	Group Directive Title:	Compensation Committee Charter
	Group Directive Number:	GD-03
	Group Directive Owner:	CEO
	Approved by:	Board of Directors
	Effective Date:	April 4, 2017
	Valid Version:	Version 2.0

## COMPENSATION COMMITTEE CHARTER

### 1 COMPOSITION AND TERM

- (1) The Compensation Committee (**CC**) 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 CC are elected by the shareholders, while the Chairman of the CC shall be appointed by the Board. All members of the CC and shall serve until their successors shall be duly elected and qualified or their earlier resignation or removal.
- (3) The Chief Executive Officer (**CEO**), whether or not a member of the Board, has an advisory function to the CC.


### 2 ADMINISTRATIVE MATTERS

#### Meetings

- (1) The CC shall meet at such times and from time to time as it deems to be necessary or appropriate, but at least twice a year, either in person or telephonically, and at such times and places as the CC shall determine. Meetings may be called by the Chairman of the CC and/or the Chairman of the Board and/or the CEO.
- (2) The Chairman of the CC 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 other person attending the meeting.
- (3) CEO and the Global Head Human Resources 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.

#### Reporting and Evaluation

- (5) The CC shall report its actions and recommendations to the Board at the meeting of the Board following each CC meeting.
- (6) The CC shall perform an annual review and self-evaluation of the CC's performance, including a review of the CC's compliance with this charter. The CC shall conduct such evaluation and review in such manner, as it deems appropriate and report the results to the Board.

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## Review of Charter

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

## 3 PRINCIPAL FUNCTIONS

### The CC shall review and recommend for approval by the Board:

- (1) The shareholders' resolutions with regard to the total compensation (fix cash and equity compensation) for the Board members;
- (2) The respective shareholders' resolutions with regard to the compensation of the members of Executive Management The compensation shall include a fix base salary, a variable cash bonus, equity compensation, pensions and any other benefits;
- (3) Board candidates for election or re-election at the annual general meeting;
- (4) Executive Management candidates for hiring or dismissal;
- (5) A total compensation policy which fairly rewards Company non-executives and executives for performance benefiting the shareholders and which effectively attracts and retains the executive resources necessary to successfully lead and manage the Company and ensures long-term business success;
- (6) The Company's equity compensation plans;
- (7) The annual report on executive and non-executive compensation for inclusion in the Company's financial statements and in accordance with Corporate Governance regulations.

### The CC shall review and approve:


- (8) Executive employment agreements;
- (9) Salary increases, bonus payments and option pools given to senior managers (other than members of Executive Management) and employees on a total Company basis upon the recommendation of the CEO;

### The Chairman of the CC shall approve:

- (10) Any management position, any board mandate or any similar position in third party companies Board Members and Executives would like to accept;

### In addition, the CC shall:

- (11) Establish criteria and qualifications for membership in the Board, including standards for assessing independence, in line with applicable regulation.

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- (12) Evaluate the composition, size, role and functions of the Board and its committees to oversee successfully the business of the Company in a manner consistent with the Company's business strategy and goals, and make recommendations to the Board for approval.
- (13) Annually review the CC's structure and recommendation to the Board for submission of the latter's respective proposal to the shareholders regarding directors to serve as members of the CC.

#### 4 ABSTENTION

No member of the CC shall participate in any deliberation or decision exclusively concerning its own compensation or membership or specific position.

#### 5 ENGAGEMENT OF ADVISORS

The CC shall have the authority to retain and terminate any legal counsel, other experts and consultants, search firm used to identify director candidates or any compensation consultant firm mandated by it.

#### 6 REVISION HISTORY

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

Liestal, April 4, 2017