

	Group Directive Title:	Audit Committee Charter
	Group Directive Number:	GD-04
	Group Directive Owner:	CFO
	Approved by:	Board of Directors
	Effective Date:	April 4, 2017
	Valid Version:	Version 2.0

AUDIT COMMITTEE CHARTER

1 COMPOSITION AND TERM

- (1) The Audit Committee (**AC**) shall comprise at least two members of the Board of Directors (**Board**) all of which shall be independent, non-executive members of the Board as that term is understood pursuant to the Swiss Code of Best Practice for Corporate Governance.
- (2) The members of the AC shall be appointed by the Board. AC members shall serve until their successor shall have been duly elected and qualified or their earlier resignation or removal. The chairman of the AC (**Chairman**) shall be designated by the Board.

2 ADMINISTRATIVE MATTERS

Meetings

- (1) The AC shall meet at such times and from time to time as it deems to be necessary or appropriate, but at least four times a year, either in person or telephonically, and at such times and places as the AC shall determine. Meetings may be called by the Chairman of the AC and/or the Chairman of the Board and/or the CEO.
- (2) The Chairman of the AC is responsible for (1) preparation and/or approval of an agenda in advance of each meeting and (2) keeping of minutes of the meetings. The Chairman can either ask the Secretary to the Board to participate at such meetings and to take minutes or delegate this to any member of the AC.
- (3) CEO and the CFO shall participate such meetings if not otherwise required by the Chairman.
- (4) The minutes taken of the meeting shall be distributed to all members of the Board.
- (5) In addition, the AC shall meet at least twice a year with the head of the internal audit organization as well as with the independent public accounting firm, to discuss any matters as deemed necessary or appropriate. The AC may also, to the extent it deems necessary or appropriate, meet with the Company's investment bankers, financial analysts or financial and legal consultants.

Reporting and Evaluation

- (6) The AC shall report its actions and recommendations to the Board at the meeting of the Board following each AC meeting.
- (7) Important findings arising from the AC's activities which are urgent must be reported directly to the Chairman of the Board by the Chairman.

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- (8) The AC shall perform an annual review and self-evaluation of the Committee's performance, including a review of the Committee's compliance with this charter. The Committee shall conduct such evaluation and review in such manner as it deems appropriate and report the results to the Board.

Review of Charter

- (9) The AC shall review the adequacy of this charter from time to time and recommend any proposed changes to the Board for approval.

3 COMMITTEE AUTHORITY AND RESPONSIBILITY

- (1) The AC shall have the authority to suggest the appointment or replacement of the independent public accountants to the Board and the Shareholders' Meeting and shall approve the annual budget for all audit engagements and all significant non-audit engagements of the independent public accountants. The AC shall consult with the CEO and the CFO in this regard, but cannot delegate these responsibilities.
- (2) The AC may request any officer or employee of the Company or the Company's outside counsel or independent public accountants to attend a meeting of the AC or to meet with any members of, or consultants to, the AC.

4 FINANCIAL STATEMENTS AND DISCLOSURE MATTERS

The AC shall review and discuss with management (and the independent public accountants where appropriate) and recommend for approval by the Board

- (1) The Company's annual audited financial statements, including disclosures made in the notes thereto;
- (2) The Company's half year financial statements, including disclosures made in the notes thereto;
- (3) Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" information, and financial information and earnings guidance given to financial analysts.

The AC shall review and discuss with management (and the independent public accountants where appropriate)

- (4) Significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls, any special audit steps adopted in light of material control deficiencies;

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- (5) The effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements;
- (6) The Company's financial budgets and the steps management has taken to develop, monitor and control the budget;
- (7) The Company's programs for compliance with the financial disclosure requirements of applicable law;
- (8) The Company's processes to maintain an adequate system of internal controls;
- (9) The Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

The AC shall discuss with the independent public accountants

- (10) The matters required to be discussed under Swiss law relating to the conduct of the audit. In particular, discuss:
 - a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the independent public accountants or the CFO;
 - b) The board report/management letter provided by the independent public accountants and the Company's response to that letter;
 - c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

5 OVERSIGHT OF THE COMPANY'S RESPONSIBILITIES WITH THE INDEPENDENT PUBLIC ACCOUNTANTS

The AC, to the extent it deems necessary or appropriate, shall:

- (1) Review the experience and qualifications of the senior members of the independent public accounting team;
- (2) Obtain and review a report from the independent public accountants at least annually regarding (a) any issues affecting the public accounting firm's ability to conduct a proper audit of the Company (including compliance issues in the public accounting firm that affect its ability to conduct audit work), and (b) all relationships between the independent public accountants and the Company;
- (3) Evaluate the qualifications, performance and independence of the independent public accountants. The AC shall present its conclusions to the Board and, if so determined by the AC, recommend that the Board take additional action to satisfy itself of the qualifications, performance and independence of the public accountant;

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- (4) Recommend to the Board policies for the Company's hiring of employees or former employees of the independent public accountants who were engaged on the Company's account.

6 OVERSIGHT OF THE COMPANY'S INTERNAL AUDIT FUNCTION

The AC, to the extent it deems necessary or appropriate, shall:

- (1) Review and recommend to the Board the appointment and replacement of the persons within the Company responsible for Corporate Risk Management, Quality Control and Internal Audit;
- (2) Review the significant issues reported to Executive Management and/or the Board prepared by the Corporate Risk Management, Quality Control and Internal Audit, and review Executive Management's responses;

On an annual basis, review the internal audit's risk assessment process, including any identified key risk evaluation criteria and issues;

7 OVERSIGHT OF THE COMPANY'S RISK MANAGEMENT SYSTEM

The AC, to the extent it deems necessary or appropriate, shall:

- (1) Review the process and procedure for management's monitoring of any significant risks or exposures the company may face. To this end, at least once per year, the AC will review reports submitted by management and give guidance and direction on how risk management is to be conducted.
- (2) Review with management, internal auditors and independent public accountant any significant risks or exposures the company may face, and assess the steps management has taken to minimize such risks.

8 COMPLIANCE OVERSIGHT RESPONSIBILITIES

The AC, to the extent it deems necessary or appropriate, shall:

- (1) Obtain from the independent public accountants assurance that the respective legal and stock exchange requirements in connection with the audit have not been implicated;
- (2) Obtain reports from Executive Management and the independent public accountants that the Company and its subsidiaries are in conformity with applicable legal requirements (including statutory law and the Company's own rules and regulations), stock exchange regulations and best practice recommendations. Advise the Board with respect to the same;
- (3) Establish procedures for the receipt, retention and treatment of complaints received by the Company's employees regarding questionable accounting, internal accounting

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controls or auditing matters that ensure that such complaints are treated as confidential and anonymous;

- (4) Discuss with Executive Management and the independent public accountants any correspondence with regulators or governmental agencies and any employee complaints or published reports, any of which raise material issues regarding the Company's financial statements or accounting policies;
- (5) Discuss with the Company's General Counsel and/or external corporate legal advisor's legal matters that may have a material impact on the financial statements or the Company's compliance policies;
- (6) Perform such other duties and responsibilities as may be assigned to the AC by law, the stock exchange rules, the Company's Articles of Incorporation or Organizational Rules.

9 APPROVAL OF FINANCIAL STATEMENTS

- (1) In accordance with Swiss Law, the financial statements of a corporation are the responsibility of the Board. The Board may delegate the compilation of the financial statements to the Executive Management. The AC as the responsible body of the Board has to ensure that the Company's financial statements are complete and accurate and are in accordance with prevailing accounting principles and that they reflect a true and fair view about the company's financial situation.
- (2) Based on its work, responsibilities and powers set forth in this Charter, the AC shall propose to the Board the formal approval of the Annual and Half-year Financial Statements of the Company.

10 LIMITATION OF AC'S ROLE AND RESPONSIBILITY

While the AC has the responsibilities and powers set forth in this Charter, it is not the duty of the AC to plan or conduct audits or regulations.

In accordance with Swiss law, the Board as a whole is responsible for the completeness and accuracy of the financial statements and cannot delegate such responsibility to the AC.

11 REVISION HISTORY

Revision	Approved by	Date	Revision Notes
1	Board	April 4, 2017	Comprehensive Revision

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Liestal, April 4, 2017