

Corporate Governance

Transparency creates trust. That is why the Siegfried Group's corporate governance reflects the demands made on modern corporate management. It is based on the Swiss Code of Obligations, the directive on corporate governance of the Swiss Exchange (SIX) and the Swiss Code of Best Practice for Corporate Governance.

Corporate Governance

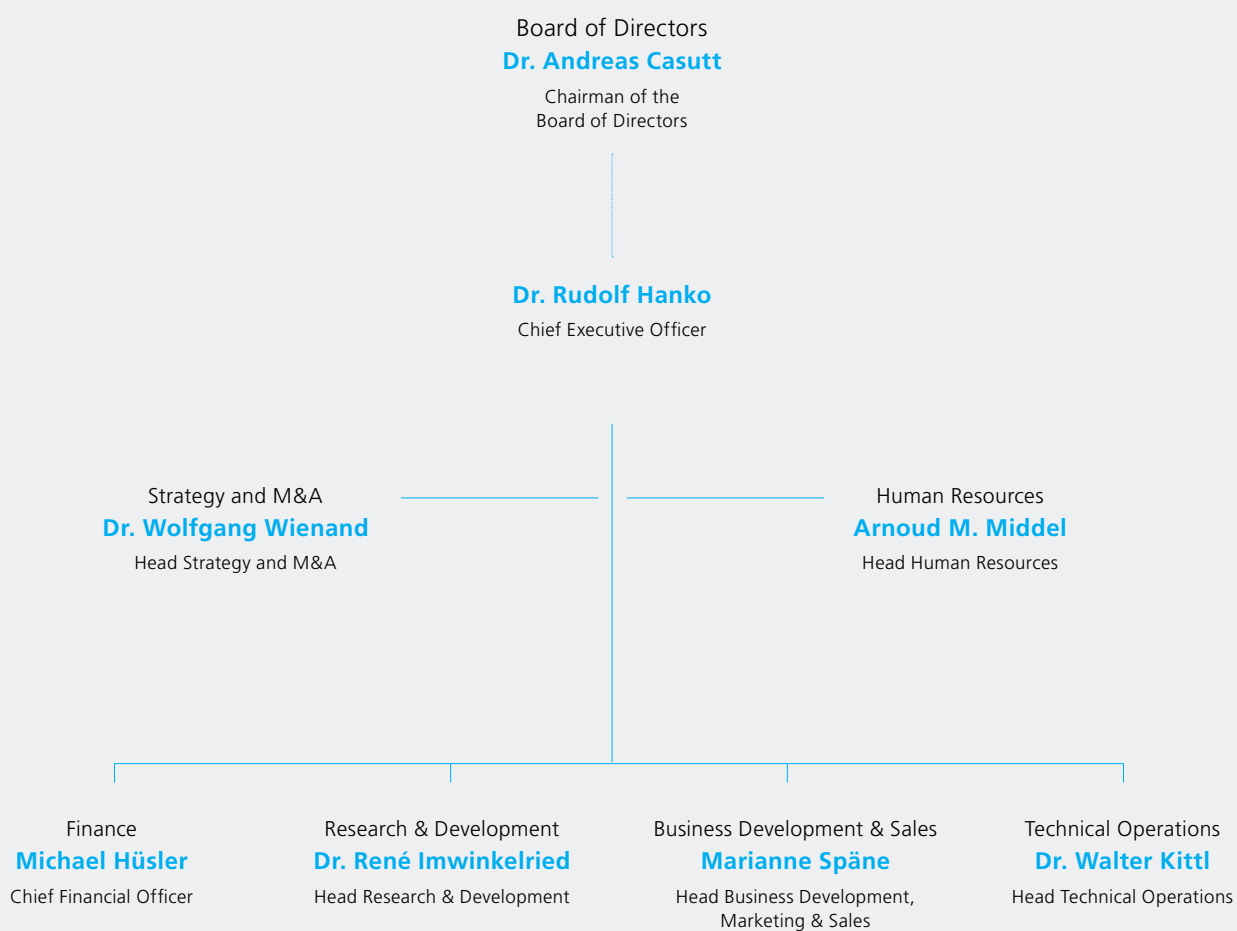
Corporate governance of Siegfried is focused on ensuring a sound and long-term relationship with all stakeholders and providing the necessary transparency.

General Framework

Corporate governance of the Siegfried Group is focused on ensuring a sound and long-term relationship with all stakeholders and providing the necessary transparency. It is based on the Swiss Code of Obligations (article 663b^{bis} and article 663c OR), the directive on corporate governance of the Swiss Exchange (SIX) and the "Swiss Code of Best Practice for Corporate Governance." Remuneration for the Board of Directors and Executive Management is reported in the separate Remuneration Report on page 45ff.

1. Corporate Structure and Shareholders

1.1 Management Structure of the Siegfried Group



1.2 Corporate Structure

Siegfried Holding AG, with its registered office located in Zofingen (Switzerland), is the parent company of the Siegfried Group, which, as at December 31, 2015, comprises 20 consolidated operating and holding companies worldwide. Siegfried Holding AG is listed on the SIX Swiss Exchange (valor symbol: SFZN, ISIN: CH0014284498). As at December 31, 2015, the market capitalization of Siegfried Holding AG amounts to approx. CHF 812 million.

The Siegfried Group includes the following major group companies:

	Currency	Capital in LC	Holding
1. Switzerland			
Siegfried Holding AG, Zofingen	CHF	8 300 000	100.00%
Siegfried AG, Zofingen	CHF	20 000 000	100.00%
Siegfried International AG, Zofingen	CHF	2 000 000	100.00%
Siegfried Finance AG, Zofingen	CHF	14 000 000	100.00%
Siegfried Evionnaz SA, Evionnaz	CHF	1 000 000	100.00%
2. Europe			
hameln pharmaceuticals gmbh, Hameln	EUR	750 000	100.00%
hameln rds gmbh, Hameln	EUR	30 000	100.00%
hameln real estate gmbh & co. kg, Hameln	EUR	25 000	100.00%
Siegfried PharmaChemikalien Minden GmbH, Minden	EUR	50 000	100.00%
Siegfried St. Vulbas SAS, St. Vulbas	EUR	15 200 000	100.00%
Siegfried Malta Ltd, Valletta	EUR	100 000	100.00%
3. USA			
Siegfried USA, LLC, Pennsville	USD	10	100.00%
Alliance Medical Products, Inc., Irvine	USD	116 521	100.00%
4. Asia			
Siegfried (Nantong) Pharmaceuticals Co., Nantong	CNY	346 925 622	100.00%
Alpine Dragon Pharmaceuticals Ltd, Huangyang, Gansu Province	CNY	10 542 708	49.00%

1.3 Shareholders

The shareholders listed in the following table have reported holdings of 3% or more of the voting rights of Siegfried Holding AG as of December 31, 2015, based on the shareholder disclosure notifications pursuant to Article 120 of the Swiss Financial Market Infrastructure Act (FMIA). The detailed reports pursuant to Article 120 FMIA can be found under: <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html?companyId=SIEGFRIED>.

	Shares as of Dec. 31, 2015	Holding % as of Dec. 31, 2015 ¹	Shares as of Dec. 31, 2014	Holding % as of Dec. 31, 2014 ²
Shareholding >3%				
Tweedy Browne Company LLC, New York, USA	374 767 ³	9.03	374 767	9.03
Rainer Marc Frey, Freienbach	359 431 ⁴	8.67	359 431	8.67
EOP Participants (blocked until 2016)	199 332 ⁵	4.80	199 332	4.80
Kreissparkasse Biberach, Biberach, Germany (BayernInvest Kapitalgesellschaft mbH, Munich, Germany)	137 178 ⁶	3.31	137 178	3.31
Siegfried Holding AG (own shares)	210 528 ⁷	5.07	131 407	3.17
Total	1 281 236	30.88	1 401 539	33.78

¹ Based on 4 150 000 issued shares as of December 31, 2015.

² Based on 4 150 000 issued shares as of December 31, 2014.

³ According to the disclosure notification of May 27, 2011.

⁴ According to the disclosure notification of September 3, 2013.

⁵ According to the disclosure notification of March 26, 2014. The "EOP Participants" are the participants in Siegfried Group's Equity Ownership Plans of 2010 and of 2012 (collectively "EOP") that were allocated Siegfried shares on March 14, 2014, subject to a two-year blocking period in accordance with the provisions of the EOP. The disclosed shareholding includes shares held by members of the Board or the Executive Management (for further information, see Remuneration Report, page 65).

⁶ According to the disclosure notification of April 28, 2012.

⁷ According to the disclosure notification of September 16, 2015.

As of December 31, 2015, 2738 shareholders were registered in the share registry of Siegfried Holding AG, representing a shareholding of 68.35% of the total share capital. The distribution of the shares among the shareholders was as follows:

Distribution of shares as of December 31, 2015	Shareholders	No. of shares per category	%
1–10	342	1 926	0.05
11–100	1 201	63 509	1.53
101–1 000	972	314 825	7.59
1 001–10 000	173	536 165	12.92
10 001–100 000	45	990 734	23.87
100 001–1 000 000	5 ¹	929 553	22.40
	2 738	2 836 712	68.35
Own shares and non-registered shares	n. a.	1 313 288	31.65
Total shares		4 150 000	100.00

Shareholdings by segment as of December 31, 2015, was as follows:

Holdings by segment as of December 31, 2015	Shareholders	No. of shares per category	%
Significant shareholders (> 3%)	3 ²	711 945	17.16
Individuals	2 503	1 047 531	25.24
Institutional investors	232	1 077 236	25.96
Own shares and non-registered shares	n. a.	1 313 288	31.65
Total shares	n. a.	4 150 000	100.00

¹ Including one custodian holding over 3% of the share capital for the account of third parties that has been registered as nominee.

² Without EOP participants and own shares.

1.4 Crossholdings

The Siegfried Group has not entered into any capital- or share-based crossholdings with other companies.

2. Capital Structure

2.1 Share Capital

The share capital of Siegfried Holding AG recorded in the commercial registry as of December 31, 2015, amounts to CHF 8 300 000, divided into 4 150 000 fully paid-up registered shares with a par value of CHF 2 per share. Each registered share authorizes the holder to exercise one vote at the General Meeting of Shareholders, and grants the right to receive dividends (subject to the dividend resolution of the General Meeting of Shareholders). There are no preferred rights attached to any Siegfried shares. The Articles of Incorporation of Siegfried Holding AG provide for conditional share capital and do not provide for authorized share capital.

2.2 Conditional Share Capital

The General Meeting of Shareholders of Siegfried Holding AG held on March 26, 2014, approved an amendment of the Articles of Incorporation to create a conditional share capital of CHF 420 000 in total, divided into 210 000 registered shares with a par value of CHF 2 each. The conditional share capital is reserved for the issuance of Siegfried shares to members of the Board of Directors and/or the employees of Siegfried Holding AG and/or its group companies.

Pre-emptive rights as well as advances subscription rights of company shareholders are excluded. The issuing of shares or related pre-emptive rights to members of the Board of Directors and/or employees of Siegfried Holding AG and/or its group companies shall take place in accordance with one or more regulations to be issued by the Board of Directors, taking into account such criteria as performance, functions, responsibility levels, and profitability. Shares or pre-emptive rights may be issued to members of the Board of Directors and/or employees of Siegfried Holding AG and/or its group companies at a price below the market price.

2.3 Changes in Share Capital

In the business year 2015, the share capital of Siegfried Holding AG remained unchanged.

In 2014, the issued share capital of Siegfried Holding AG increased from CHF 7 600 000 to CHF 8 300 000 by way of issuance of 350 000 registered shares to members of the Board of Directors and employees of Siegfried Holding AG and its group companies in accordance with Art. 3bis paragraph 4 of the former Articles of Incorporation of May 24, 2011. Thereby, the conditional share capital reserved for such purposes was used up. By resolution of the General Shareholder's Meeting of March 26, 2014, the new conditional share capital as per section 2.2 above was created. Concurrently, it was resolved to delete the remaining conditional share capital of CHF 100 000 which was originally created for use in connection with the issuance of bonds/notes or other financial instruments by Siegfried Holding AG or any of its group companies. As a result, as per December 31, 2014, Siegfried Holding AG disposed of a conditional share capital in the total amount of CHF 420 000, divided in 210 000 registered shares with a par value of CHF 2 each.

In the business years 2013 and 2012, the share capital of Siegfried Holding remained unchanged.

2.4 Limitations on Transferability and Registration of Nominees

Only persons recorded in the share registry as shareholder with voting right are entitled to exercise voting and related rights. Registration in the share registry is subject to the following statutory restrictions:

- Registration requests are considered granted if Siegfried has not denied them within 20 days after receipt.
- Petitioners must expressly declare that they have acquired the shares in their own name and for their own account.

Individual persons who refrain from explicitly declaring in the registration application that they hold the shares for their own account ("nominees") may be entered into the share register with voting rights, provided the nominee enters into a corresponding agreement with the Board of Directors, and is subject to a recognized bank or financial market supervision.

2.5 Convertible Bonds and Warrants

During the fiscal year 2015, Siegfried Holding AG issued a privately placed hybrid bond in the amount of CHF 60 million. According to the disclosure notification to Disclosure Office of the SIX Swiss Exchange of May 13, 2015, the holder of the convertible bond has the right to convert the nominal amount of the bond into shares of Siegfried Holding AG for an initial conversion price of CHF 217.93 per share. Based on the 4 150 000 issued shares of Siegfried Holding AG, this would represent a stake of 6.63%. The conversion price may be subject to changes in accordance with the terms of the convertible bond, in particular in the case of payment of dividend by the Company. The exercise period lasts until September 28, 2020. The convertible bond qualifies as hybrid capital.

Siegfried Holding AG has also issued a public hybrid bond during the 2015 fiscal year, see page 120 Financial Report. Siegfried Holding has not issued any warrants.

3. Board of Directors

The Board of Directors of Siegfried Holding AG comprises five persons. During the previous three years, none of the members of the Board held a position in the Executive Management of Siegfried Holding AG or a Siegfried Group company, nor have they had any significant business relationship with Siegfried Holding AG or a Siegfried Group company. The following table sets forth the name, position, age, year of election and term in office of each member of the Board of Directors:

3.1 Members of the Board of Directors

Name	Birth year	Position	Member since	End of term
Andreas Casutt	1963	Chairman, non-executive	2010	2016
Thomas Villiger	1951	Vice Chairman, non-executive	2011	2016
Colin Bond	1961	Non-executive member	2013	2016
Wolfram Carius	1961	Non-executive member	2014	2016
Reto Garzetti	1960	Non-executive member	2011	2016
Honorary Chairman				
Bernard A. Siegfried	1934			

3.2 Profiles

Dr. Andreas Casutt Chairman

Andreas Casutt (1963) joined the Board of Siegfried Holding AG in 2010 and was elected Chairman in 2014. He has been a partner of the Niederer Kraft & Frey law firm in Zurich since 2002, and held office as managing partner from 2006 to 2014. Andreas Casutt specializes in corporate law, contract law, mergers & acquisitions, and stock exchange law. In addition, he is a board member of Mikron Holding AG and various privately held companies, including Maxon Motor AG. Andreas Casutt studied law and received his Ph.D. in Zurich (Switzerland) and completed an LL.M. program at the University of Michigan, Ann Arbor (USA). Andreas Casutt is a Swiss citizen.

Dr. Thomas Villiger Vice-Chairman

Thomas Villiger (1951) joined the Board of Siegfried Holding AG in 2011 and was appointed Vice-Chairman in 2015. He founded his own management consultancy in 2010. From 1986 to 2010, he was employed by Mepha Group, from 1997 onward he led the Mepha Group as a CEO. From 1980 to 1986 he worked in various functions for Sandoz in Basel, partly in Japan. He is a member of the Boards of Dolder AG and Sigvaris Holding AG, as well as the President of the Foundation Board of the Haiku Foundation. Thomas Villiger studied pharmacy in Bern and Zurich and holds a Ph. D. degree in chemistry from the Swiss Federal Institute of Technology in Zurich (1979). Thomas Villiger is a Swiss citizen.

Colin Bond Member of the Board

Colin Bond (1961) joined the Board of Siegfried Holding AG in 2013. Since 2010, he has been Group Chief Financial Officer of the Hamburg-based Evotec AG and member of the management board. The company is listed on the Frankfurt Stock Exchange as part of TecDax and provides a wide range of research and development services in the field of active pharmaceutical ingredients. Following career stations as a pharmacist, chartered accountant and management consultant, he worked for 25 years as Chief Financial Officer for several international companies in various industries, of which 11 years for Great Lakes Chemical Corporation, today Chemtura, a US-based global specialty chemicals company. Colin Bond holds a university degree in pharmacy from the University of Aston, Birmingham, and a MBA degree from London Business School. He is a citizen of Great Britain and Switzerland.



Please find a photographic portrait of the Board of Directors on page 18.

Prof. Dr. Wolfram Carius
Member of the Board

Wolfram Carius (1961) was elected member of the Board of Siegfried Holding AG in 2014. He joined Sanofi, a French healthcare company, at the beginning of 2014 as Senior Vice President Biopharma Strategy. Today, he holds the position of Vice President Biologics and is a member of the Global Leadership Team. Prior to Sanofi, he worked for Boehringer Ingelheim from 1987 until the end of 2013. In 2009 he was appointed to the company's Board of Managing Directors, initially with responsibility for Human Resources and Technical Operations, and from 2012 for Biopharma and Operations. At Boehringer Ingelheim he was responsible for the company's worldwide chemical, pharmaceutical and biopharma production network. Before that, he was decisively responsible for the development and expansion of the biopharma unit. He managed the company's production site in Japan and later Brazil before being appointed member of Boehringer Ingelheim's Board of Managing Directors in Germany. Wolfram Carius holds a PhD in pharmaceutical biology and analytical phytochemistry from the University of Saarland, Germany. In 2009, the Biberach University of Applied Sciences awarded him the title of honorary professor in recognition for his long and exceptional service. Wolfram Carius is a German citizen.

Reto A. Garzetti
Member of the Board

Reto A. Garzetti (1960) joined the Board of Siegfried Holding AG in 2011. He is a partner and Vice President of the Board of SE Swiss Equities. He additionally serves on the Board of SKW Stahl Metallurgie Holding AG, listed on the German stock exchange, the Board of Peach Properties AG, listed on the SIX Swiss Exchange, as well as on the Board of the privately held companies AGI AG, HFS Helvetic Financial Services AG, Occlutech AG and other privately held companies in Switzerland and abroad. Previously, he served for many years on the Board of multinational US companies. Reto Garzetti graduated from the University of Zurich in business administration (lic. oec. publ./MBA) with the main emphasis on banking, trade and securities law. He is a Swiss and Italian citizen.

3.3 Permitted Activities in the Supreme Managing or Administrative Body of Other Companies

Members of the Board of Directors of Siegfried Holding AG may not assume more than twenty additional mandates, of which no more than five may be for publicly listed companies. This applies to any mandate in the supreme managing or administrative body of a legal entity that is subject to the obligation to be entered in the Swiss commercial register or a corresponding register abroad. Mandates in different legal entities under common control or owned by the same beneficial owner shall be deemed to constitute a single mandate.

Not subject to these limitations are (i) mandates in companies that are controlled by, or which control, Siegfried Holding AG; (ii) mandates that a member of the Board of Directors assumes at the direction of Siegfried Holding AG or a group company, provided that no member of the Board of Directors may assume more than ten such mandates at companies that are not controlled by, or do not control, Siegfried Holding AG; (iii) mandates in associations, non-profit foundations, and pension benefit foundations, provided that no member of the Board of Directors may assume more than ten such mandates.

3.4 Election and Terms in Office

The members of the Board of Directors as well as, since 2014, the Chairman of the Board and the members of the Remuneration Committee of Siegfried Holding AG are elected by the General Meeting of Shareholders. Subject to the foregoing, the Board of Directors constitutes itself.

The Board members are elected for a term of one year that expires at the end of the next Annual General Meeting. Reelection is allowed. The revised Board Regulations specify that members must retire from the Board at the General Meeting of Shareholders after reaching the age of 72 (until now after reaching the age of 68). Certain exceptions may be made for the Chairman or the Honorary Chairman.

3.5 Internal Organization

The Board of Directors is responsible for the supervision of the Siegfried Group and its business units. The Board determines the Group strategy, the allocation of resources, and the management structure of the Siegfried Group. It is also responsible for setting the organizational structure, accounting, financial control, and financial planning. To the extent it does neither exercise these duties itself nor delegate them to the Chairman of the Board, the Board of Directors has delegated the management of the business to the CEO of the Siegfried Group. Decisions are taken by the entire Board of Directors. The Board Regulations setting forth the Board's powers, duties, and internal organization may be found under <http://www.siegfried.ch/about-siegfried/about-us/company-structure>.

During the business year 2015, the Board of Directors met for two one-day ordinary meetings, two half-day ordinary meetings and a strategy meeting of two days. In addition, numerous teleconferences were held. With the exception of two meetings to which one Board member was unable to attend, all Board members were present at all meetings.

The following three Board Committees assist the Board of Directors:

- Audit Committee
- Remuneration Committee
- Strategy Committee

The responsibilities and competencies of the committees are set forth in more detail in article 16 paragraph 4 of the Articles of Incorporation (Remuneration Committee) and Section 3.3.3 of the Board Regulations (see <http://www.siegfried.ch/about-siegfried/about-us/company-structure>). The Board Committees review and discuss important matters in their relevant field of responsibility prior to Board meetings. The Chairman of the Board, the CEO and the CFO, and the responsible members of the Executive Management regularly attend these meetings. The Board Committees submit recommendations to the Board.

During the business year 2015, the Audit Committee met four times, the Remuneration Committee twice, and the Strategy Committee once for half-day meetings. The following table shows the composition of the Board Committees for the term of office 2015 until 2016:

Committee	Chairperson	Members
Audit	Colin Bond	Reto Garzetti, Thomas Villiger
Remuneration	Thomas Villiger	Reto Garzetti
Strategy	Wolfram Carius	Colin Bond, Reto Garzetti

3.6 Information and Control Instruments

The internal information and control system of the Board of Directors and the Executive Management is based on the following monthly reporting instruments: Revenues and other financial results of the Siegfried Group are presented in detail and compared with the budget and the previous year's results – including a financial forecast for the entire year. Quarterly reports focus on budget deviations, important business incidents, and the most important key performance indicators. A five-year plan outlines the financial planning for the next five business years. The Internal Control System (ICS) and a comprehensive risk management procedure (described in detail on pages 110ff of the Financial Report) further add to the Board's information and control instruments.

The results are discussed and evaluated with the CEO and CFO at the meetings of the Board of Directors. Furthermore, the Chairman of the Board discusses the course of business and other important topics with members of the Executive Management on a regular basis.

4. Executive Management

The Chief Executive Officer (CEO) is responsible for the operative and results-oriented management of the Siegfried Group and its divisions. Subject to the competencies and directives of the Board of Directors and its Chairman, the CEO is responsible for the formulation and achievement of the corporate goals as well as the management of the subordinate Group companies (results and balance sheet responsibilities). The detailed capacities and functions of the CEO are described in the Siegfried Group Board Regulations (see <http://www.siegfried.ch/about-siegfried/about-us/company-structure>).

4.1 Members of the Executive Management

Name	Birth year	Position	Member since	In current function since
Rudolf Hanko	1955	Chief Executive Officer	2009	2009
Michael Hüsler	1972	Chief Financial Officer	2009	2009
René Imwinkelried	1957	Head Research & Development	2012	2012
Walter Kittl	1956	Head Technical Operations	2008	2011
Arnoud M. Middel	1971	Head Human Resources	2011	2011
Marianne Späne	1962	Head Business Development, Marketing & Sales	2004	2010
Wolfgang Wienand	1972	Head Strategy and M&A	2010	2011

4.2 Management Contracts

Siegfried Holding AG and its group companies have not entered into any management contracts with third parties.

4.3 Permitted Activities in the Supreme Managing or Administrative Body of Other Companies

Members of the Executive Management of Siegfried Holding AG may not assume more than five additional mandates, of which no more than one may be for a publicly listed company. This applies to any mandate in the supreme managing or administrative body of a legal entity that is subject to the obligation to be entered in the Swiss commercial register or a corresponding register abroad. Mandates in different legal entities under common control or owned by the same beneficial owner shall be deemed to constitute a single mandate.

Not subject to these limitations are (i) mandates in companies that are controlled by, or which control, Siegfried Holding AG; (ii) mandates that a member of the Executive Management assumes at the direction of Siegfried Holding AG or a group company, provided that no member of the Executive Management may assume more than ten such mandates at companies that are not controlled by, or do not control, Siegfried Holding AG; (iii) mandates in associations, non-profit foundations, and pension benefit foundations, provided that no member of the Executive Management may assume more than ten such mandates.

4.4 Profiles

Dr. Rudolf Hanko Chief Executive Officer

Rudolf Hanko (1955) was appointed CEO of Siegfried in May 2009. Prior to joining Siegfried, he worked in the chemical-pharmaceutical industry in various management positions, at Evonik Industries AG (Germany) as head of Exclusive Synthesis & Amino Acids. Rudolf Hanko also headed the pharmaceutical division of Bayer AG as head of Chemical Research and as General Manager of the fine chemicals division. Rudolf Hanko received his Ph. D. in chemistry from the University of Göttingen (Germany) and completed post-doctoral studies at the Max Planck Institute (Germany). Rudolf Hanko is a German citizen.

Michael Hüsler Chief Financial Officer

Michael Hüsler (1972) joined Siegfried as Chief Financial Officer in 2009. He completed his studies in economics in 1997 at the University of Basel (Switzerland) and worked at PricewaterhouseCoopers as an economic planner until 2000. From 2000 to 2005 he was corporate controller and ultimately, head of corporate controlling at Straumann Holding AG. In addition, he completed his studies as a Certified IFRS Accountant in 2004. Michael Hüsler was CFO and member of the Executive Management at Bachem Holding AG from 2005 to 2009. Michael Hüsler is a Swiss citizen.

Dr. René Imwinkelried Head Research & Development

René Imwinkelried (1957) was appointed Head of Research & Development of the Siegfried Group in September 2012. He has a Ph. D. in organic chemistry from the ETH Zurich and completed a post-doctoral fellowship at Colorado State University and Howard University (both USA). From 1991 to 2004 he worked in various R&D management positions at Lonza, and as head of global chemical and physical sciences at US-based Schering-Plough. From 2010 to 2012 he was head of "Technical Development Small Molecules" at Roche in Basel. René Imwinkelried is a Swiss citizen.



Please find a photographic portrait of the Executive Committee on page 19.

Dr. Walter Kittl Head Technical Operations

Walter Kittl (1956) was appointed Head of Technical Operations of Siegfried in 2011. Prior to joining Siegfried in 2008, he worked at DSM Chemie Linz (1983–2000) and at F. Hoffmann-La Roche (2000–2008), where he was head of chemical production in Basel (Switzerland). From 2008 to 2011, he was head of the Siegfried facility in Pennsville. He studied at the University of Linz (Austria), where he graduated with a Ph. D. in chemistry. Walter Kittl is an Austrian citizen.

Arnoud M. Middel Head Human Resources

Arnoud Middel (1971) joined the Siegfried Group in September 2011 as Head of Human Resources. Previously, he worked for various companies in the field of human resources, ultimately as head of HR Switzerland and Global Headquarters for Syngenta in Basel (Switzerland). He completed his studies in biology and biochemistry at the University of Basel (Switzerland). Arnoud Middel is a Dutch citizen.

Marianne Späne Head Business Development, Marketing & Sales

Marianne Späne (1962) joined the Siegfried Group in 2004 and was appointed Head of Business Development & Sales in March 2010. She headed the Siegfried Generics Division from 2008 to 2010 and was previously responsible for the Classical Generics Business Unit. Between June 2004 and January 2008, Marianne Späne managed the Business Development Department and the Supply Chain for Generics. Prior to joining Siegfried, she worked in logistics, business development and as site manager for Boucheron, a cosmetics company. Later, she switched to the pharmaceutical industry and joined the pharma division of Schweizerhalle as head of the sales and marketing department. Subsequently, she joined Aceto, a US-based company, where she developed European expansion strategies. Marianne Späne holds

degrees in finance, business administration and marketing from the Business Management School (KFS) in Basel and the Marketing & Business School in Zurich (MBSZ). Marianne Späne is a German citizen.

Dr. Wolfgang Wienand Head Strategy and M&A

As of December 1, 2011, Dr. Wolfgang Wienand (1972) was appointed Head Strategy and M&A with responsibility for Strategy, Mergers & Acquisitions, Legal and Intellectual Property Management. From August 1, 2010, to August 31, 2012, he served as Chief Scientific Officer heading Siegfried's research & development activities. With effect from January 1, 2015, he is additionally responsible for the Regulatory Affairs division. Before joining Siegfried, he held senior management positions at Evonik Industries AG, formerly Degussa AG, mainly in the fields of fine chemicals and custom manufacturing for the pharmaceutical industry. Most recently, he was responsible for the strategy and business development of Evonik's advanced silanes business with the photovoltaic and semiconductor industries. Wolfgang Wienand studied chemistry at the Friedrich-Wilhelms University in Bonn and received his Ph. D. from the University of Cologne, Germany. Wolfgang Wienand is a German citizen.

5. Remuneration, Investments and Loans

5.1 Content and Method of Determining the Remuneration and the Equity Participation Plans

For details regarding the remuneration and shareholdings of the members of the Board of Directors and the Executive Management as well the principles and elements of remuneration and the equity participation plans of members of the Board of Directors and the Executive Committee, together with a description of the authorities and procedures in connection therewith, please refer to the Remuneration Report on page 45ff of this Annual Report.

5.2 Statutory Provisions regarding Performance-Related Remuneration and the Allocation of Equity Securities

Pursuant to article 23 of the Articles of Incorporation and subject to approval by the General Shareholders' Meeting, the remuneration of the members of the Board of Directors consists of a fixed base remuneration, an individual functional remuneration and a lump-sum expense allowance in cash, as well as a fixed number of shares of Siegfried Holding AG. The Board of Directors determines the number of shares as well as the relevant terms and conditions, including the time of their allocation and any restrictions on transferability. Absent exceptional circumstances, the members of the Board of Directors do not receive any performance-based remuneration; any such remuneration would be measured against predefined performance targets only.

Pursuant to article 24 of the Articles of Incorporation and subject to approval by the General Shareholders' Meeting, remuneration for members of the Executive Management includes of a fixed base remuneration in cash as well as performance-based remuneration, which comprises a short term performance-based remuneration in cash as well as a multi-year employee share ownership plan. The Board of Directors determines the targets, target levels, and target achievement for both the short- and the long-term performance-based remuneration in accordance with the principles. (cf <http://www.siegfried.ch/about-siegfried/about-us/company-structure/>)

In the event of a change of control of Siegfried Holding AG, the termination of the employment relationship, or in case of other extraordinary events, the Board of Directors may during the course of an ongoing performance period adapt, shorten or eliminate the targets for performance-based remuneration, exercise conditions and periods as well as vesting periods and the relevant performance based remuneration may be forfeited or paid out under the assumption that targets would have been achieved.

5.3 Statutory Provisions regarding Payments to Members of the Executive Management Appointed after the Shareholders' Vote on Pay

Pursuant to article 25 of the Articles of Incorporation, Siegfried Holding AG or any group company may, with respect to any member of the Executive Management who joins the Executive Management or is promoted during a period for which the General Shareholders' Meeting has already approved remuneration for the Executive Management, pay out remuneration for such period(s) if the amount already approved is insufficient. The amount per remuneration period may not exceed 40 percent for the CEO and 25 percent for each other member of the Executive Management, of the most recently approved total remuneration.

In addition, Siegfried Holding AG may compensate a newly appointed member of the Executive Management for any losses suffered in connection with assuming the new position as a result of forfeited vested benefits from his previous position. Such compensation may not exceed CHF 1 000 000 for the CEO and CHF 500 000 per person for the other members of the Executive Management.

5.4 Statutory Provisions regarding Loans, Credit Facilities and Post-Employment Benefits

Pursuant to article 25 of the Articles of Incorporation, Siegfried Holding AG may grant loans and credits to members of the Board of Directors and the Executive Management up to a maximum of the total of their respective individual fixed base remuneration in cash. In addition, Siegfried Holding AG may pay advances on attorney fees, court costs, and the like, up to a maximum of CHF 1 000 000 per member, in order to defend against liability and similar claims by third parties in connection with its activities performed for the Company.

5.5 Statutory Provisions on the Vote on Pay at the General Shareholders' Meeting

Pursuant to article 16 of the Articles of Incorporation, the General Shareholders' Meeting resolves annually on the approval of the motions of the Board of Directors with regard to:

- the maximum total amount of remuneration for the Board of Directors for the term of office expiring at the next ordinary General Shareholders' Meeting;
- the maximum total amount of fixed remuneration for the Executive Management for the following financial year;
- the total amount of short-term performance-based remuneration for the Executive Management for the most recent financial year;
- the total amount of long-term performance-based remuneration for the Executive Management for the current financial year.

Resolutions on the approval of remuneration for the Board of Directors and the Executive Management, respectively, are taken separately. The Board of Directors may submit the elements of remuneration for approval either separately or combined. In addition, the Board of Directors may submit proposals to the General Shareholders' Meeting regarding (i) the total amounts and/or remuneration elements for other periods and/or (ii) supplementary amounts for certain remuneration elements. If the General Shareholders' Meeting declines to approve a motion of the Board of Directors, the Board of Directors may submit new motions at the same General Shareholders' Meeting, at an extraordinary General Shareholders' Meeting, or at the next ordinary General Shareholders' Meeting.

6. Shareholder Rights

6.1 Voting Rights and Proxy

Each share registered in the share registry with voting rights grants to its holder one voting right at the General Meeting of Shareholders. A shareholder may be represented at the General Shareholders' Meeting by a natural person duly authorized in writing, or by the independent voting proxy.

The General Meeting of Shareholders passes its resolutions by a simple majority of the votes cast, unless a qualified majority is required by applicable law or the Articles of Incorporation. If no absolute majority is reached, the chairman casts the deciding vote.

The approval of at least two-thirds of the votes represented is required for resolutions of the General Shareholders' Meeting with respect to:

- a change of the company's purpose
- the creation of shares with preferential voting rights
- amendments to the provisions governing the transferability of shares
- the conversion of registered shares into bearer shares
- an authorized or conditional increase in capital
- an increase in share capital through the conversion of capital surplus, through an in-kind contribution or in exchange for an acquisition of property and a grant of special benefits
- the restriction or cancellation of pre-emptive rights
- the relocation of the company's registered office
- the dissolution of the company without liquidation

6.2 Calling a General Meeting of Shareholders and Setting the Agenda

The General Meeting of Shareholders is called and the agenda therefore is set in accordance with the applicable provisions of the Swiss Code of Obligations.

Shareholders representing shares with a nominal value of CHF 500 000 or more may request that an item be added to the agenda of the General Shareholders' Meeting. Any such request must be made in writing at least 45 days prior to the meeting, setting forth the requested additional agenda item and the motion thereto. No previous request or notification is required for motions concerning items included on the agenda and for debates as to which no vote is taken.

6.3 Entry into the Share Register/Invitation to the General Meeting of April 15, 2016

The Board of Directors has determined that the share registry for the Annual General Meeting 2016 will be closed on Friday, April 8, 2016, 12:00 p.m. All Shareholders wishing to attend the Annual General Meeting of April 15, 2016, must submit their application for registration of shares in the share registry no later than said date. Admission tickets and voting materials may be ordered by submitting the registration form enclosed with the invitation to the Annual General Meeting until April 11, 2016, or electronically on the online platform under <https://sfzn.shapp.ch> until April 13, 2016. Upon receipt of the request, an admission ticket and the voting materials will be sent to the shareholder. No entries into the share registry will be made from April 8, 2016, 12:00 p.m. until April 15, 2016. Shareholders who sell their Siegfried shares prior to the General Meeting of Shareholders forfeit their voting rights.

The invitation to the General Meeting, the minutes of the previous General Meeting, and the motions of the Board of Directors are made accessible on the website of the Siegfried Group (www.siegfried.ch).

7. Control Changes and Defensive Measures

7.1 Mandatory Take-Over Offers

There are no provisions in the Articles of Incorporation of Siegfried Holding AG regarding opting out or opting up (article 125 and 135 of the FMIA).

7.2 Change of Control Clauses

The Long Term Incentive Plan (see Remuneration Report, page 55ff) which came into force on January 1, 2014, provides that:

- a) in the event of a change of control of Siegfried Holding AG, plan participants will, on the date of the change of control, receive a pro-rated number of Siegfried shares for all PSUs granted for ongoing vesting periods. The number of Siegfried shares to be distributed per PSU is calculated on the basis of a valuation method to be determined by the Board.

b) in the event of a takeover which is not endorsed by the Board, Siegfried shares will be distributed to the plan participants pro-rata and on the basis of 100% target achievement as per the date of change of control for all PSUs granted for ongoing vesting periods. The pro-rata entitlement is calculated from the grant date of the PSUs until the date of change of control.

8. Auditors

8.1 Contract Duration and Lead Auditor Term Length

PricewaterhouseCoopers AG (PwC), Basel (or its predecessor companies) has been the statutory auditor of Siegfried Holding AG since 1920. In 2014, the current lead auditor, Gerd Tritschler, carried out the audit for the sixth time. The auditor is annually elected by the General Meeting of Shareholders.

8.2 Audit Fees

PwC billed the Siegfried Group for services in connection with auditing of the annual financial statement of Siegfried Holding AG and of the Siegfried Group companies, the consolidated 2015 financial statement of the Siegfried Group and related auditing services CHF 832 000 (2014: CHF 623 000).

8.3 Additional Fees

For tax consulting during 2015, PwC billed the Siegfried Group CHF 82 000 (2014: CHF 123 000), and for other services CHF 11 000 (2014: CHF 21 000) in additional fees. Further costs for tax consulting and other services by other auditors amounted in 2015 to CHF 59 000 (2014: CHF 39 000).

8.4 External Audit Informational Instruments

The Audit Committee evaluates and discusses the performance, fees, and independence of the auditor every year. It reports to the Board and proposes a motion at the General Meeting on the election (or reelection) of the auditor. The contract is awarded based on a budget presented to the Audit Committee by the auditor.

The auditor regularly attends the meetings of the Audit Committee; there were four meetings in 2015. During such meetings, the auditor presents detailed audit reports, which are also distributed to the Board. Assignments for PwC that go beyond the auditing mandate are subject to approval by the head of the Audit Committee.

9. Information Policy

The Siegfried Group is committed to an open and consistent information policy. The media, financial analysts and other interest groups are continuously informed about important developments and events.

Shareholders are informed semi-annually on the state of the business and receive the annual report and the semi-annual report upon request. The annual report, the minutes of the previous General Meeting, media releases, important information and the current share price can be found at www.siegfried.ch. A news conference is held semi-annually for the media and financial analysts.

Siegfried Holding strictly observes the mandatory disclosure rules of the SIX Swiss Exchange (“ad hoc disclosure”) regarding potentially price sensitive facts.

In 2016, the Siegfried Group will inform about the course of business as follows:

- March 22, 2016: publication of results for the 2015 business year at a media and analyst conference in Zurich (media and financial analysts)
- April 15, 2016, 10:00 a.m.: Annual General Meeting of Shareholders
- August 23, 2016: publication of 2016 half-year financial results

Company address:
Siegfried Holding AG
Untere Bruehlstrasse 4
CH-4800 Zofingen
Switzerland
Phone +41 62 746 11 11
Fax +41 62 746 11 02

www.siegfried.ch