

Corporate Governance 2020

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Corporate Governance

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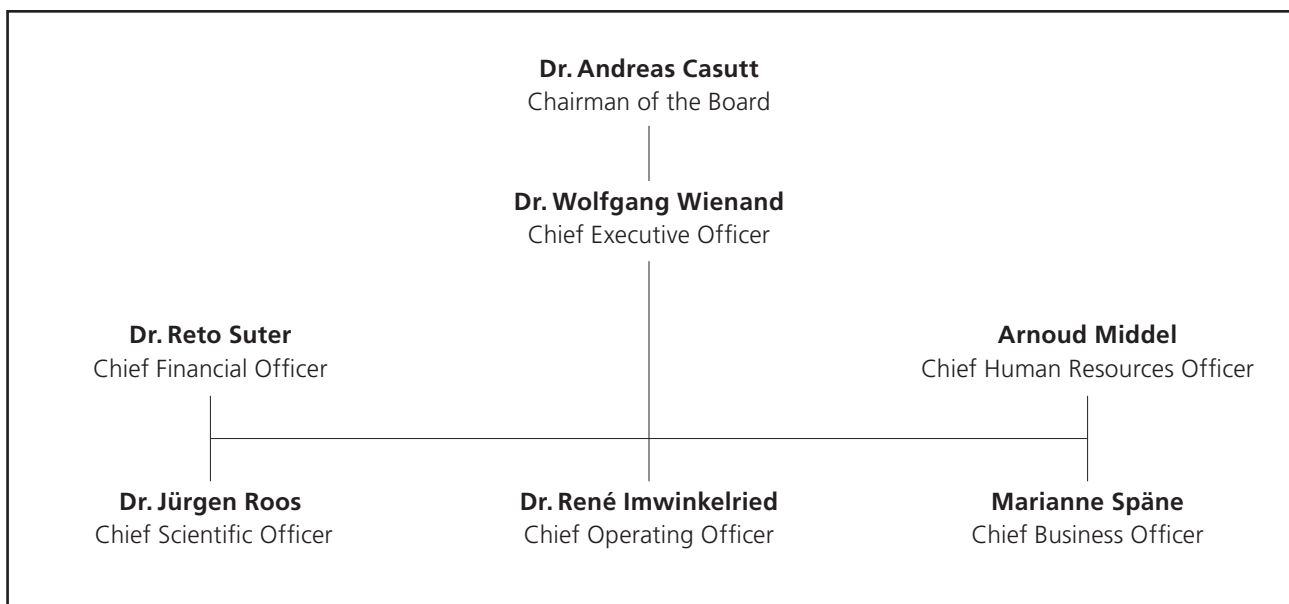
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downloaded at report.siegfried.ch.

Good and transparent Corporate Governance allows Siegfried to develop and strengthen its long-term relationships with shareholders, customers and employees, thereby creating value for both the company and its stakeholders.

1. Group Structure and Shareholders

1.1 Group Structure

1.1.1 Operational Group Structure (as of 31.12.2020)



1.1.2 Legal Group Structure

Siegfried Holding AG, with registered office in Zofingen (Switzerland), is the parent company of the Siegfried Group. As of December 31, 2020, the Siegfried Group comprises 18 consolidated operating and holding companies worldwide. Siegfried Holding AG is listed on the SIX Swiss Exchange (valor symbol: SFZN, ISIN: CH0014284498). On December 31, 2020, the market capitalization of Siegfried Holding AG amounted to approximately CHF 2 724 million.

Siegfried Holding AG is the only listed company of the Siegfried Group which includes the following major group companies:

	Currency (LC)	Capital in LC	Holdings in %
1. Switzerland			
Siegfried Holding AG, Zofingen	CHF	105 294 200	100.00%
Siegfried AG, Zofingen	CHF	20 000 000	100.00%
Siegfried Pharma AG, Zofingen	CHF	1 000 000	100.00%
Siegfried Evionnaz SA, Evionnaz	CHF	1 000 000	100.00%
2. Europe			
Siegfried Hameln GmbH, Hameln	EUR	750 000	100.00%
Siegfried 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	500 000	100.00%
Alliance Medical Products, Inc., Irvine	USD	116 521	100.00%
4. Asia			
Siegfried (Nantong) Pharmaceuticals Co., Ltd., Nantong	CNY	422 296 722	100.00%
Alpine Dragon Pharmaceuticals Ltd, Huangyang, Gansu Province	CNY	10 542 708	49.00%

With effect as per January 1, 2021, Siegfried Holding AG acquired 100% of the shares of two additional operating companies in El Masnou, Spain, and Barberà del Vallès, Spain.

1.2 Significant Shareholders

As of December 31, 2020, the shareholders listed in the following table originally reported holdings of 3% or more of the voting rights of Siegfried Holding AG. The detailed disclosure notifications pursuant to Article 120 Swiss Financial Market Infrastructure Act (FMIA) can be found under <https://www SIX-exchange-regulation.com/en/home/publications/significant-shareholders.html?companyId=SIEGFRIED>. The actual current shareholdings may deviate from the latest publicly disclosed holdings.

	Reported shares	Reported holdings in %
Ernst Göhner Stiftung, Zug, Switzerland	286 019 ¹	6.6
BlackRock, Inc., New York, USA	141 538 ²	3.3
Norges Bank (Zentralbank von Norwegen), Oslo, Norway	131 738 ³	3.0
Credit Suisse Funds AG, Zurich, Switzerland	129 258 ⁴	3.0
René Braginsky, Susanne Braginsky, David Braginsky; Zurich/Tel Aviv	128 000 ⁵	3.0
Siegfried Holding AG (own shares)	127 824 ⁶	3.0
Dimensional Holdings Inc., Wilmington, USA	126 587 ⁷	3.0
Total	1 070 964	24.9

¹ According to the disclosure notification of October 6, 2020; including a purchase position of 98 759 shares, representing 2.3% (see also section 2.6).

² According to the disclosure notification of November 14, 2020.

³ According to the disclosure notification of December 11, 2020.

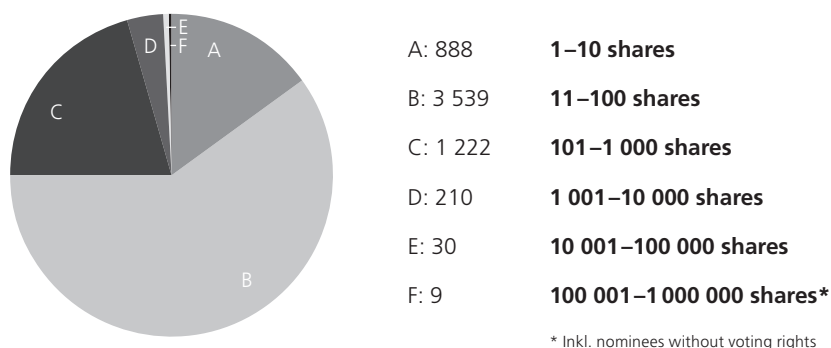
⁴ According to the disclosure notification of April 2, 2019.

⁵ According to the disclosure notification of December 12, 2018.

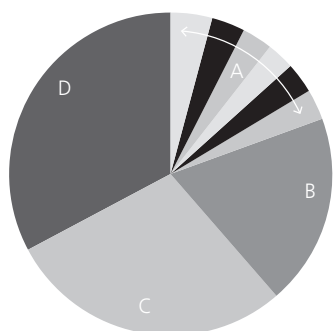
⁶ According to the disclosure notification of December 12, 2018.

⁷ According to the disclosure notification of March 3, 2018.

As of December 31, 2020, 5 898 shareholders (excluding Siegfried Holding AG) were registered in the share register of Siegfried Holding AG, or known on the basis of the disclosure notifications pursuant to Article 120 FMIA. This represents a shareholding of 67.4% of the total share capital. The distribution of the shares among the shareholders was as follows:



Shareholdings by segment as of December 31, 2020, were as follows:



A: 19.6%

4.3%

3.3%

3.0%

3.0%

3.0%

3.0%

B: 19.1%

C: 28.7%

D: 32.6%

Significant shareholders (>3%*)

Ernst Göhner Stiftung, Zug, Switzerland

BlackRock, Inc., New York, USA

Norges Bank (the Central Bank of Norway), Oslo, Norway

Credit Suisse Funds AG, Zurich, Switzerland

René Braginsky, Susanne Braginsky, David Braginsky; Zurich/Tel Aviv

Dimensional Holdings Inc., Wilmington, USA

Individual

Institutional investors

Own shares and non-registered shares

* Shareholdings according to latest SIX disclosure notifications. Excluding own shares.

1.3 Cross Shareholdings

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 register as of December 31, 2020 amounted to CHF 105 294 200, divided into 4 351 000 fully paid-in registered shares with a par value of CHF 24.20 each. All registered shares (with the exception of own shares) authorize the holder to exercise one vote at the General Meeting of Shareholders, and grant 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 shares are issued as uncertificated securities within the meaning of Article 973c of the Swiss Code of Obligations and registered as intermediated securities within the meaning of the Swiss Federal Intermediated Securities Act. Shareholders have no right to request the printing and delivery of share certificates or the conversion of the form in which shares are issued into another form. Shareholders may, however, at any time request from Siegfried Holding AG a written confirmation as to the registered shares listed under his/her name in the share register.

2.2 Authorized and Conditional Share Capital

2.2.1 Authorized Share Capital

The 2019 General Meeting of Shareholders of Siegfried Holding AG approved an authorized share capital of CHF 5 805 000, divided into 215 000 shares of CHF 27.00 par value each. As a result of the decrease of the par value of the shares as resolved by the 2020 General Meeting of Shareholders, the authorized share capital was reduced to CHF 5 203 000, divided into 215 000 shares of CHF 24.20 par value each.

The authorized share capital authorizes the Board of Directors to issue up to of 215 000 registered shares, corresponding to approx. 5% of the outstanding share capital of Siegfried Holding AG, at any time until April 16, 2021. As of December 31, 2020, no shares have been issued out of said authorized share capital.

According to Art. 3^{ter} of the Articles of Association, the Board of Directors shall determine the issue price, the type of contribution, the date of issue, the conditions governing the exercise of subscription rights and the commencement of the dividend entitlement of the shares issued out of authorized share capital. The Board of Directors may issue new shares which are underwritten by a bank or another third party and subsequently offered to the existing shareholders. The Board of Directors is authorized to restrict or to prohibit trading in the subscription rights to the new shares. In the event of subscription rights not being exercised, the Board of Directors may, at its discretion, either allow such rights to expire without compensation, or place them or the shares to which they are entitled either at a market price or in some other manner in furtherance of the interests of the Company.

In addition, the Board of Directors is empowered to withdraw or restrict shareholders' subscription rights and to allocate such rights to individual shareholders or third parties in the event:

- a) of the new shares being used to acquire companies, parts thereof or equity participations, or for the financing or refinancing of such transactions, or for the financing of new investment projects undertaken by the Company.
- b) of the new shares being used either for the extension of the shareholder base in conjunction with the listing of shares on a Swiss stock exchange or for investments by strategic partners.
- c) of the new shares being placed nationally and internationally at market conditions for the purpose of raising equity in a swift and flexible manner that would be difficult to arrange or only at significantly less favorable conditions if the subscription rights to the new shares were not restricted or withdrawn.

Prior to the 2019 General Meeting of Shareholders, Siegfried Holding AG had no authorized share capital.

2.2.2 Conditional Share Capital

The 2019 General Meeting of Shareholders of Siegfried Holding AG approved to increase the number of registered shares of the conditional capital from 60 000 to 215 000, at the time representing a conditional share capital of CHF 5 805 000.

As per December 31, 2020, a total of 51 000 shares had been issued out of the conditional share capital approved by the 2019 General Meeting of Shareholders in accordance with the purpose set forth in Art. 3bis of the Articles of Incorporation. In addition, the 2020 General Meeting of Shareholders resolved to reduce the par value of the shares to CHF 24.20. As a result, as per December 31, 2020, the conditional share of Siegfried Holding AG amounts to CHF 3 968 800, divided into 164 000 reg-

istered shares with a par value of CHF 24.20 each. This corresponds to approx. 3.8% of the outstanding share capital.

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 advanced 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 financial year 2020, Siegfried Holding AG issued a total of 45 000 shares out of conditional share capital approved by the 2019 General Meeting of Shareholders. All shares were issued to the members of the Board of Directors and/or employees of Siegfried Holding AG and/or its group companies in accordance with Article 3^{bis} of the Articles of Incorporation.

In addition, the 2020 General Meeting of Shareholders of Siegfried Holding AG resolved to reduce the share capital of the Company by reducing the par value of the issued registered shares from CHF 27.00 to CHF 24.20 per share. The number of shares remained unchanged and the reduction amount of CHF 2.80 per share was distributed to shareholders. As a result, as per December 31, 2020 the share capital of Siegfried Holding AG amounts to CHF 105 294 200 divided into 4 351 000 registered shares with a par value of CHF 24.20 each. The share capital is fully paid-in.

In the financial year 2019, a total of 53 251 shares were issued out of conditional share capital. The 2019 General Meeting of Shareholders of Siegfried Holding AG approved an ordinary increase of the share capital by increasing the par value of the issued registered shares from CHF 2.00 to CHF 27.00 per share. This resulted in a share capital of CHF 116 262 000 divided into 4 306 000 registered shares with a par value of CHF 27.00 each as per December 31, 2019.

In the financial year 2018, the share capital of the Company increased by CHF 91 668 as a result of the issuance of 45 834 shares with a par value of CHF 2.00 each out of conditional share capital, resulting in a share capital of CHF 8 513 498, divided into 4 256 749 shares with a par value of then CHF 2.00 as per December 31, 2018.

2.4 Participation Certificates and Dividend-right Certificates

As of December 31, 2020, Siegfried Holding AG had no participation certificates or dividend-right certificates outstanding.

2.5 Limitations on Transferability and Registration of Nominees

For as long as the shares of Siegfried Holding AG are in uncertificated form and registered as intermediated securities, any transfer and collateralization of shares must be made in accordance with the Swiss Federal Intermediated Securities Act.

Voting rights may be exercised only after a shareholder has been registered in the share register of Siegfried Holding AG as a shareholder with voting rights. Registration in the share register 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. As of December 31, 2020, no such agreements existed and all nominees were registered in the share register without voting rights.

2.6 Convertible Bonds and Options

On December 28, 2020, Siegfried Holding AG has issued two private, non-transferable hybrid convertible bonds with a nominal value of CHF40 million each, or CHF 80 million in total. The hybrid convertible bonds are subordinated bonds with a perpetual duration, carrying interests of 0.65% and 1.15% respectively. The issuer has a first call date five years after issuance. If it is not exercised, the interest rates increase (step up). Additionally, the holder of the bonds has a conversion right at formulaic conversion price, exercisable in the five years after issuance, until December 28, 2025. According to the disclosure notification of October 10, 2020, the holder of the convertible bonds has the right to convert the nominal amount of the bonds into 98 759 shares of Siegfried Holding AG, representing a stake of 2.27%. The conversion price and, hence, the total number of shares to be issued to the holder of the convertible bonds may be subject to changes in accordance with the terms of the convertible bonds, in particular in the case of payment of dividends by Siegfried. It is expected that the shares required for the conversion of the bonds will be provided from own shares currently held by Siegfried Holding AG without issuance of new shares.

With respect to performance share units granted to the members of the Executive Committee and upper and middle management under the Long Term Incentive Plan of Siegfried Holding AG, please consult the Remuneration Report (page 12 et seq.).

As per December 31, 2020, Siegfried Holding AG has not issued any other convertible bonds or options for Siegfried shares.

3. Board of Directors

The Board of Directors of Siegfried Holding AG currently consists of seven non-executive members.

At the 2020 Annual General Meeting of Shareholders Dr. Rudolf Hanko, the former Chief Executive Officer (CEO) of the Siegfried group who was elected to the Board of Directors in 2019, did not stand for re-election. At his place, the shareholders elected Ms. Isabelle Welton to the Board of Directors and Dr. Martin Schmid was appointed Vice Chairman of the Board of Directors.

During the previous three years, none of the members of the Board of Directors of the current term of office 2020/2021 held a position in the Executive Committee of Siegfried Holding AG or any other company of the Siegfried Group, nor did they have any significant business relationship with Siegfried Holding AG or any other company of the Siegfried Group. All members of the Board of Directors of the current term of office 2020/2021 qualify as non-executive and independent within the meaning of the Swiss Code of Best Practice for Corporate Governance.

3.1 Members of the Board of Directors

Name	Birth year	Position	Member since	End of term
Andreas Casutt	1963	Chairman, non-executive	2010	2021
Martin Schmid	1969	Vice Chairman, non-executive member	2016	2021
Colin Bond	1961	Non-executive member	2013	2021
Wolfram Carius	1961	Non-executive member	2014	2021
Reto Garzetti	1960	Non-executive member	2011	2021
Ulla Schmidt	1949	Non-executive member	2016	2021
Isabelle Welton	1963	Non-executive member	2020	2021

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 law firm Niederer Kraft Frey AG 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, maxon international AG, Liechtenstein-based Bendura Bank AG and various privately held companies. Andreas Casutt studied law and received his Ph.D. in Zurich and completed an LL.M. program at the University of Michigan, Ann Arbor. Andreas Casutt is a Swiss citizen.

Dr. Martin Schmid, Vice Chairman

Martin Schmid (1969) has been a member of the Board of Directors of Siegfried Holding AG since 2016. He was elected State Councillor of the Canton of Graubünden in 2011. From 2003 to 2011 he was a member of the government of the Canton of Graubünden, where he headed the Department of Justice, Security and Health and subsequently the Department of Finance. Martin Schmid is an attorney-at-law. He is a member of the Board of Directors of Swiss Life Holding AG, Repower AG and holds various other directorships in the energy and construction sectors. He also chairs the Swiss Gas Industry Association (VSG ASIG), the Swiss Development Association, the Graubünden Cantonal Hospital Foundation and the Institute of Finance and Financial Law at the University of St. Gallen (IFF-HSG). He is also a member of the board of economiesuisse. He studied law at the University of St. Gallen, where he received his doctorate in 2005. Martin Schmid is a Swiss citizen.

Colin Bond, Member of the Board

Colin Bond (1961) joined the Board of Siegfried Holding AG in 2013. In 2016, he was appointed Chief Financial Officer of Vifor Pharma AG. Previously, Colin Bond held the position of Group Chief Financial Officer of Evotec in Hamburg. 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 Lanxess, a US-based global specialty chemicals company. He is a board member at BioPharma Credit PLC. 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.

Prof. Dr. Wolfram Carius, Member of the Board

Wolfram Carius (1961) joined the Board of Siegfried Holding AG in 2014. In October 2020 he was appointed Executive Vice President Pharmaceuticals heading the newly created Cell and Genetherapy unit at Bayer. Since September 2016, he served as Executive Vice President Pharmaceuticals Product Supply at Bayer and member of the Executive Committee at Bayer Pharma. Previously, Wolfram Carius worked for Sanofi, a French healthcare company, as Senior Vice President Biopharma Biologics and member of the Global Leadership Team. From 1987 to 2013, Wolfram Carius held various positions with the pharma company Boehringer Ingelheim. 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. Before that, he was responsible for the development and expansion of the biopharma unit. He managed the company's production site in Japan and worked later in Brazil as technical director before being appointed member of Boehringer Ingelheim's Board of Managing Directors in Germany. Wolfram Carius serves at the board of the privately held Uhlmann Group in Germany as well as on the Südpack Medica AG board in Switzerland. Wolfram Carius holds a Ph.D. 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 of 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. Since 1999, he is a partner and Vice President of the board of SE Swiss Equities AG. Reto Garzetti serves on the board of MS Industrie (Vice President), listed on the German stock exchange, the board of Peach Properties AG (President), listed on the SIX Swiss Exchange, as well as on the board of the privately held companies AGI AG, Occlutech AG, Südpack Medica AG and Südpack Verpackungen & Co. KG (Advisory Board), 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 1986 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.

Ulla Schmidt, Member of the Board

Ulla Schmidt (1949) joined the Board of Siegfried Holding AG in 2016. She has been a member of the German Bundestag since 1990 and its Vice President from 2013 to 2017. From 2001 to 2009, she held the position of Federal Minister of Health of the Republic of Germany. She served in several public office functions; among others as City Councillor in Aachen. Ulla Schmidt is Chairwoman of the board of Federal Lebenshilfe Association headquartered in Marburg, Germany as well as of the board of trustees of Hospizstiftung Region Aachen and serves on the board of Aktion Mensch, Bonn. Furthermore, Ulla Schmidt was an expert member on the supervisory board of Charité-University Medicine Berlin until March 2020 and a member of the advisory committee of K&S Sozialbau AG, Sottrum until end of 2019. Ulla Schmidt studied psychology at the Technical University of Aachen until the prediploma, and was awarded school teaching degrees from the University of Aachen. She studied and graduated from the Distance University of Hagen, with a degree that qualifies her to teach special education relating to the rehabilitation of children with learning disabilities and children with behavioural disturbances. Ulla Schmidt is a German citizen.

Isabelle Welton, Member of the Board

Isabelle Welton (1963) was elected to the Board of Siegfried Holding AG in 2020. Isabelle Welton started her career with Citibank in Tokyo and subsequently changed to IBM, where she held various positions in marketing and communications before being appointed country general manager of IBM in Switzerland. In 2013, Isabelle Welton joined Zurich Insurance Group as member of the Group Executive Board with responsibility for Human Resources & Corporate Culture. Today, she is the owner of a consulting company focusing on corporate culture and change processes. Isabelle Welton serves on the boards of NZZ Media Group, the Avobis Group and the Swiss Institute of International Studies as well as on the foundation boards of Swisscontact, SOS Children's Village Switzerland and the Lucerne Festival. Isabelle Welton is a Swiss citizen.

3.3 Permitted Activities in the 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 for publicly listed companies. This applies to any mandate in the 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 Term of Office

The members of the Board of Directors of Siegfried Holding AG as well as the Chairman of the Board and the members of the Remuneration Committee are elected by the General Meeting of Shareholders. Apart from that, the Board of Directors constitutes itself.

The term of office of the members of the Board of Directors is one year and ends with the conclusion of the next Annual General Meeting of Shareholders. Re-election is permitted. According to the Board Regulations, members of the Board of Directors must retire at the next General Meeting of Shareholders after reaching the age of 72. The Board of Directors may decide on exceptions for the Chairman and 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 <https://www.siegfried.ch/organisationsreglement>.

During the business year 2020, the Board of Directors met for three one-day ordinary meetings, two half-day ordinary meetings and a strategy meeting of two days. In addition, numerous teleconferences were held. All Board members were present at all ordinary meetings.

The following three Board Committees assist the Board of Directors:

- Audit Committee
- Remuneration Committee
- Strategy Committee

The following three Board Committees assist the Board of Directors:

<u>Committee</u>	<u>Chair</u>	<u>Member</u>
<u>Audit Committee</u>	<u>Colin Bond</u>	<u>Reto Garzetti, Martin Schmid</u>
<u>Remuneration Committee</u>	<u>Reto Garzetti</u>	<u>Martin Schmid, Isabelle Welton</u>
<u>Strategy Committee</u>	<u>Wolfram Carius</u>	<u>Reto Garzetti, Ulla Schmidt</u>

The responsibilities and competencies of the Board Committees are set forth in more detail in article 16 paragraph 4 of the Articles of Incorporation (Remuneration Committee, see <https://www.siegfried.ch/articlesofincorporation>) and Section 3.3.3 of the Board Regulations (see <https://www.siegfried.ch/organisationsreglement>). 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 Committee regularly attend these meetings. The Board Committees submit recommendations to the Board.

In the business year 2020, the Audit Committee met four times, the Remuneration Committee three times, and the Strategy Committee four times for ordinary half-day meetings. All committee members as well as the Chairman of the Board of Directors participated in the ordinary meetings. In addition, various telephone conferences on specific issues were held.

	Ordinary Board Meetings				
	28.02.2020	17.04.2020	13.–14.07.2020	19.08.2020	27.11.2020
Andreas Casutt	x	x	x	x	x
Rudolf Hanko	x	-	-	-	-
Martin Schmid	x	x	x	x	x
Colin Bond	x	x	x	x	x
Wolfram Carius	x	x	x	x	x
Reto Garzetti	x	x	x	x	x
Ulla Schmidt	x	x	x	x	x
Isabelle Welton	-	x	x	x	x

	Audit Committee			
	25.02.2020	12.05.2020	14.08.2020	11.11.2020
Andreas Casutt	x	x	x	x
Rudolf Hanko	-	-	-	-
Colin Bond	x	x	x	x
Wolfram Carius	-	-	-	-
Reto Garzetti	x	x	x	x
Martin Schmid	x	x	x	x
Ulla Schmidt	-	-	-	-

	Remuneration Committee		
	25.02.2020	14.08.2020	11.11.2019
Andreas Casutt	x	x	x
Rudolf Hanko	-	-	-
Martin Schmid	x	x	x
Colin Bond	-	-	-
Wolfram Carius	-	-	-
Reto Garzetti	x	x	x
Ulla Schmidt	x	-	-
Isabelle Welton	-	x	x

	Strategy Committee			
	27.02.2020	20.03.2020	15.05.2020	09.11.2020
Andreas Casutt	X	X	X	X
Martin Schmid	-	-	-	-
Rudolf Hanko	-	-	-	-
Colin Bond	-	-	-	-
Wolfram Carius	X	X	X	X
Reto Garzetti	X	X	X	X
Ulla Schmidt	X	X	X	X
Isabelle Welton	-	-	X	-

3.6 Information and Control Instruments

The internal information and control system of the Board of Directors and the Executive Committee 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 page 20 et seq. of the Financial Report) further add to the Board's information and control instruments.

The results are discussed and evaluated with the CEO, the CFO and other members of the Executive Committee 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 Committee on a regular basis.

Board of Directors



Dr. Andreas Casutt
Chairman



Dr. Martin Schmid
Vice Chairman



Colin Bond
Member of the Board



Prof. Dr. Wolfram Carius
Member of the Board



Reto A. Garzetti
Member of the Board



Ulla Schmidt
Member of the Board



Isabelle Welton
Member of the Board

Detailed portraits of the Members of the Board of Directors can be found on the pages 10–12 or on www.siegfried.ch

Executive Committee



Dr. Wolfgang Wienand
Chief Executive Officer



Dr. Reto Suter
Chief Financial Officer



Dr. René Imwinkelried
Chief Operating Officer



Arnoud Middel
Chief Human Resources Officer



Dr. Jürgen Roos
Chief Scientific Officer



Marianne Späne
Chief Business Officer

Detailed portraits of the Members of the Executive Committee can be found on the pages 19–20 or on www.siegfried.ch

4. Executive Committee

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 definition and achievement of the corporate goals as well as the management of the Siegfried Group companies (results and balance sheet responsibilities). The detailed responsibilities and functions of the CEO are described in the Siegfried Group Board Regulations (see <https://www.siegfried.ch/organisationsreglement>).

4.1 Members of the Executive Committee

As per December 31, 2020, the Executive Committee of Siegfried comprised the following persons:

Name	Birth year	Position	Member since	In current function since
Wolfgang Wienand	1972	Chief Executive Officer	2010	2019
Reto Suter	1971	Chief Financial Officer	2017	2017
René Imwinkelried*	1957	Chief Operating Officer	2012	2016
Arnoud Middel	1971	Chief Human Resources Officer	2011	2011
Jürgen Roos	1968	Chief Scientific Officer	2019	2019
Marianne Späne	1962	Chief Business Officer	2004	2010

* Dr. René Imwinkelried retired with effect as per year end 2020. The department of "Global Technical Operations" which was headed by Dr. Imwinkelried since 2016 was split up into two areas of responsibility, Drug Substances and Drug Products. Irene Wosgien, Multi-Site Head for several of Siegfried's Drug Substance sites, was appointed Chief Operating Officer DS and joined Siegfried Group's Executive Committee with effect from January 1, 2021.

Irene Wosgien (1973) joined Siegfried in 2019 with many years of experience in custom manufacturing in the pharmaceutical and food industry. Before joining Siegfried, Irene Wosgien held various senior management positions at the DSM Group, most recently as Vice President Operations Human Nutrition & Health. She holds a Master's degree in chemical engineering from Eindhoven University and a Master's degree in Management of Safety, Health and Environment from the Technical University of Delft. Irene Wosgien is a Dutch citizen.

Members of the Executive Committee may hold office until they reach the age of ordinary retirement under Swiss law. As of December 31, 2020, the age of ordinary retirement is 64 years for women and 65 years for men.

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 Committee 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 Committee assumes at the direction of Siegfried Holding AG or a group company, provided that no member of the Executive Committee 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 Committee may assume more than ten such mandates.

4.4 Profiles

Dr. Wolfgang Wienand, Chief Executive Officer

Wolfgang Wienand (1972) joined the Siegfried Group in 2010 and was appointed CEO as per January 1, 2019. When joining Siegfried, Wolfgang Wienand first served as Chief Scientific Officer, responsible for Siegfried's global Research & Development activities, before taking over the function as Chief Strategy Officer with responsibility for Strategy, Mergers & Acquisitions, Legal and Intellectual Property Management and Regulatory Affairs in December 2011. From May 2017 until December 2018, he held in parallel both functions, Chief Scientific Officer and Chief Strategy Officer. Before joining Siegfried, Wolfgang Wienand held senior management positions at Evonik Industries AG with a focus on fine chemical and custom development & manufacturing for the pharmaceutical industry. Wolfgang Wienand studied chemistry at the University of Bonn and subsequently obtained a Ph.D. in organic and bioorganic chemistry from the University of Cologne. In addition, he holds an Executive Master's Degree in International Finance of HEC in Paris. Wolfgang Wienand is a German citizen.

Dr. Reto Suter, Chief Financial Officer

Reto Suter (1971) joined Siegfried on May 1, 2017, as Chief Financial Officer. Over the last 16 years, he held a range of responsible positions in industry as well as in finance and private equity. In his last function as COO, CIO and Board Member of Lonrho, a long-established company headquartered in London (UK) and Johannesburg (SA), Reto Suter was responsible for overseeing the public takeover and subsequent delisting and restructuring. Reto Suter studied economics at the University of Zurich and the University of Washington in Seattle and took his doctorate in banking and finance at the University of Zurich. Reto Suter is a Swiss Citizen.

Dr. René Imwinkelried, Chief Operating Officer (retired as per end of 2020)

René Imwinkelried (1957) headed the Technical Operations department since November 2016. From 2012 to May 2017, René Imwinkelried was responsible for the Research & Development of the Siegfried Group. From 2010 to 2012, he was Head of Global Technical Development Small Molecules at Roche in Basel. From 1991 to 2004, he worked in various R&D management positions at Lonza, and then as Head of Global Chemical and Physical Sciences at US-based Schering-Plough. He holds a Ph.D. in organic chemistry from the ETH Zurich and completed a post-doctoral fellowship at Colorado State University and Harvard University. René Imwinkelried is a Swiss citizen.

Arnoud Middel, Chief Human Resources Officer

Arnoud Middel (1971) joined the Siegfried Group in September 2011 as Chief Human Resources Officer. Previously, he worked for various companies in the field of HR. From 2004 to 2006, he held a leading position in the Human Resources department of the Baloise insurance Switzerland. From 2006 to 2008, he was Head HR for the region Continental Europe and Asia of the American industry- and reinsurance group XL-Insurance (today XL-Catlin). From 2008 to 2011, he worked as Head of HR Switzerland and Global Headquarters for Syngenta in Basel. He completed his studies in biology and biochemistry at the University of Basel. Arnoud Middel is a Dutch citizen.

Dr. Jürgen Roos, Chief Scientific Officer

Jürgen Roos (1968) joined the Siegfried Group in April 2019 as Chief Scientific Officer. Before joining Siegfried, Jürgen Roos was working for Evonik Industries AG as Vice President for Innovation Management of the Animal Nutrition business line. Jürgen Roos started his professional career at Evonik (formerly Degussa-Hüls and Degussa AG) in 1999 as laboratory team leader in chemical research in the field of fine chemicals. After various functions within the R&D organization of Evonik, including several years in Canada and the United Kingdom, Jürgen Roos was appointed head of process development in the field of exclusive synthesis in 2008, and subsequently took over the global responsibility for research and development of Evonik's Health Care division. Jürgen Roos studied chemistry at the University of Stuttgart and subsequently obtained a Ph.D. in organic chemistry. Jürgen Roos is a German citizen.

Marianne Späne, Chief Business Officer

Marianne Späne (1962) joined the Siegfried Group in 2004 and was appointed Chief Business Officer in March 2010. She headed the Siegfried Generics Division from 2008 to 2010. From 2004 to 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, Marianne Späne moved 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.

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 Committee 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 10 et seq. 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 Meeting of Shareholders, 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 Meeting of Shareholders, remuneration for members of the Executive Committee consists 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 set forth in the Articles of Incorporation (see <https://www.siegfried.ch/articlesofincorporation>).

In the event of a change of control of Siegfried Holding AG, 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 Committee 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 Committee who joins the Executive Committee or is promoted during a period for which the General Meeting of Shareholders has already approved remuneration for the Executive Committee, pay out remuneration for such period(s) if the amount already approved is insufficient. The amount per remuneration period may not exceed 40% for the CEO and 25% for each other member of the Executive Committee of the most recently approved total remuneration.

In addition, Siegfried Holding AG may compensate a newly appointed member of the Executive Committee 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 Committee.

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

Pursuant to article 27 of the Articles of Incorporation, Siegfried Holding AG may grant loans and credits to members of the Board of Directors and the Executive Committee 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 Meeting of Shareholders

Pursuant to article 16 of the Articles of Incorporation, the General Meeting of Shareholders 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 Annual General Meeting of Shareholders;
- the maximum total amount of fixed remuneration for the Executive Committee for the following financial year;
- the total amount of short-term performance-based remuneration for the Executive Committee for the most recent financial year;
- the total amount of long-term performance-based remuneration for the Executive Committee for the current financial year.

Resolutions on the approval of remuneration for the Board of Directors and the Executive Committee, 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 Meeting of Shareholders regarding (i) the total amounts and/or remuneration elements for other periods and/or (ii) supplementary amounts for certain remuneration elements. If the General Meeting of Shareholders declines to approve a motion of the Board of Directors, the Board of Directors may submit new motions at the same General Meeting of Shareholders, at an extraordinary General Meeting of Shareholders, or at the next Annual General Meeting of Shareholders.

6. Shareholder Rights

6.1 Voting Rights and Proxy

Each share registered in the share register with voting rights grants to its holder one voting right at the General Meeting of Shareholders. A shareholder may be represented at the General Meeting of Shareholders 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 Meeting of Shareholders 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 par value of CHF 500 000 or more may request that an item be added to the agenda of the General Meeting of Shareholders. 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 Annual General Meeting of April 22, 2021

The Board of Directors has determined that the share register for the Annual General Meeting 2021 will be closed on Friday, April 16, 2021. All Shareholders wishing to attend the Annual General Meeting of April 22, 2021, must submit their application for registration of shares in the share register no later than said date. No entries into the share register will be made from Monday, April 19, 2021, until Thursday, April 22, 2021. Shareholders who sell their Siegfried shares prior to the Annual General Meeting forfeit their voting rights.

Due to the uncertainties in connection with the ongoing Covid-19 pandemic, Siegfried will inform the shareholders in due time whether on-site participation at the Annual General Meeting 2021 will be possible and permitted. In case no physical participation will be possible and permitted, Siegfried will provide alternative means for exercising the voting rights. The Annual General Meeting 2021 is planned to be transmitted live on the internet. The invitation to the Annual General Meeting, the minutes of the previous Annual General Meeting, and the motions of the Board of Directors are made accessible on the website of the Siegfried Group (www.siegfried.ch).

7. Change of Control 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 of the Siegfried Group (see Remuneration Report, page 12 et seq.) 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. For the business year 2020, the lead auditor, Thomas Illi, carried out the audit for the fourth 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 2020 financial statement of the Siegfried Group and related auditing services CHF 699 000 (2019: CHF 763 000).

8.3 Additional Fees

For tax consulting and other services in the financial year 2020, PwC billed the Siegfried Group CHF 110 000 (2019: CHF 94 000).

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 Annual 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 2020. 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 reports, the minutes of previous General Meetings of Shareholders, 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 AG strictly observes the mandatory disclosure rules of the SIX Swiss Exchange ("ad hoc disclosure") regarding potentially price sensitive facts.

In 2021, the Siegfried Group will inform about the course of business as follows:

- February 24, 2021: publication of results for the 2020 business year at a media and analyst conference in Zurich (media and financial analysts)
- April 22, 2021, 10:00 a.m.: Annual General Meeting of Shareholders
- August 19, 2021: publication of 2021 half-year financial results

About this Annual Report

In addition to highlighting Siegfried's business performance and its position concerning assets, finances and earnings, this report throws light on the company's commitment concerning sustainability and its interaction with society and the various stakeholders.

They are to gain a comprehensive and differentiated understanding of how Siegfried incorporates these issues into its corporate strategy and of progress achieved in this regard in the course of the year. The report appears in English and German language.

Scope

We report on the 2020 financial year ending 31 December 2020. The future-oriented topics dealt with in the report represent an exception. Siegfried's Annual Report appears annually and was last published in March 2020, both in a printed version and as PDF on our corporate website. The next report will come out in the spring of 2022.

Governance

Our statement concerning Governance describes the principles of management and the control of the Siegfried Group. Essentially, the Siegfried Group's corporate governance follows the Swiss Code of Best Practice and is subject to regular reviews and further development by the Board of Directors. Any deviations from these guidelines find mention in the report.

Principles of accounting

The Siegfried Group's financial reporting is carried out in accordance with the entire guidelines of Swiss GAAP FER and the provisions of the Swiss law.

External validation

PricewaterhouseCoopers AG (PwC) as auditors reviewed Siegfried Holding AG's Compensation Report (tables with remark "Audited") for the financial year ending 31 December 2020 and came to the conclusion that it corresponds with the law and with article 14 to 16 of the Ordinance against excessive remuneration for listed stock corporations. The process of sustainability reporting was supported by BSD Consulting, a consulting company specialized in the management of sustainability issues.

Sustainability Report in Accordance with GRI Standards

This report has been prepared in accordance with the GRI Standards: Core option. Furthermore, for the present annual report, the GRI Materiality Disclosures Service was carried out and the accuracy of the GRI references 102-40 to 102-49 confirmed. Please refer to the detailed GRI content index on the Internet at report.siegfried.ch.

Publisher's Note

This Annual Report is also available in German, being the original version.

This is an excerpt of Siegfried's Annual Report 2020. All chapters of Siegfried's Annual Report 2020 can be downloaded at report.siegfried.ch.

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