der Geschaf tsleitung fur das Geschaf tsjahr, welches nach der ordentlichen Generalversammlung, an welcher um Genehmigung ersucht wird, beginnt.

<sup>2</sup> Der Verwaltungsrat kann die Aktionare an einer Generalversammlung um Genehmigung eines Gesamtbetrages oder eines Maximalgesamtbetrages der Vergutung fur den Verwaltungsrat beziehungsweise die Geschaf tsleitung, oder von Elementen davon, oder zusatzlicher oder bedingter Betrage, in Bezug auf von Abs. 1 dieses Art. 22 a) abweichende Zeitperioden ersuchen, sei es auf retrospektiver Basis, prospektiver Basis oder einer Kombination davon.

<sup>3</sup> Innerhalb des von den Aktionaren an der jeweiligen Generalversammlung genehmigten Maximalgesamtbetrages ist ausschliesslich der Verwaltungsrat oder, soweit an ihn delegiert, der Vergutungsausschuss befugt und verantwortlich, die tatsachliche individuelle Vergutung jedes Mitglieds des Verwaltungsrates beziehungsweise der Geschaf tsleitung zu bestimmen. Zu diesem Zweck wird der Wert der Vergutung gemass allgemein anerkannten Bewertungsmethoden per Datum der Zuteilung des jeweiligen Vergutungselements bestimmt.

<sup>4</sup> Genehmigen die Aktionare an einer Generalversammlung einen Antrag des Verwaltungsrates gemass Abs. 1 oder 2 hiervor nicht, so zieht der Verwaltungsrat den Antrag, der nicht genehmigt wurde, unter Berucksichtigung, soweit feststellbar, der Grunde, aus welchen die Aktionare den Antrag nicht genehmigt haben, in Wiedererwagung, und ersucht die Aktionare um Genehmigung eines uberarbeiteten Antrags; die Genehmigung kann an der Generalversammlung, an welcher der Antrag gemass Abs. 1 oder 2 hiervor nicht genehmigt wurde, an einer ausserordentlichen Generalversammlung oder an der nachsten ordentlichen Generalversammlung erfolgen.

<sup>5</sup> Die Gesellschaft oder von ihr kontrollierte Gesellschaften konnen Vergutung vor der Genehmigung durch die Aktionare an einer Generalversammlung auszahlen oder zuteilen. Solche Vergutung steht unter dem Vorbehalt der nachtraglichen Genehmigung durch die Aktionare.

<sup>6</sup> Der Begriff "Vergutung", so wie er in diesen Statuten verwendet wird, umfasst jegliche Form der Entschadigung, einschliesslich, aber nicht beschrankt auf Vergutung in bar, in der Form von Aktien, gesperrten Aktien, Bonus-Aktien, ausgeschobenen Einheiten, Optionen, Wertsteigerungsrechten, gesperrten Aktieneinheiten, Leistungspramien oder anderen Finanzinstrumenten oder Derivaten, oder irgendeiner Kombination davon, oder andere Leistungen und Vorteile,

of Directors as regards the maximum aggregate amount (expressed in U.S. dollars, Swiss francs or any other currency) of, respectively:

- a. the compensation of the Board of Directors for the period between the annual general meeting at which ratification is sought and the next annual general meeting; and
- b. the compensation of Executive Management for the fiscal year commencing after the annual general meeting is held at which the ratification is sought.

<sup>2</sup> The Board of Directors may seek ratification by the shareholders at a general meeting of the shareholders on a retrospective basis, on a prospective basis, or a combination thereof, of the aggregate amount, or maximum aggregate amount, of compensation, respectively, of the Board of Directors and Executive Management, or any element thereof, or any additional or contingent amount, in relation to different time periods than those referred to in para. 1 of this Art. 22 a).

<sup>3</sup> Within the maximum aggregate amount ratified by the shareholders at the relevant general meeting of the shareholders, it shall be the exclusive authority and responsibility of the Board of Directors or, where delegated to it, the Compensation Committee to determine the actual individual compensation of, respectively, each member of the Board of Directors and Executive Management. For such purposes, the value of compensation shall be determined in accordance with generally recognized valuation methods as per the grant date of the respective compensation element.

<sup>4</sup> If at the annual general meeting the shareholders have not ratified a proposal of the Board of Directors pursuant to para. 1 above or para. 2 above, the Board of Directors shall reconsider the proposal that has not been ratified, taking into account, to the extent identifiable, the reasons for which the shareholders did not ratify the proposal, and seek shareholder ratification for a revised proposal at the annual general meeting at which the proposal pursuant to para. 1 above or para. 2 above has not been ratified, at an extraordinary general meeting or at the next annual general meeting.

<sup>5</sup> The Company or companies under its control may pay out or grant compensation prior to shareholder ratification at a general meeting of the shareholders. Such compensation is subject to subsequent shareholder ratification.

<sup>6</sup> The term "compensation", as used in these Articles of Association, shall include any form of remuneration, including, without limitation, cash, shares, restricted shares, bonus shares, deferred units, stock options, share appreciation rights, restricted stock units, performance awards, awards of other financial instruments or derivatives, or any combination of the foregoing, paid or granted to, and any other benefits and perquisites received by, members of

welche Mitgliedern des Verwaltungsrates und/oder der Geschäftsleitung bezahlt oder zugeteilt wird bzw. welche diese erhalten. Der Begriff "Vergütung" umfasst nicht den Ersatz von Auslagen, die ein Mitglied des Verwaltungsrates oder der Geschäftsleitung im Interesse der Gesellschaft getätigt hat.

**Art. 22 b) Allgemeine Vergütungsprinzipien**

<sup>1</sup> Die Vergütung des Verwaltungsrates kann (i) Barkomponenten, (ii) Aktien, gesperrte Aktien, gesperrte Aktieneinheiten, aufgeschobene Einheiten oder ähnliche Instrumente und/oder (iii) Leistungen oder Vorteile in der Form von Sach- oder Dienstleistungen umfassen, wie im Einzelnen vom Verwaltungsrat oder, soweit an ihn delegiert, vom Vergütungsausschuss unter Vorbehalt der anwendbaren Planbestimmungen festgelegt. Exekutive Verwaltungsräte erhalten keine Vergütung zusätzlich zur Vergütung, welche ihnen im Rahmen ihrer Funktion als Mitglied der Geschäftsleitung der Gesellschaft ausgerichtet wird.

<sup>2</sup> Sofern vom Verwaltungsrat oder, soweit an ihn delegiert, vom Vergütungsausschuss nicht anders festgelegt, besteht die Vergütung der Geschäftsleitung in der Regel aus (i) einem Basissalar, (ii) anteilsbasierter oder anderer Leistungs- oder Erfolgsvergütung gemäss anwendbaren Plänen und (iii) weiterer Vergütung, die der Verwaltungsrat oder, soweit an ihn delegiert, der Vergütungsausschuss als angemessen erachtet, einschliesslich, aber nicht beschränkt auf Beiträge an Vorsorgeleistungspläne und Spesenpauschalen.

<sup>3</sup> Vergütung gemäss Beteiligungs- oder Leistungs- und Erfolgsplänen soll so ausgestaltet sein, dass die Interessen der Empfänger auf diejenigen der Aktionäre der Gesellschaft ausgerichtet werden, eine Mitarbeiteranbindung erreicht wird und die Vergütung an die Leistung infolge der Schaffung von Mehrwert für die Aktionäre geknüpft wird. Der Verwaltungsrat oder, soweit an ihn delegiert, der Vergütungsausschuss berücksichtigen die Funktion, den Umfang der Pflichten und die Verantwortungsstufe des jeweiligen Empfängers, die Mitarbeiteranbindung, das gegenwärtige Geschäftsumfeld, die persönliche Leistung, die Leistung der Gesellschaft oder von Unternehmensteilen, einschliesslich, aber nicht beschränkt auf die Aktienrendite im Verhältnis zum Markt, anderen Unternehmen oder anderen Richtgrössen.

<sup>4</sup> Vorbehältlich der Genehmigung der Bestimmungen der Beteiligungs- oder der Leistungs- und Erfolgspläne durch die Aktionäre (soweit gemäss anwendbarem Recht oder anwendbaren Börsenregularien erforderlich), legt der Verwaltungsrat oder, soweit an ihn delegiert, der Vergütungsausschuss für anteilsbasierte oder Leistungs- und Erfolgsvergütung, soweit anwendbar, die Zuteilungs-, Anfalls- (*vesting*-), Ausübungs- und Verfallsbedingungen fest; der Verwaltungsrat oder, soweit an ihn delegiert, der Vergütungsausschuss kann vorsehen, dass aufgrund des Eintritts von im Voraus bestimmten Ereignissen wie einem Kontrollwechsel oder der Beendigung eines Arbeits-, Mandats- oder anderen Vertrags Anfalls- (*vesting*-) und Ausübungsbedingungen fortbestehen oder verkürzt oder aufgehoben werden, Vergütungen unter Annahme der

the Board of Directors and/or Executive Management. The term "compensation" shall not include the reimbursement of expenses incurred by a member Board of Directors or Executive Management in the interests of the Company.

**Art. 22 b) General Compensation Principles**

<sup>1</sup> The compensation of the Board of Directors may include (i) cash, (ii) shares, restricted shares, restricted share units, deferred units or similar instruments, and/or (iii) benefits and perquisites in kind or in the form of services, as shall be determined by the Board of Directors or, where delegated to it, the Compensation Committee and subject to the terms of the applicable plans. Executive directors shall not receive any compensation in addition to the compensation paid to them in their roles as officers of the Company.

<sup>2</sup> Except as otherwise determined by the Board of Directors or, where delegated to it, the Compensation Committee, Executive Management compensation shall generally consist of (i) a base salary, (ii) equity incentive and other incentive compensation pursuant to applicable plans and (iii) any other compensation as deemed appropriate by the Board of Directors or, where delegated to it, the Compensation Committee, including, but not limited to, contributions to post-retirement benefit plans and allowances.

<sup>3</sup> Compensation pursuant to participation or incentive plans shall be designed so as to align the interests of its recipients with those of the Company's shareholders, provide retention incentives, and tie compensation to performance through the creation of shareholder value. The Board of Directors or, where delegated to it, the Compensation Committee shall take into account the position and level of duties and responsibility of the respective recipient, retention considerations, the current business environment, individual performance, performance of the Company or parts thereof, including, without limitation, total shareholder return relative to market, other companies or other benchmarks.

<sup>4</sup> In relation to equity incentive or other incentive awards, subject to the approval of the terms of equity incentive or other incentive plans by shareholders as may be required under applicable law and stock exchange rules, the Board of Directors or, where delegated to it, the Compensation Committee shall, as applicable, determine the grant, vesting, exercise and forfeiture conditions; the Board of Directors or, where delegated to it, the Compensation Committee may provide for the continuation, acceleration or removal of vesting and exercise conditions, for the payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case with regard to pre-determined events such as a change-in-control or termination of an employment, mandate or other agreement.

Erreichung der Zielwerte ausgerichtet werden oder Vergütungen verfallen.

<sup>5</sup> Die Gesellschaft kann die Aktien der Gesellschaft, die im Rahmen der anteilsbasierten Vergütung an die Begünstigten auszugeben oder zu liefern sind, jeweils soweit verfügbar aus genehmigtem oder bedingtem Aktienkapital oder unter Verwendung von auf dem Markt erworbenen eigenen Aktien bereitstellen.

<sup>6</sup> Vergütung gemäss diesen Statuten kann durch die Gesellschaft oder durch von ihr kontrollierte Gesellschaften ausbezahlt oder zugeteilt werden.

#### **Art. 22 c) Zusatzbetrag für Änderungen in der Geschäftsleitung**

Reicht der von den Aktionären an einer Generalversammlung genehmigte Maximalgesamtbetrag der Vergütung der Mitglieder der Geschäftsleitung für die Vergütung eines Mitglieds der Geschäftsleitung, das nach dem Zeitpunkt der letzten Genehmigung durch die Aktionäre an einer Generalversammlung Mitglied der Geschäftsleitung wird, nicht aus, sind die Gesellschaft oder von ihr kontrollierte Gesellschaften ermächtigt, jedem solchem Mitglied der Geschäftsleitung für die Dauer der bereits durch die Aktionäre an einer Generalversammlung genehmigten Vergütungsperiode(n) eine Vergütung zu bezahlen oder auszurichten. Eine solche Vergütung darf je neu ernanntes Mitglied der Geschäftsleitung und je relevante Vergütungsperiode unter keinen Umständen den letzten von den Aktionären an einer Generalversammlung genehmigten Maximalgesamtbetrag der Vergütung übersteigen. Vergütung, die gemäss diesem Art. 22 c) ausgerichtet wird, bedarf keiner weiteren Genehmigung durch die Aktionäre.

#### **Art. 23 Präsenzquorum**

Jede Beschlussfassung oder Wahl setzt zu ihrer Gültigkeit im Zeitpunkt der Konstituierung der Generalversammlung ein Präsenzquorum von Aktionären, welche mindestens die Mehrheit aller Gesamtstimmen vertreten, voraus. Die Aktionäre können mit der Behandlung der Traktanden fortfahren, selbst wenn Aktionäre nach Bekanntgabe des Quorums durch den Vorsitzenden die Generalversammlung verlassen.

### **B. Der Verwaltungsrat**

#### **Art. 24 Zusammensetzung**

<sup>1</sup> Der Verwaltungsrat besteht aus mindestens einem und höchstens zehn Mitgliedern.

<sup>2</sup> Solange die Namenaktien der Gesellschaft an einer in- oder ausländischen Börse kotiert sind, soll der Verwaltungsrat mindestens drei unabhängige Verwaltungsräte (Unabhängige Verwaltungsräte) ausweisen.

#### **Art. 25 Amtsdauer**

<sup>5</sup> The Company may procure the shares of the Company to be issued or delivered to beneficiaries of equity-based awards, to the extent available, from authorized share capital, conditional share capital, or through use of treasury shares purchased in the market.

<sup>6</sup> Compensation pursuant to these Articles of Association may be paid or granted by the Company or companies under its control.

#### **Art. 22 c) Supplementary Amount for Changes to the Executive Management**

If the maximum aggregate amount of compensation of Executive Management members ratified by the shareholders at a general meeting of the shareholders is not sufficient to also cover the compensation of a member of Executive Management who becomes a member of Executive Management after the date of the most recent shareholder ratification at a general meeting of the shareholders, the Company or companies under its control shall be authorized to pay and/or grant compensation to such member of Executive Management in relation to the compensation period(s) already ratified by the shareholders at a general meeting of the shareholders. In no event shall any such compensation for each newly appointed member of Executive Management and for each relevant compensation period exceed the maximum aggregate amount of Executive Management compensation last ratified by shareholders at a general meeting of the shareholders. No further shareholder ratification shall be required for any compensation paid and/or granted in accordance with this Art. 22 c).

#### **Art. 23 Presence Quorum**

The adoption of any resolution or election requires the presence of at least a majority of the Total Voting Shares at the time when the general meeting of the shareholders proceeds to business. The shareholders present at a general meeting of the shareholders may continue to transact business, despite the withdrawal of shareholders from such general meeting of the shareholders following announcement of the presence quorum at that meeting.

### **B. The Board of Directors**

#### **Art. 24 Composition**

<sup>1</sup> The Board of Directors shall consist of no less than one and no more than ten members.

<sup>2</sup> As long as the registered Shares of the Company are listed on a domestic or foreign Exchange, the Company shall maintain a minimum of three Independent Directors on its Board of Directors.

#### **Art. 25 Term of Office**

<sup>1</sup> Die Aktionäre wählen die Mitglieder des Verwaltungsrates und den Verwaltungsratspräsidenten einzeln an einer Generalversammlung für eine Amtsdauer bis zum Abschluss der nächsten ordentlichen Generalversammlung. Wiederwahl ist möglich. Ist das Amt des Verwaltungsratspräsidenten aus irgendeinem Grund vakant, ernennt der Verwaltungsrat einen Verwaltungsratspräsidenten für eine Amtsdauer bis zum Abschluss der nächsten ordentlichen Generalversammlung.

<sup>2</sup> Wenn ein Verwaltungsratsmitglied vor Ablauf seiner Amtsdauer aus irgendeinem Grund ersetzt wird, endet die Amtsdauer des an seiner Stelle gewählten neuen Verwaltungsratsmitgliedes mit dem Ende der Amtsdauer seines Vorgängers.

<sup>3</sup> Ist an der Gesellschaft eine juristische Person oder eine Handelsgesellschaft beteiligt, so ist sie als solche nicht als Mitglied des Verwaltungsrates wählbar; dagegen können an ihrer Stelle ihre Vertreter gewählt werden.

#### **Art. 26 Konstituierung**

Vorbehältlich der Wahl des Verwaltungsratspräsidenten und der Mitglieder des Vergütungsausschusses durch die Aktionäre an einer Generalversammlung bestimmt der Verwaltungsrat seine Organisation selbst. Er kann einen oder mehrere Vize-Präsidenten wählen. Er bestellt einen Sekretär, der nicht Mitglied des Verwaltungsrates sein muss. Vorbehältlich des anwendbaren Rechts und dieser Statuten regelt der Verwaltungsrat die Einzelheiten seiner Organisation in einem Organisationsreglement.

#### **Art. 27 Aufgaben**

<sup>1</sup> Der Verwaltungsrat besorgt die laufenden Geschäfte und vertritt die Gesellschaft nach aussen.

<sup>2</sup> Der Verwaltungsrat hat die folgenden unübertragbaren und unentziehbaren Aufgaben:

1. Oberleitung der Gesellschaft und Erteilung der nötigen Weisungen;
2. Festlegung der Organisation;
3. Ausgestaltung des Rechnungswesens, der Finanzkontrolle sowie der Finanzplanung, sofern diese für die Führung der Gesellschaft notwendig ist;
4. Ernennung und Abberufung der mit der Geschäftsführung und der Vertretung betrauten Personen sowie Regelung der Zeichnungsberechtigung;
5. Oberaufsicht über die mit der Geschäftsführung betrauten Personen, namentlich im Hinblick auf die Befolgung der Gesetze, Statuten, Reglemente und Weisungen;

<sup>1</sup> The shareholders shall elect the members of the Board of Directors and the chair of the Board of Directors individually at a general meeting of shareholders for a term of office extending until completion of the next annual general meeting. Re-election is possible. If the office of the chair of the Board of Directors is vacant, for any reason, the Board of Directors shall appoint a new chair from among its members for a term of office extending until completion of the next annual general meeting.

<sup>2</sup> If, before the expiration of his term of office, a member of the Board of Director should be replaced for any reason, the term of office of the newly elected member of the Board of Directors shall expire at the end of the term of office of his predecessor.

<sup>3</sup> If a legal entity or another commercial enterprise is a shareholder of the Company, it shall not be eligible for membership on the Board of Directors; however, its representatives may be elected in lieu thereof.

#### **Art. 26 Constitution**

Except for the election of the chair of the Board of Directors and the members of the Compensation Committee by the shareholders at a General Meeting of Shareholders, the Board of Directors shall determine its own organization. It may elect one or more vice-chairs. It shall appoint a Secretary, who need not be a member of the Board of Directors. Subject to applicable law and these Articles of Association, the Board of Directors shall establish the particulars of its organization in organizational regulations.

#### **Art. 27 Duties**

<sup>1</sup> The Board of Directors shall manage the ongoing business and represent the Company externally.

<sup>2</sup> The Board of Directors has the following non-transferable and inalienable duties:

1. Supreme management of the Company and issuance of the relevant instructions;
2. Determination of the organisation;
3. Structuring of the accounting system, the financial controls and the financial planning to the extent that this is necessary for the management of the Company;
4. Appointment and removal of the persons entrusted with the management and representation of the Company as well as regulation of signatory power;
5. Overall supervision of the persons entrusted with the management of the Company, in particular with regard to their compliance with the law, the Articles of Association and other internal rules and regulations;

- |  |   |
|--|---|
| <p>6. Erstellung des Geschäftsberichtes, des Vergütungsberichtes sowie Vorbereitung der Generalversammlung und Ausführung ihrer Beschlüsse;</p> <p>7. Einreichung eines Gesuchs um Nachlassstundung und die Benachrichtigung des Gerichts im Falle der Überschuldung;</p> <p>8. Beschlussfassung über die nachträgliche Leistung von Einlagen auf nicht voll liberierte Aktien;</p> <p>9. Beschlussfassung über die Veränderung des Aktienkapitals, soweit dies in der Kompetenz des Verwaltungsrates liegt, die Feststellung von Kapitalveränderungen, die Erstellung des Kapitalerhöhungsberichts und die Vornahme der entsprechenden Statutenänderungen (einschliesslich Streichungen).</p> | <p>6. Preparation of the annual business report, the compensation report and the general meeting of the shareholders, as well as implementation of its resolutions;</p> <p>7. Submission of a petition for debt-restructuring moratorium and notification of the court in case of over-indebtedness;</p> <p>8. Passing of resolutions regarding retroactive payments related to partly paid-in shares;</p> <p>9. The adoption of resolutions on the change of the share capital to the extent that such power is vested in the Board of Directors, the ascertainment of capital changes, the preparation of the report on the capital increase, and the respective amendments of the Articles of Association (including deletions).</p> |
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<sup>3</sup> Er hat überdies die folgenden Aufgaben:

1. Führung der gemäss Organisationsreglement dem Verwaltungsrat vorbehaltenen Geschäfte (vgl. Art. 30 Abs. 2);
2. Antragstellung betreffend Verwendung des Bilanzgewinnes;
3. Festlegung des Geschäftsjahres (vgl. Art. 36);
4. Behandlung von Eintragungsgesuchen (vgl. Art. 8).

<sup>4</sup> Im Übrigen kann der Verwaltungsrat in allen Angelegenheiten Beschluss fassen, die nicht nach Gesetz, Statuten oder Reglement der Generalversammlung oder einem anderen Organ der Gesellschaft vorbehalten oder übertragen sind.

<sup>5</sup> Die Mitglieder des Verwaltungsrates zeichnen kollektiv zu zweien. Gehört dem Verwaltungsrat nur eine Person an, so ist diese einzelzeichnungsberechtigt.

#### **Art. 28 Schadloshaltung**

<sup>1</sup> Im Rahmen des gesetzlich Zulässigen, hält die Gesellschaft sämtliche Personen sowie deren Erben, Konkurs- oder Nachlassmassen, welche wegen ihrer Tätigkeit als Verwaltungsrat, Mitglied der Geschäftsleitung, Officer, Angestellte, Agent oder weil sie in einer anderen Funktion für oder im Namen der Gesellschaft (einschliesslich solcher Tätigkeiten, die diese Personen für eine andere Gesellschaft, eine nicht rechtsfähige Personengesellschaft, einen Joint Ventures, einen Trusts, eine sonstige Geschäftseinheit oder fiduziarisch im Zusammenhang mit von der Gesellschaft unterhaltenen Mitarbeiterbeteiligungsplänen für oder im Namen oder auf Aufforderung der Gesellschaft ausüben oder ausüben) tätig wurden, Partei in drohenden, hängigen oder abgeschlossenen Klagen, Verfahren oder Untersuchungen zivil-, straf-, verwaltungsrechtlicher oder anderer Natur (einschliesslich

<sup>3</sup> In addition, the Board of Directors shall have the following duties:

1. Management of transactions reserved to the Board of Directors by the Organizational Regulations (cf. Art. 30 para. 2);
2. Proposals regarding the application of the balance sheet profit;
3. Defining the business year (cf. Art. 36).
4. Treatment of registration applications (cf. Art. 8).

<sup>4</sup> Otherwise, the Board of Directors may resolve on all matters not reserved or assigned to the general meeting of the shareholders or another corporate body of the Company by law, the Articles of Association or other internal rules and regulations.

<sup>5</sup> The members of the Board of Directors shall have the power of joint signatories. Where the Board of Directors consists of just one person, he shall have the power of single signatory.

#### **Art. 28 Indemnification**

<sup>1</sup> The Company shall indemnify, to the full extent now or hereafter permitted by law, any person (including his heirs, executors and administrators) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, an action by or in the right of the Company), by reason of his acting as, or having in the past acted as, a member of the Board of Director, member of Executive Management, officer, employee or agent of, or his acting in any other capacity for or on behalf of, the Company (including his serving for, on behalf of or at the request of the Company as a member of the Board of Director, member of Executive Management, officer, employee or agent of another company, partnership, joint venture, trust or other enterprise,

allfälliger Klagen der Gesellschaft) waren oder werden, schadlos von sämtlichen Auslagen (einschliesslich Anwaltskosten), Abgaben, Verlusten und Schäden, die diese in diesem Zusammenhang zu bezahlen und damit erlitten haben. Im Rahmen des gesetzlich zulässigen soll die Gesellschaft Gerichts- und Anwaltskosten im Zusammenhang mit solchen Klagen und Verfahren (einschliesslich Rechtsmittelverfahren) bevorschussen.

<sup>2</sup> Der Verwaltungsrat ist unabhängig von der Interessenlage des einzelnen Mitgliedes berechtigt, namens der Gesellschaft und zugunsten der in Art. 28 Abs. 2 dieser Statuten erwähnten Personen Versicherungen für die gegen diese Personen im Zusammenhang mit den oben beschriebenen Funktionen erhobenen Haftungsansprüche sowie deren Folgen abzuschliessen, unabhängig davon, ob die Gesellschaft das Recht bzw. die Macht hätte, diese Person in Anwendung von Art. 28 schadlos zu halten.

<sup>3</sup> Art. 28 ist auf alle Ansprüche, Klagen, Prozesse anwendbar, die nach Inkrafttreten dieser Bestimmung eingeleitet werden, unabhängig davon, ob sich diese auf Tätigkeiten oder Unterlassungen vor Inkrafttreten dieser Bestimmung stützen. Die Vorschrift in diesem Art. 28 soll als Vertrag zwischen der Gesellschaft und jedem Verwaltungsratsmitglied, Mitglied der Geschäftsleitung, Direktor, Angestellten und Agenten, der in den weiter oben beschriebenen Funktionen zu einem beliebigen Zeitpunkt während der Gültigkeit dieser Bestimmung und des anwendbaren Rechts tätig war, gelten, und die Aufhebung oder Änderung dieser Bestimmung soll die zu jenem Zeitpunkt bestehenden Rechte und Pflichten bezüglich des zu jenem Zeitpunkt bestehenden Tatbestandes oder der zu jenem oder einem späteren Zeitpunkt gestützt auf diesen Sachverhalt geltend gemachten oder angedrohten Klagen, Ansprüchen oder Prozessen nicht berühren. Sollten einzelne Bestimmungen dieses Art. 28 aus gesetzlichen oder regulatorischen Gründen ungültig sein oder in ihrer Anwendung eingeschränkt werden, soll dies die Anwendung dieser Bestimmung oder die Gültigkeit dieser Bestimmung nicht berühren. Die Rechte im Zusammenhang mit der Schadloshaltung und der Bevorschussung in diesem Artikel sind weder exklusiv noch sollen sie allfällige bestehende andere Rechte der betroffenen Verwaltungsratsmitglieder, Geschäftsleitungsmitgliedern, Direktoren, Angestellten oder Agenten limitieren, die diese gestützt auf Verträge oder gestützt auf Beschlüsse der Organe der Gesellschaft oder in ihrer Funktion haben, limitieren. Die Gesellschaft ist dem Grundsatz verpflichtet, wonach die Schadloshaltung der in diesem Artikel definierten Personen im Rahmen des gesetzlich zulässigen entsprochen werden soll.

#### **Art. 29 Einberufung und Beschlussfassung**

<sup>1</sup> Der Verwaltungsrat versammelt sich, so oft es die Geschäfte erfordern, jedoch mindestens einmal im Jahr. Er wird durch seinen Präsidenten oder den Vizepräsidenten einberufen. Jedes Mitglied hat jederzeit das Recht, unter schriftlicher Angabe der Gründe die unverzügliche Einberufung einer Verwaltungsratssitzung zu verlangen.

or in a fiduciary or other capacity with respect to any employee benefit plan maintained by the Company) against any expense (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person (or his heirs, executors and administrators) in respect thereof. The Company shall advance the expenses of defending any such action, suit or proceeding (including appeals) in accordance with and to the full extent now or hereafter permitted by law.

<sup>2</sup> The Board of Directors may, notwithstanding any interest of the member of the Board of Directors in such action, authorize the Company to purchase and maintain insurance on behalf of any person described in Art. 28 paragraph 2 of these Articles of Association, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Art. 28.

<sup>3</sup> The provisions of this Art. 28 shall be applicable to all actions, claims, suits or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after its adoption. The provisions of this Art. 28 shall be deemed to be a contract between the Company and each member of the Board of Director, officer, employee or agent who serves in such capacity at any time while this Article and the relevant provisions of the law, if any, are in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts or any action, suit or proceeding then or theretofore existing, or any action, suit or proceeding thereafter brought or threatened based in whole or in part on any such state of facts. If any provision of this Art. 28 shall be found to be invalid or limited in application by reason of any law or regulation, it shall not affect any other application of such provision or the validity of the remaining provisions hereof. The rights of indemnification and advancement of expenses provided in this Article shall neither be exclusive of, nor be deemed in limitation of, any rights to which any such member of the Board of Director, officer, employee or agent may otherwise be entitled or permitted by contract, vote of members or directors or otherwise, or as a matter of law, both as to actions in his official capacity and actions in any other capacity while holding such office, it being the policy of the Company that indemnification of the specified individuals shall be made to the fullest extent permitted by law.

#### **Art. 29 Calling of Meetings and Quorum**

<sup>1</sup> The Board of Directors shall meet as often as business demands but at least once a year. It shall be called by the Chairman of the Board of Directors or the vice-chairman. Each member may, by giving written reasons therefore, demand that a meeting of the Board of Directors be held without delay.



<sup>2</sup> Die Einberufung des Verwaltungsrates hat in der Regel mindestens fünf Werktage vor dem Sitzungstage zu erfolgen. Tag, Zeit und Ort der Sitzung und die Verhandlungsgegenstände (Traktandenliste) sind bei der Einberufung bekannt zu geben. Gleichzeitig werden die massgebenden Sitzungsunterlagen zugestellt. Über Gegenstände, die in der Traktandenliste nicht aufgeführt sind, können in dringenden Fällen Beschlüsse gefasst werden.

<sup>3</sup> Der Verwaltungsrat ist beschlussfähig, wenn die absolute Mehrheit der Mitglieder anwesend ist. Kein Präsenzquorum ist erforderlich für Beschlüsse des Verwaltungsrats, die im Zusammenhang mit der Feststellung von Kapitalveränderungen oder mit einer Änderung der Währung des Aktienkapitals und für die damit zusammenhängenden Statutenänderungen zu treffen sind.

<sup>4</sup> Der Verwaltungsrat fasst seine Beschlüsse und trifft seine Wahlen mit der Mehrheit der abgegebenen Stimmen. Er kann höhere Beschlussfassungsquoten einführen. Diese müssen in einem Reglement festgehalten werden. Bei Stimmgleichheit gibt der Vorsitzende den Stichentscheid, bei Wahlen entscheidet das Los.

<sup>5</sup> Beschlüsse können auch auf dem Weg der schriftlichen Zustimmung (durch Brief, Telefax, E-Mail oder jedes andere geeignete Mittel der elektronischen oder digitalen Kommunikation) zu einem Antrag gefasst werden, sofern nicht ein Mitglied mündliche Beratung verlangt. Diese Beschlüsse bedürfen der Einstimmigkeit und sind zusammen mit den anderen Verwaltungsratsprotokollen aufzubewahren.

### **Art. 30 Ausschüsse und Delegation**

<sup>1</sup> Der Verwaltungsrat kann die Vorbereitung, die Ausführung seiner Beschlüsse und die Überwachung von Geschäften Ausschüssen oder einzelnen Mitgliedern zuweisen.

<sup>2</sup> Der Vergütungsausschuss besteht aus mindestens drei (3) Mitgliedern des Verwaltungsrates. Die Mitglieder des Vergütungsausschusses müssen die anwendbaren Anforderungen an Unabhängigkeit, Erfahrung oder andere regulatorische Anforderungen, einschliesslich des New York Stock Exchange oder einer anderen Börse, Rule 10C-1(b)(1) des Securities Exchange Act von 1934, in seiner geänderten Version (der "Exchange Act") und Rule 16b-3 des Exchange Act, erfüllen.

<sup>3</sup> Die Aktionäre wählen die Mitglieder des Vergütungsausschusses einzeln an einer Generalversammlung für eine Amtsdauer bis zum Abschluss der nächsten ordentlichen Generalversammlung. Wiederwahl ist möglich. Bei Vakanzen im Vergütungsausschuss aus irgendeinem Grund ernennt der Verwaltungsrat aus seiner Mitte Ersatzmitglieder für eine Amtsdauer bis zum Abschluss der nächsten ordentlichen Generalversammlung.

<sup>4</sup> Der Verwaltungsrat ernennt den Vorsitzenden des Vergütungsausschusses. Vorbehältlich anwendbaren Rechts und

<sup>2</sup> The calling of a meeting of the Board of Directors shall, as a rule, be made at least five working days before the date of the meeting. Day, time, and place of the meeting as well as the matters for discussion (agenda) shall be notified at the time of the calling. At the same time, the related documents for the meeting shall be provided. Matters not contained in the agenda may be resolved upon in urgent cases.

<sup>3</sup> The Board of Directors is quorate when the absolute majority of members is present. No attendance quorum shall be required for resolutions of the Board of Directors in relation to the ascertainment of capital changes or a change in the currency of the share capital and the amendments to the Articles of Association in connection therewith.

<sup>4</sup> The Board of Directors shall pass its resolutions and votes with a majority of the votes cast. The Board of Directors may introduce higher requirements to pass votes. Such requirements shall be contained in an internal regulation. Where votes are tied, the chairperson shall give the casting vote; in the case of elections this shall be decided by lot.

<sup>5</sup> Resolutions may also be passed by way of written consent (by letter, fax, email or any appropriate means of electronic or digital communication) provided no member has demanded an oral consultation. These resolutions require unanimity and shall be kept with the minutes of the meetings of the Board of Directors.

### **Art. 30 Committees and Delegation**

<sup>1</sup> The Board of Directors may delegate the preparation and implementation of its resolutions and the oversight of business to committees or individual members.

<sup>2</sup> The Compensation Committee shall consist of no fewer than three (3) members of the Board of Directors. The members of the Compensation Committee shall meet any applicable independence, experience and other regulatory requirements, including of the New York Stock Exchange or any other stock exchange, Rule 10C-1(b)(1) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 16b-3 of the Exchange Act.

<sup>3</sup> The shareholders shall elect the members of the Compensation Committee individually at a general meeting of the shareholders for a term of office extending until completion of the next annual general meeting. Re-election is possible. If there are vacancies on the Compensation Committee, for any reason, the Board of Directors shall appoint from among its members substitutes for a term of office extending until completion of the next annual general meeting.

<sup>4</sup> The Board of Directors shall elect the chairperson of the Compensation Committee. Subject to applicable law and

dieser Statuten regelt der Verwaltungsrat die Einzelheiten der Organisation des Vergütungsausschusses in einem Reglement oder einer Satzung.

<sup>5</sup> Der Vergütungsausschuss hat, unter anderem, die Aufgabe, (1) die Vergütung und die damit verbundene Offenlegung durch den Verwaltungsrat zu überprüfen und dem Verwaltungsrat Empfehlungen diesbezüglich zu unterbreiten; (2) den Verwaltungsrat in der Erfüllung seiner Pflichten bezüglich der Vergütung der Mitglieder der Geschäftsleitung und der damit verbundenen Offenlegung, einschliesslich der Erarbeitung von Richtlinien betreffend die Vergütungs- und Leistungsprogramme der Geschäftsleitung zu unterstützen; und (3) die Anträge des Verwaltungsrates an die Generalversammlung betreffend die Vergütung des Verwaltungsrates und der Geschäftsleitung vorzubereiten und dem Verwaltungsrat Empfehlungen diesbezüglich zu unterbreiten.

<sup>6</sup> Der Verwaltungsrat regelt die Einzelheiten der Befugnisse und Pflichten des Vergütungsausschusses in einem Reglement oder einer Satzung.

<sup>7</sup> Unter Vorbehalt seiner unübertragbaren und unentziehbaren Aufgaben ist der Verwaltungsrat ferner befugt, die Geschäftsführung oder einzelne Zweige derselben und die Vertretung der Gesellschaft an eine oder mehrere Personen, Mitglieder des Verwaltungsrates (Delegierte) oder Dritte (Direktoren oder Geschäftsführer), zu übertragen. Die Personen, die vom Verwaltungsrat mit Geschäftsaufgaben betraut sind, und welche gemäss einer solchen Delegation die hauptsächliche Verantwortung für die Geschäftsführung der Gesellschaft haben, werden in diesen Statuten als **“Geschäftsleitung”** bezeichnet. Er legt die dazu notwendigen Einzelheiten in einem Organisationsreglement fest.

#### **Art. 31 Protokoll**

<sup>1</sup> Über die Verhandlungen und Beschlüsse des Verwaltungsrates ist ein Protokoll zu führen. Das Protokoll ist vom Vorsitzenden und vom Sekretär zu unterzeichnen. Besteht der Verwaltungsrat aus nur einem Mitglied, muss auch dieser über seine Entscheidungen Protokoll führen.

<sup>2</sup> Die Protokolle sind vom Verwaltungsrat jeweils in der nächsten Sitzung zu genehmigen.

#### **Art. 32 Recht auf Auskunft und Einsicht**

<sup>1</sup> Jedes Mitglied des Verwaltungsrates kann Auskunft über alle Angelegenheiten der Gesellschaft verlangen. In den Sitzungen sind alle Mitglieder des Verwaltungsrates sowie die mit der Geschäftsführung betrauten Personen zur Auskunft verpflichtet. Ausserhalb der Sitzungen kann jedes Mitglied von den mit der Geschäftsführung betrauten Personen Auskunft über den Geschäftsgang und, mit Ermächtigung des Präsidenten, auch über einzelne Geschäfte verlangen.

these Articles of Association, the Board of Directors shall establish the particulars of the organization of the Compensation Committee in regulations or a charter.

<sup>5</sup> The Compensation Committee shall, among other things, (1) consider and make recommendations to the Board of Directors on the compensation and related disclosure of the Board of Directors; (2) assist the Board of Directors in discharging its responsibilities relating to compensation and related disclosure of the members of Executive Management, including the development of policies relating to Executive Management compensation and benefit programs; and (3) prepare and recommend to the Board of Directors the proposals of the Board of Directors to the general meeting of the shareholders regarding the compensation of the Board of Directors and Executive Management.

<sup>6</sup> The Board of Directors shall establish the particulars of the powers and duties of the Compensation Committee in regulations or a charter.

<sup>7</sup> Subject to its non-transferable and inalienable duties, the Board of Directors is furthermore empowered to delegate executive management of the business or individual branches of the same and the representation of the Company to one or more persons, members of the Board of Directors (delegates) or third parties (directors or managers). The persons to whom the Board of Directors delegates executive management, and who pursuant to such delegation shall have the primary responsibility for the executive management of the Company, shall be referred to in these Articles of Association as **“Executive Management”**. The Board of Directors shall stipulate the necessary details in the Organizational Regulations.

#### **Art. 31 Minutes**

<sup>1</sup> Minutes shall be recorded of the discussions and resolutions of the Board of Directors. The minutes shall be signed by the Chairperson and the Secretary. Where the Board of Directors consists of only one member, such person must also keep a record of his decisions.

<sup>2</sup> The minutes shall be approved by the Board of Directors in the next meeting.

#### **Art. 32 Right to Information and Inspection**

<sup>1</sup> Each member of the Board of Directors may demand information on all matters concerning the Company. At meetings, all members of the Board of Directors as well as the persons entrusted with the management of the Company are under a duty to provide information. Outside the meetings, each member can demand information from those persons entrusted with the management about the course of business and, with the authorization of the president, about individual transactions.

<sup>2</sup> Soweit es für die Erfüllung einer Aufgabe erforderlich ist, kann jedes Mitglied dem Präsidenten beantragen, dass ihm Bücher und Akten vorgelegt werden. Weist der Präsident ein Gesuch auf Auskunft, Anhörung oder Einsicht ab, so entscheidet der Verwaltungsrat. Regelungen oder Beschlüsse des Verwaltungsrates, die das Recht auf Auskunft und Einsichtnahme der Mitglieder des Verwaltungsrates erweitern, bleiben vorbehalten.

**Art. 32 a) Verträge betreffend Vergütung mit Mitgliedern des Verwaltungsrates und der Geschäftsleitung**

<sup>1</sup> Die Gesellschaft oder von ihr kontrollierte Gesellschaften können mit Mitgliedern des Verwaltungsrates unbefristete oder befristete Mandatsverträge oder andere Verträge über deren Vergütung als Verwaltungsräte abschliessen. Die Dauer von befristeten Verträgen darf die Amtsdauer eines Verwaltungsrates nicht überschreiten. Eine Erneuerung eines befristeten Vertrages ist zulässig. Unbefristete Verträge haben eine Kündigungsfrist von maximal einer Amtsdauer.

<sup>2</sup> Die Gesellschaft oder von ihr kontrollierte Gesellschaften können mit Mitgliedern der Geschäftsleitung unbefristete oder befristete Arbeitsverträge oder andere Verträge abschliessen. Befristete Verträge haben eine Höchstdauer von einem (1) Jahr. Eine Erneuerung eines befristeten Vertrages ist zulässig. Unbefristete Verträge haben eine Kündigungsfrist von maximal zwölf (12) Monaten.

<sup>3</sup> Mitglieder der Geschäftsleitung können während der Kündigungsfrist von ihrer Arbeitspflicht befreit werden. Des Weiteren ist es zulässig, dass die Gesellschaft oder von ihr kontrollierte Gesellschaften Aufhebungs- oder ähnliche Vereinbarungen abschliessen.

<sup>4</sup> Die Gesellschaft oder von ihr kontrollierte Gesellschaften können mit Mitgliedern der Geschäftsleitung Konkurrenzverbote für die Zeit nach Beendigung des Arbeitsvertrags vereinbaren. Die gesamte Abgeltung eines solchen Konkurrenzverbots darf den Durchschnitt der an das betreffende Mitglied der Geschäftsleitung bezahlten Vergütung der letzten drei Geschäftsjahre nicht übersteigen.

**Art. 32 b) Mandate ausserhalb des Konzerns**

<sup>1</sup> Kein Mitglied des Verwaltungsrates, das anderweitig eine Vollzeitbeschäftigung oder eine Teilzeitbeschäftigung von mehr als 16 Wochenstunden ausübt, und kein Mitglied der Geschäftsleitung kann mehr als sechs (6) zusätzliche Mandate wahrnehmen, wovon nicht mehr als zwei (2) in Zivilrechtlichen Personen sein dürfen, deren Aktien an einer Börse kotiert sind. Kein Mitglied des Verwaltungsrates, das ansonsten pensioniert ist oder anderweitig eine Teilzeitbeschäftigung von nicht mehr als 16 Wochenstunden ausübt, kann mehr als zehn (10) zusätzliche Mandate wahrnehmen, wovon nicht mehr als vier (4) in Zivilrechtlichen Personen sein dürfen, deren Aktien an einer Börse kotiert sind.

<sup>2</sup> Die folgenden Mandate fallen nicht unter die Beschränkungen gemäss Abs. 1 dieses Art. 32 b):

<sup>2</sup> To the extent it is necessary for the performance of a task, each member may apply to the Chairman of the Board of Directors that the books and files are made available to him. Where the Chairman of the Board of Directors rejects an application for information, a hearing or inspection, the Board of Directors shall decide. Regulations or resolutions of the Board of Directors that provide the members of the Board of Directors with the right to information and inspection remain reserved.

**Art. 32 a) Agreements Regarding Compensation with Members of the Board of Directors and Executive Management**

<sup>1</sup> The Company or companies under its control may enter into fixed or indefinite mandate or other agreements with the members of the Board of Directors regarding their compensation as directors. The duration of fixed term agreements may not exceed a director's term of office. A renewal of a fixed term agreement is permissible. Agreements for an indefinite term may have a termination notice period not exceeding a term of office.

<sup>2</sup> The Company or companies under its control may enter into employment or other agreements with the members of Executive Management for a fixed term or for an indefinite term. Agreements for a fixed term may have a maximum term of one (1) year. A renewal of a fixed term agreement is permissible. Agreements for an indefinite term may have a termination notice period of a maximum twelve (12) months.

<sup>3</sup> Members of Executive Management may be released from their obligation of work during the time of the termination notice period. Further, it shall be permissible for the Company or companies under its control to enter into termination or similar agreements.

<sup>4</sup> The Company or companies under its control may enter into non-competition agreements with members of Executive Management for the time after the termination of the employment agreement. The total consideration paid for a non-competition undertaking shall not exceed the average of the compensation paid to the relevant member of the Executive Management during the last three financial years.

**Art. 32 b) Mandates Outside the Group**

<sup>1</sup> No member of the Board of Directors who otherwise holds full-time employment or part-time employment of more than 16 hours per week and no member of Executive Management may hold more than six (6) additional Mandates of which not more than two (2) Mandates may be in Persons whose shares are listed on a stock exchange. No member of the Board of Directors who is otherwise retired or employed in part-time employment not exceeding 16 hours per week may hold more than ten (10) additional Mandates of which not more than four (4) Mandates may be in Persons whose shares are listed on a stock exchange.

<sup>2</sup> The following Mandates shall not be subject to the limitations set forth in para. 1 of this Art. 32 b):

a. Mandate in Zivilrechtlichen Personen, welche die Gesellschaft kontrollieren, durch die Gesellschaft kontrolliert werden oder unter gemeinsamer Kontrolle mit der Gesellschaft stehen;

b. Mandate, die auf Anordnung der Gesellschaft oder von Zivilrechtlichen Personen, welche die Gesellschaft kontrollieren, durch die Gesellschaft kontrolliert werden oder unter gemeinsamer Kontrolle mit der Gesellschaft stehen, wahrgenommen werden. Kein Mitglied des Verwaltungsrates oder der Geschäftsleitung kann mehr als zehn (10) solche Mandate wahrnehmen;

<sup>3</sup> Eine vorübergehende Überschreitung der Beschränkungen gemäss Abs. 1 und 2 dieses Art. 32 b) ist zulässig.

<sup>4</sup> Als "Mandate" gelten Positionen in vergleichbaren Funktionen bei anderen Unternehmen mit wirtschaftlichem Zweck. Mandate in verschiedenen Rechtseinheiten, die unter einheitlicher Kontrolle oder gleicher wirtschaftlicher Berechtigung stehen, gelten als ein (1) Mandat.

#### **Art. 32 c) Vorsorgeleistungen**

Die Gesellschaft kann an Mitglieder der Geschäftsleitung Vorsorgeleistungen ausserhalb der beruflichen Vorsorge ausrichten, soweit solche Vorsorgeleistungen 50% der jeweiligen Gesamtjahresvergütung nicht übersteigen.

#### **Art. 33 Zeichnungsberechtigung**

Die rechtsverbindliche Vertretung der Gesellschaft durch Mitglieder des Verwaltungsrates und durch Dritte wird in einem Organisationsreglement festgelegt.

### **C. Die Revisionsstelle**

#### **Art. 34 Revision**

<sup>1</sup> Die Generalversammlung wählt die Revisionsstelle.

<sup>2</sup> Sie kann auf die Wahl einer Revisionsstelle verzichten, wenn:

1. die Voraussetzungen für eine ordentliche Revision nicht gegeben sind;
2. die Zustimmung sämtlicher Aktionäre vorliegt und;
3. die Gesellschaft nicht mehr als zehn Vollzeitstellen im Jahresdurchschnitt hat.

<sup>3</sup> Haben die Aktionäre auf eine eingeschränkte Revision verzichtet, so gilt dieser Verzicht auch für die nachfolgenden Jahre. Jeder Aktionär hat jedoch das Recht, spätestens zehn Tage vor der Generalversammlung eine eingeschränkte Revision zu verlangen. Die Generalversammlung muss diesfalls die Revisionsstelle wählen.

#### **Art. 35 Organisation der Revisionsstelle**

a. Mandates in any Person which controls, is controlled by or under common control with the Company;

b. Mandates held at the instruction of the Company or any Person which controls, is controlled by or under common control with the Company; provided, however, that no member of the Board of Directors or Executive Management shall hold more than ten (10) such Mandates;

<sup>3</sup> A temporary exceedance of the limitations pursuant to para. 1 and para. 2 of this Art. 32 b) shall be permissible.

<sup>4</sup> "Mandates" shall mean positions in comparable functions at other enterprises with an economic purpose. Mandates in different legal entities that are under joint control or same beneficial ownership are deemed one (1) mandate.

#### **Art. 32 c) Post-Retirement Benefits**

The Company may grant members of the Executive Management postretirement benefits beyond occupational pensions, provided, however, that any such post-retirement benefit may not exceed 50% of the respective total annual compensation.

#### **Art. 33 Signature Power**

The due and valid representation of the Company by members of the Board of Directors and other persons shall be set forth in Organizational Regulations.

### **C. The Auditors**

#### **Art. 34 Audit**

<sup>1</sup> The general meeting of the shareholders shall elect the Auditor.

<sup>2</sup> It can waive the election of auditors where:

1. the requirements for an ordinary audit are not present;
2. the consent of all shareholders has been given; and
3. the Company does not have more than ten full-time positions on average per year.

<sup>3</sup> Where the shareholders have waived a limited statutory examination, this waiver applies also to the following year. Each shareholder may, however, demand a limited statutory examination at the latest ten days prior to the general meeting of the shareholders. The general meeting of the shareholders must in this case elect the Auditor.

#### **Art. 35 Organisation of the Auditor**

<sup>1</sup> Als Revisionsstelle können eine oder mehrere natürliche oder juristische Personen oder Personengesellschaften gewählt werden.

<sup>2</sup> Wenigstens ein Mitglied der Revisionsstelle muss seinen Wohnsitz, seinen Sitz oder eine eingetragene Zweigniederlassung in der Schweiz haben.

<sup>3</sup> Muss die Gesellschaft ihre Jahresrechnung durch eine Revisionsstelle ordentlich prüfen lassen im Sinne von:

Art. 727 Abs. 1 Ziff. 2 oder Ziff. 3 OR;  
Art. 727 Abs. 2 OR

wählt die Generalversammlung einen zugelassenen Revisionsexperten nach den Vorschriften des Revisionsaufsichtsgesetzes (RAG) als Revisionsstelle.

<sup>4</sup> Ist die Gesellschaft zur eingeschränkten Revision verpflichtet, kann als Revisionsstelle auch ein zugelassener Revisor nach den Vorschriften des RAG bezeichnet werden. Vorbehalten bleibt der Verzicht auf die Wahl einer Revisionsstelle nach Art. 34.

<sup>5</sup> Die Revisionsstelle muss im Sinne von Art. 728 bzw. 729 OR unabhängig sein.

<sup>6</sup> Die Revisionsstelle wird für ein Geschäftsjahr gewählt. Ihr Amt endet mit der Abnahme der letzten Jahresrechnung. Die Wiederwahl ist möglich. Die Generalversammlung kann die Revisionsstelle jederzeit mit sofortiger Wirkung abberufen.

#### **D. Rechnungslegung und Verwendung des Bilanzgewinnes**

##### **Art. 36 Jahresrechnung**

Die Jahresrechnung wird jährlich auf den 31. Dezember oder auf einen anderen, durch den Verwaltungsrat zu beschliessenden Termin abgeschlossen.

##### **Art. 37 Verwendung des Jahresgewinnes**

<sup>1</sup> Über den Bilanzgewinn verfügt die Generalversammlung im Rahmen der gesetzlichen Vorschriften. Der Verwaltungsrat unterbreitet ihr seine Anträge.

<sup>2</sup> Die Generalversammlung kann jederzeit die Errichtung von speziellen Reserven neben den vom Gesetz vorgeschriebenen Reserven beschliessen und über deren Verwendung bestimmen.

<sup>3</sup> Dividenden, welche nicht innerhalb von fünf Jahren nach ihrem Auszahlungsdatum bezogen werden, fallen an die Gesellschaft und werden in die allgemeinen gesetzlichen Reserven gebucht.

#### **E. Schlussbestimmungen**

<sup>1</sup> One or several individuals or legal persons or partnerships may be elected as Auditors.

<sup>2</sup> As a minimum one member of the Auditor shall be resident or have a registered branch in Switzerland.

<sup>3</sup> Where the Company is required to arrange an ordinary audit of its annual financial accounts by auditors pursuant to:

Art. 727 paragraph 1 section 2 or section 3 CO;  
Art. 727 paragraph 2 CO

the general meeting of the shareholders shall elect a licensed audit expert in accordance with the provisions of the Audit Oversight Act (RAG) as auditors.

<sup>4</sup> Where the Company is required to arrange a limited statutory examination a licensed auditor in accordance with the provisions of the RAG may also be appointed as auditors. Waiver of the election of auditors pursuant to Art. 34 remains reserved.

<sup>5</sup> The Auditor must be independent in accordance with Art. 728 respectively 729 CO.

<sup>6</sup> The Auditor shall be appointed for one business year. Their term of office shall end with the approval of the final annual financial accounts. Re-appointment is possible. The general meeting of the shareholders may remove the Auditor with immediate effect at any time.

#### **D. Rendering of Accounts and Allocation of Balance Sheet Profit**

##### **Art. 36 Annual Financial Accounts**

The annual financial accounts shall be closed annually on the 31 December or another date determined by the Board of Directors.

##### **Art. 37 Application of the Annual Profit**

<sup>1</sup> The general meeting of the shareholders shall resolve on the allocation of the profit as shown on the balance sheet in accordance with applicable law. The Board of Directors shall submit its proposals to the general meeting of the shareholders.

<sup>2</sup> The general meeting of the shareholders may at any time resolve to set up special reserves in addition to those required by law and determine their application.

<sup>3</sup> Dividends that have not been collected within five years after their payment date shall enure to the Company and be allocated to the general statutory reserves.

#### **E. Final Provisions**

**Art. 38 Auflösung und Liquidation**

<sup>1</sup> Die Generalversammlung kann jederzeit die Auflösung der Gesellschaft beschliessen. Die Auflösung und Liquidation sind gemäss den Vorschriften von Art. 736 ff. OR durchzuführen.

<sup>2</sup> Die Befugnisse der Generalversammlung bleiben auch während der Liquidation mit der Einschränkung gemäss Art. 739 OR bestehen. Insbesondere unterliegt die Liquidationsrechnung der Genehmigung durch die Generalversammlung.

<sup>3</sup> Der Verwaltungsrat besorgt die Liquidation, sofern diese nicht durch Beschluss der Generalversammlung Dritten übertragen wird.

<sup>4</sup> Die Liquidatoren sind berechtigt, die Aktiven der Gesellschaft freihändig zu veräussern.

<sup>5</sup> Nach erfolgter Tilgung der Schulden wird das Vermögen nach Massgabe der eingezahlten Beträge unter den Aktionären verteilt, soweit diese Statuten nichts anderes vorsehen.

**Art. 39 Mitteilungen und Bekanntmachungen**

<sup>1</sup> Publikationsorgan der Gesellschaft ist das Schweizerische Handelsamtsblatt. Der Verwaltungsrat kann weitere Publikationsorgane bestimmen.

<sup>2</sup> Soweit keine individuelle Benachrichtigung durch das Gesetz, börsengesetzliche Bestimmungen oder diese Statuten verlangt wird, gelten sämtliche Mitteilungen an die Aktionäre als gültig erfolgt, wenn sie im Schweizerischen Handelsamtsblatt veröffentlicht worden sind. Einladungen zu Generalversammlungen können stattdessen allein durch Veröffentlichung eines Proxy Statement (oder einer Änderung oder eines Zusatzes dazu) nach den Regeln der SEC erfolgen (wobei Änderungen und Zusätze zu Einladungen, für die Zwecke dieser Statuten und den Vorschriften des Aktienrechts, auch ausschliesslich durch eine Veröffentlichung im Schweizerischen Handelsblatt erfolgen dürfen). Die Mitteilungen an die Namenaktionäre erfolgen im Falle der in Art. 14 Abs. 3 erwähnten Hinweise an ihre letzte im Aktienbuch eingetragene Adresse durch Brief oder E-Mail oder in einer anderen Form, die den Nachweis durch Text ermöglicht. In allen anderen Fällen können die Mitteilungen durch Veröffentlichung im Publikationsorgan erfolgen. Bekanntmachungen an die Gläubiger erfolgen in den vom Gesetz vorgeschriebenen Fällen durch Veröffentlichung im Publikationsorgan. Finanzinstitute, welche Aktien für wirtschaftlich Berechtigte halten und entsprechend im Aktienbuch eingetragen sind, gelten als bevollmächtigte Empfänger.

**Art. 40 Verbindlicher Originaltext**

Falls sich zwischen der deutsch- und der englischsprachigen Fassung dieser Statuten Differenzen ergeben, hat die deutschsprachige Fassung Vorrang.

**Art. 41 Definitionen****Art. 38 Winding-up and Liquidation**

<sup>1</sup> The general meeting of the shareholders may at any time resolve to wind-up the Company. The winding-up and liquidation of the Company shall be performed in accordance with Art. 736 et seq. CO.

<sup>2</sup> The powers of the general meeting of the shareholders shall also continue during the liquidation, limited in accordance with Art. 739 CO. In particular, the liquidation accounts are subject to the approval of the general meeting of the shareholders.

<sup>3</sup> The Board of Directors shall conduct the liquidation to the extent that this is not transferred to a third party by a resolution of the general meeting of the shareholders.

<sup>4</sup> The liquidators may freely dispose of the assets of the Company.

<sup>5</sup> Upon discharge of all liabilities, the assets of the Company shall be distributed to the shareholders pursuant to the amounts paid-up, unless these Articles of Association provide otherwise.

**Art. 39 Communications and Notifications**

<sup>1</sup> The Company shall make any announcements in the Swiss Official Gazette of Commerce. The Board of Directors may specify other means of publication.

<sup>2</sup> To the extent that individual notification is not required by law, stock Exchange regulations or these Articles of Association, all communications to the shareholders shall be deemed valid if published in the Swiss Official Gazette of Commerce. Invitations to general meetings of the shareholders may also be made solely by way of a publication of a proxy statement (or amendments or supplements thereto) pursuant to SEC Regulations (whereby amendments or supplements to invitations, for purposes of these Articles of Association and corporate law, may also be made exclusively by way of a publication in the Swiss Official Gazette of Commerce). Notices to the registered shareholders shall in the case of the notifications set forth in Art. 14 para. 3 be sent by letter or electronic mail or in another form that allows proof by text to the last address registered in the Share Register. In all other cases, they may be made by publication in the Company's official instrument for publications. Notices to creditors shall be given in the cases prescribed by law by publication in the Swiss Official Gazette of Commerce. Financial institutions holding Shares for beneficial owners and recorded in such capacity in the Share Register shall be deemed to be authorized recipients.

**Art. 40 Original Language**

In the event of deviations between the German and English version of these Articles of Association, the German text shall prevail.

**Art. 41 Definitions**

**Aktie**

Der Begriff **Aktie(n)** hat die in Art. 3 dieser Statuten aufgeführte Bedeutung.

**Aktienbuch**

Der Begriff **Aktienbuch** hat die in Art. 8 dieser Statuten aufgeführte Bedeutung.

**Aktienkapital**

Der Begriff **Aktienkapital** hat die in Art. 3 dieser Statuten aufgeführte Bedeutung.

**Börse**

Der Begriff **Börse** bedeutet Einrichtungen des Wertschriftenhandels oder vergleichbare Systeme, an welchen die Aktien der Gesellschaft gehandelt oder anderweitig zeitweise zum Handel zugelassen sind.

**Gesamtstimmen**

Der Begriff **Gesamtstimmen** bedeutet die Gesamtzahl aller an einer Generalversammlung stimmberechtigten Aktien unabhängig davon, ob die stimmberechtigten Aktien an der Generalversammlung vertreten sind oder nicht.

**Gesellschaft**

Der Begriff **Gesellschaft** bedeutet Garmin Ltd.

**Marktwert**

Der Begriff **Marktwert** bedeutet (i) im Falle von Aktien den höchsten Schlusskurs dieser Aktien während der letzten 30 Tage vor dem massgeblichen Stichtag. Dabei entspricht der Marktwert dem höchsten von der betreffenden Börse gemeldeten Schlusskurs während der letzten 30 Tage vor dem massgeblichen Stichtag und, falls eine solche Meldung nicht vorliegt, soll der Marktwert dieser Aktien vom Verwaltungsrat in guten Treuen bestimmt werden, wobei er dabei die Art der Aktien, allfällige Dividenden, Zuteilung von Aktien sowie Aufteilungen oder Zusammenlegungen von Aktien berücksichtigt, und (ii) im Fall von Vermögenswerten, die weder Aktien noch Bargeld sind, soll der Marktwert vom Verwaltungsrat in guten Treuen per Stichtag bestimmt werden.

**Monat**

Der Begriff **Monat** bedeutet ein Kalendermonat.

**Shares**

The term **Share(s)** has the meaning assigned to it in Art. 3 of these Articles of Association.

**Share Register**

The term **Share Register** has the meaning assigned to it in Art. 8 of these Articles of Association.

**Share Capital**

The term **Share Capital** has the meaning assigned to it in Art. 3 of these Articles of Association.

**Exchange**

The term **Exchange** shall mean any securities exchange or other system on which the registered Shares of the Company may be listed or otherwise authorized for trading from time to time.

**Total Voting Shares**

**Total Voting Shares** means the total number of Shares entitled to vote at a general meeting of the shareholders whether or not represented at such meeting.

**Company**

The term **Company** shall mean Garmin Ltd.

**Fair Market Value**

The term **Fair Market Value** shall mean (i) in the case of shares, the highest closing sale price of a share during the 30-day period immediately preceding the date in question of such share admitted to trading on an Exchange or any other system then in use, the Fair Market Value shall be the highest closing sale price reported by the Exchange or such other system during the 30-day period preceding the date in question, or, if no such quotations are available, the Fair Market Value on the date in question of such share as determined by the Board of Directors in good faith, in each case with respect to any class of share, appropriately adjusted for any dividend or distribution in shares or any combination or reclassification of outstanding shares of such share into a smaller number of shares, and (ii) in the case of property other than cash or shares, the Fair Market Value of such property on the date in question as determined by the Board of Directors in good faith.

**Month**

The term **Month** shall mean a calendar month.

### Nahestehender Aktionär

Der Begriff **Nahestehender Aktionär** bedeutet jede natürliche oder juristische Person (unter Ausschluss der Gesellschaft) sowie deren Muttergesellschaften, (i) die direkte oder indirekte Eigentümerin von mehr als 20 % der Stimmrechte der ausgegebenen Aktien ist, oder die (ii) eine Nahestehende Gesellschaft der Gesellschaft ist und irgendwann in den zwei unmittelbar vorangehenden Jahren vor dem Zeitpunkt, zu dem bestimmt werden muss, ob diese Person ein Nahestehender Aktionär ist, direkte oder indirekte Eigentümerin von 20 % oder mehr der Stimmrechte der ausgegebenen Aktien war; oder (iii) Aktien übertragen bekommen hat, die irgendwann in den zwei unmittelbar vorangehenden Jahren vor dem Zeitpunkt, zu dem bestimmt werden muss, ob eine Person ein Nahestehender Aktionär ist, direkt oder indirekt im Eigentum eines Nahestehenden Aktionärs standen, sofern die Übertragung (unabhängig davon ob in einer oder mehreren Transaktionen) ausserhalb eines öffentlichen Angebots stattgefunden hat.

Eine natürliche oder juristische Person gilt dann nicht als Nahestehender Aktionär, falls eine solche Person nur darum ein Nahestehender Aktionär wird, weil die Anzahl der ausgegebenen Aktien der Gesellschaft reduziert werden, unabhängig davon ob eine solche Reduktion auf den Rückkauf von Aktien der Gesellschaft durch die Gesellschaft zurückzuführen ist. Die Reduktion der ausgegebenen Aktien erhöht den prozentualen Anteil der ausgegebenen Aktien im direkten oder indirekten Eigentum der betreffenden Person bis diese Person direkte oder indirekte Eigentümerin zusätzlicher Aktien wird.

### Nahestehende Gesellschaft

Der Begriff **Nahestehende Gesellschaft** bedeutet bezüglich einer Person, jede andere Person, die direkt oder indirekt über eine oder mehrere Mittelpersonen die andere Person kontrolliert, von dieser anderen Person kontrolliert wird, oder unter gemeinsamer Kontrolle mit dieser anderen Person steht. "Kontrolle" einschliesslich der Begriffe "kontrollierend" und "kontrolliert" für die Zwecke dieser Definition und allgemein dieser Statuten bedeutet die Möglichkeit, direkt oder indirekt auf die Geschäftsführung und die Geschäftspolitik einer Person Einfluss zu nehmen, sei es aufgrund des Haltens von Stimmrechten oder auf andere Weise.

### Nahestehende Person

Der Begriff **Nahestehende Person** bedeutet, wenn verwendet zur Bezeichnung einer Beziehung zu einer Zivilrechtlichen Person, (i) jede Kapitalgesellschaft, rechts- oder nicht-rechtsfähige Personengesellschaft oder ein anderer Rechtsträger, von welcher diese Zivilrechtliche Person Mitglied des Leitungs- oder Verwaltungsorgans, der Geschäftsleitung oder Gesellschafter ist oder von welcher diese Person, direkt oder indirekt, Eigentümerin von 20 % oder mehr einer Kategorie von Aktien oder anderen Anteilsrechten ist, die ein Stimmrecht vermitteln, (ii) jedes Treuhandvermögen (Trust) oder jede andere Vermögenseinheit, an der diese Zivilrechtliche Person

### Interested Shareholder

The term **Interested Shareholder** shall mean any person (other than the Company) and any holding company thereof who or which (i) is the beneficial owner directly or indirectly, of more than twenty per cent (20%) of the voting power of the outstanding shares of the Company; or, (ii) is an Affiliate of the Company and at any time within the two-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of twenty per cent (20%) or more of the voting power of the then-outstanding shares; or (iii) is an assignee of or has otherwise succeeded to any shares which were at any time within the two-year period immediately prior to the date in question beneficially owned by any Interested Shareholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering.

A person shall not be deemed an Interested Shareholder if such person would become an Interested Shareholder solely as a result of a reduction of the number of shares of the Company outstanding, including repurchases of outstanding shares of the Company by the Company, which reduction increases the percentage of outstanding shares of the Company of which such person is the beneficial owner, until such person shall thereafter become the beneficial owner of any additional shares.

### Affiliate

The term **Affiliate** shall mean with respect to any person, any other person controlling or controlled by or under common control with such specified person. For the purposes of this definition and generally these Articles of Association, "control", "controlling" and "controlled" when used with respect to any specified person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities or otherwise.

### Associate

The term **Associate**, when used to indicate a relationship with any Person, means (i) any corporation, partnership, unincorporated association or other entity of which such Person is a director, officer or partner or is, directly or indirectly, the Owner of 20% or more of any class of voting shares, (ii) any trust or other estate in which such Person has at least a 20% beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity, and (iii) any relative or spouse of such Person, or any relative of such spouse, who has the same residence as such Person.



wirtschaftlich einen Anteil von 20 % oder mehr hält oder in Bezug auf welche diese Zivilrechtliche Person als Verwalter (trustee) oder in ähnlich treuhändischer Funktion tätig ist, und (iii) jeder Verwandte, Ehe- oder Lebenspartner dieser Person, oder jede Verwandte des Ehe- oder Lebenspartners, jeweils soweit diese den gleichen Wohnsitz haben wie diese Person.

## **OR**

Der Begriff **OR** hat die in Art. 1 dieser Statuten aufgeführte Bedeutung.

## **Revisionsstelle**

Der Begriff **Revisionsstelle** hat die in Abschnitt C dieser Statuten aufgeführte Bedeutung.

## **Sekretär**

Der Begriff **Sekretär** hat die in Art. 26 dieser Statuten aufgeführte Bedeutung.

## **Sitz**

Der Begriff **Sitz** hat die in Art. 1 dieser Statuten aufgeführte Bedeutung.

## **Statuten**

Der Begriff **Statuten** bedeutet die Statuten der Garmin Ltd. jeweils in ihrer aktuellsten Fassung.

## **Tochtergesellschaft**

Der Begriff **Tochtergesellschaft** bedeutet sämtliche juristischen Personen oder Personenvereinigung, welche von einer anderen juristischen Person beherrscht werden.

## **Unabhängige Verwaltungsräte**

Der Begriff **unabhängige Verwaltungsräte** bedeutet Verwaltungsräte, welche im Sinne der anwendbaren Bestimmungen derjenigen Börse, an welcher die Gesellschaft kotiert ist, unabhängig sind.

## **Unparteiische Mitglieder des Verwaltungsrates**

Der Begriff **Unparteiische Mitglieder des Verwaltungsrates** bedeutet diejenigen Mitglieder des Verwaltungsrates, welche keine Nahestehenden Personen von Nahestehenden Aktionären sind und bereits Mitglieder des Verwaltungsrates waren, bevor ein Nahestehender Aktionär ein Nahestehender Aktionär wurde und jedes Verwaltungsratsmitglied, welches erst nachträglich eine Vakanz im Verwaltungsrat schloss oder erst nachträglich gewählt wurde und in jedem Fall keine Nahestehende Person des Nahestehenden Aktionärs ist und auf Empfehlung einer

## **CO**

The term **CO** has the meaning assigned to it in Art. 1 of these Articles of Association.

## **Auditor**

The term **Auditor** has the meaning assigned to it in section C of these Articles of Association.

## **Secretary**

The term **Secretary** has the meaning assigned to it in Art. 26 of these Articles of Association.

## **Registered Office**

The term **Registered Office** has the meaning assigned to it in Art. 1 of these Articles of Association.

## **Articles of Association**

The term **Articles of Association** shall mean the Articles of Association of Garmin Ltd. in their most recent version.

## **Subsidiary**

The term **Subsidiary** shall mean any corporation, company, association, foundation or other incorporated legal entity, that directly, or indirectly through one or more intermediaries is under control of the person specified.

## **Independent Directors**

The term **Independent Directors** shall mean members of the board who are recognized as such by the rules and regulations of the Exchange.

## **Disinterested Directors**

The term **Disinterested Directors** shall mean any members of the Board of Directors who are unaffiliated with the Interested Shareholder and who were a member of the Board of Directors prior to the time that the Interested Shareholder became an Interested Shareholder, and any director who is thereafter chosen to fill any vacancy on the Board of Directors or who is elected and who, in either event, is unaffiliated with the Interested Shareholder, and in connection with his or her initial assumption of office is

Mehrheit der damaligen Unparteiischen Mitgliedern des Verwaltungsrates gewählt wurde.

### USD

Der Begriff **USD** bedeutet US Dollar und ist die gültige Währung der Vereinigten Staaten von Amerika.

### Verwaltungsrat

Der Begriff **Verwaltungsrat** hat die in Abschnitt B dieser Statuten aufgeführte Bedeutung.

### Verwaltungsratspräsident

Der Begriff **Verwaltungsratspräsident (Präsident)** hat die in Art. 26 dieser Statuten aufgeführte Bedeutung.

### Zivilrechtliche Person

Der Begriff **Zivilrechtliche Person** bedeutet jede natürliche Person, Kapitalgesellschaft, rechts- oder nichtrechtsfähige Personengesellschaft oder jeder andere Rechtsträger. Für die Zwecke von Art. 32 b) dieser Statuten sind Individuen nicht erfasst.

### Zusammenschluss

Der Begriff **Zusammenschluss** bedeutet (i) jede Fusion oder andere Form des Zusammenschlusses der Gesellschaft oder einer ihrer Tochtergesellschaften mit (i) einem Nahestehenden Aktionär (gemäss Definition in diesem Artikel) oder mit (ii) einer anderen Gesellschaft oder Unternehmung (unabhängig davon, ob diese selber ein Nahestehender Aktionär ist), falls diese eine Nahestehende Gesellschaft eines Nahestehenden Aktionärs ist oder durch die Fusion oder Zusammenführung eine solche wird oder (ii) jeder Verkauf, Vermietung oder Verpachtung, Austausch, hypothekarische Belastung oder andere Verpfändung, Übertragung oder andere Verfügung (ob in einer oder mehreren Transaktionen) an oder für einen Nahestehenden Aktionär oder eine Nahestehenden Gesellschaft eines solchen Nahestehenden Aktionärs bezüglich Vermögenswerten der Gesellschaft oder einer ihrer Tochtergesellschaften mit einem aggregierten Marktwert (gemäss Definition in diesem Artikel) der mindestens 25 % des Marktwertes der gesamten Aktiven unmittelbar vor der Transaktion entspricht, oder (iii) die Ausgabe oder Übertragung von Anteilen der Gesellschaft oder einer ihrer Tochtergesellschaften (ob in einer oder mehreren Transaktionen) mit einem aggregierten Marktwert, der mindestens 25 % des Marktwertes der gesamten Aktiven unmittelbar vor der Transaktion entspricht, an einen Nahestehenden Aktionär oder eine Nahestehende Gesellschaft eines solchen Nahestehenden Aktionärs im Austausch gegen Bargeld, Effekten oder anderen Vermögenswerten (oder einer Kombination solcher Werte) mit Ausnahme der Ausgabe oder Übertragung von Anteilen der Gesellschaft oder einer ihrer Tochtergesellschaften im

recommended for appointment or election by a majority of Disinterested Directors then on the Board of Directors.

### USD

The term **USD** shall mean US dollars, the legal currency in the United States of America.

### Board of Directors

The term **Board of Directors** has the meaning assigned to it in section B of these Articles of Association.

### Chairman of the Board of Directors

The term **Chairman of the Board of Directors (Chairman)** has the meaning assigned to it in Art. 26 of these Articles of Association.

### Person

The term **Person** shall mean any individual, corporation, partnership, unincorporated association or other entity. For purposes of Art. 32 b) of these Articles of Association, it shall not include individuals.

### Business Combination

The term **Business Combination** shall mean (i) any merger or consolidation of the Company or any subsidiary with (i) any Interested Shareholder (as defined in this Article) or (ii) any other company or other entity (whether or not itself an Interested Shareholder) which is, or after such merger or consolidation would be, an Affiliate of an Interested Shareholder; or (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Shareholder, or any Affiliate of any Interested Shareholder, of any assets of the Company or any subsidiary having an aggregate Fair Market Value (as defined in this Article) equaling or exceeding twenty-five percent (25%) of the Fair Market Value of the combined assets immediately prior to such transfer of the Company and its subsidiaries; or (iii) the issuance or transfer by the Company or any subsidiary (in one transaction or a series of transactions) to any Interested Shareholder or any Affiliate of any Interested Shareholder in exchange for cash, securities or other property (or a combination thereof), of any securities of the Company or any subsidiary having an aggregate Fair Market Value equaling or exceeding twenty-five percent (25%) of the Fair Market Value of the combined assets immediately prior to such transfer of the Company and its subsidiaries except pursuant to an employee benefit plan of the Company or any subsidiary thereof; or (iv) the adoption of any plan or proposal for the liquidation or dissolution of the Company proposed by or on behalf of any Interested Shareholder or any Affiliate of any Interested Shareholder; or (v) any

Zusammenhang mit einem Mitarbeiterbeteiligungsprogramm der Gesellschaft oder einer ihrer Tochtergesellschaften, oder (iv) der Beschluss über die Liquidation oder Auflösung der Gesellschaft auf Antrag oder im Namen eines Nahestehenden Aktionärs oder einer einem Nahestehenden Aktionär Nahestehenden Gesellschaft, oder (v) jede Änderung in der Klassifizierung der Anteile der Gesellschaft (einschliesslich das Zusammenlegen von Aktien), Rekapitalisierung der Gesellschaft, Fusion oder andere Form des Zusammenschlusses der Gesellschaft mit einer ihrer Tochtergesellschaften oder jede andere Transaktion (unabhängig davon, ob ein Nahestehender Aktionär involviert ist), die zu einer direkten oder indirekten Erhöhung des proportionalen Anteils der ausstehenden Anteile der Gesellschaft oder einer ihrer Tochtergesellschaften unabhängig von der Art der ausstehenden Anteile (Aktien, Wandelanleihen) führen und die direkt oder indirekt einem Nahestehenden Aktionär oder einer Nahestehenden Gesellschaft eines Nahestehenden Aktionärs gehören (**„Unverhältnismässige Transaktion“**), wobei eine solche Transaktion dann nicht als Unverhältnismässige Transaktion gelten soll, wenn die Erhöhung des Anteils des Nahestehenden Aktionärs bzw. der Nahestehenden Gesellschaft des Nahestehenden Aktionärs als Folge dieser Transaktion nicht grösser ist als die Erhöhung der Anteile der übrigen Aktionäre.

reclassification of securities of the Company (including any reverse share split), recapitalization of the Company, merger or consolidation of the Company with any of its subsidiaries or other transaction (whether or not with or into or otherwise involving an Interested Shareholder), which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Company or any subsidiary which is directly or indirectly owned by any Interested Shareholder or any Affiliate of any Interested Shareholder (a **“Disproportionate Transaction”**); provided, however, that no such transaction shall be deemed a Disproportionate Transaction if the increase in the proportionate ownership of the Interested Shareholder or Affiliate as a result of such transaction is no greater than the increase experienced by the other stockholders generally.

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Zürich, 9. Juni 2023  
*Zurich, June 9, 2023*

Der Vorsitzende:  
*The chairperson:*

/s/ Clifton A. Pemble  
Clifton A. Pemble

Bestätigung

Die unterzeichnende Urkundsperson bestätigt, dass es sich bei den vorstehenden Statuten um die heute, unter Berücksichtigung der vorstehenden Änderungen, gültigen Statuten der Gesellschaft handelt.

Zürich,

NOTARIAT UNTERSTRASS-ZÜRICH

/s/ Gregor Breitenmoser  
Gregor Breitenmoser, Notar-Stv.

## **Garmin shareholders approve quarterly dividend through March 2024**

### ***Company announces record date and payment date for June 2023 dividend installment***

Schaffhausen, Switzerland / June 9, 2023/ PR Newswire – At Garmin Ltd.’s annual shareholders’ meeting held today, approval was received from the shareholders in accordance with Swiss corporate law for a cash dividend in the amount of \$2.92 per share, payable in four equal installments. The Board has determined that the June installment of the dividend will be paid as indicated below and currently anticipates the scheduling of the remaining quarterly dividend installments as follows:

<u>Dividend Date</u>	<u>Record Date</u>	<u>\$s per share</u>
June 30, 2023	June 20, 2023	\$0.73
September 29, 2023	September 15, 2023	\$0.73
December 29, 2023	December 15, 2023	\$0.73
March 29, 2024	March 15, 2024	\$0.73

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#### **About Garmin Ltd:**

Engineered on the inside for life on the outside, Garmin products have revolutionized life for runners, cyclists, swimmers and athletes of all levels and abilities. Committed to developing technology that helps people stay active and elevate performance, Garmin believes every day is an opportunity to innovate and a chance to beat yesterday. Garmin Ltd. (NYSE: GRMN) is incorporated in Switzerland, and its principal subsidiaries are located in the United States, Taiwan and the United Kingdom. For more information, visit Garmin's virtual Newsroom, email our press team, or follow us on LinkedIn.

#### **Notice on Forward-Looking Statements:**

This release includes forward-looking statements regarding Garmin Ltd. and its business. Such statements are based on management’s current expectations. The forward-looking events and circumstances discussed in this release may not occur and actual results could differ materially as a result of risk factors and uncertainties affecting Garmin, including, but not limited to, the risk factors that are described in the Annual Report on Form 10-K for the year ended December 31, 2022 filed by Garmin with the Securities and Exchange Commission (Commission file number 001-41118). A copy of Garmin’s 2022 Form 10-K can be downloaded from <https://www.garmin.com/en-US/investors/sec/>. No forward-looking statement can be guaranteed. Forward-looking statements speak only as of the date on which they are made and Garmin undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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