

# Corporate Governance 2019

03

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Group Structure and  
Shareholders

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Board of Directors

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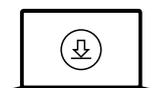
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Executive Committee

# Corporate Governance

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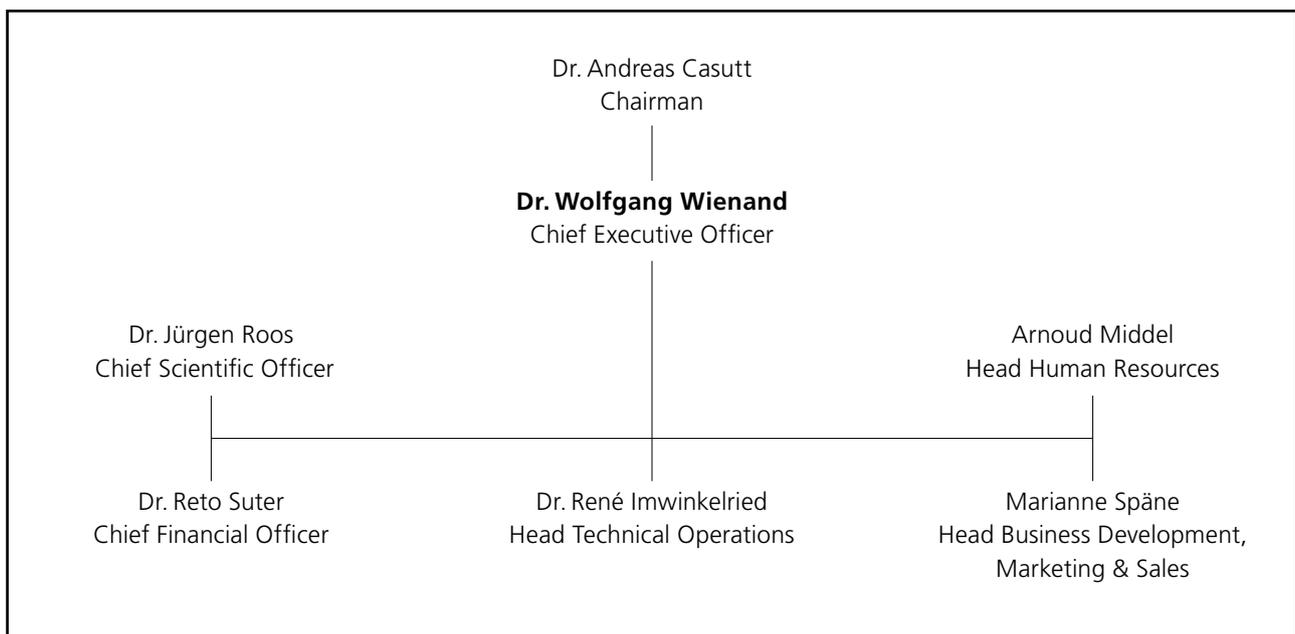
This is an excerpt of Siegfried's Annual Report 2019.  
All chapters of Siegfried's Annual Report 2019 can be  
downloaded at [report.siegfried.ch](https://report.siegfried.ch).

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 31.12.2019)



## 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, 2019, the Siegfried Group comprises 19 consolidated operating and holding companies worldwide. Siegfried Holding AG is listed on the SIX Swiss Exchange (valor symbol: SFZN, ISIN: CH0014284498). On December 31, 2019, the market capitalization of Siegfried Holding AG amounted to approximately CHF 1 926 million.

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

	Currency	Capital in LC	Holding
<b>1. Switzerland</b>			
Siegfried Holding AG, Zofingen	CHF	116 262 000	100.00%
Siegfried AG, Zofingen	CHF	20 000 000	100.00%
Siegfried Pharma, Zofingen	CHF	1 000 000	100.00%
Siegfried Evionnaz SA, Evionnaz	CHF	1 000 000	100.00%
<b>2. Europe</b>			
Siegfried Hameln GmbH, Hameln	EUR	750 000	100.00%
Siegfried Hameln Services GmbH, Hameln	EUR	30 000	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%
<b>3. USA</b>			
Siegfried USA, LLC, Pennsville	USD	500 000	100.00%
Alliance Medical Products, Inc., Irvine	USD	116 521	100.00%
<b>4. Asia</b>			
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%

## 1.2 Significant 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, 2019. 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>

	Shares as of 31.12.2019	Holding % as of 31.12.2019 <sup>1</sup>	Shares as of 31.12.2018	Holding % as of 31.12.2018 <sup>2</sup>
<b>Shareholding &gt;3%</b>				
Credit Suisse Funds AG, Zurich	129 258 <sup>3</sup>	3.0	127 304 <sup>4</sup>	3.0
René Braginsky, Susanne Braginsky, David Braginsky; Zurich/Tel Aviv	128 000 <sup>5</sup>	3.0	128 000	3.0
Siegfried Holding AG (own shares)	127 824 <sup>6</sup>	3.0	127 824	3.0
Dimensional Holdings Inc., Wilmington, USA	126 587 <sup>7</sup>	3.0	<b>126 587</b>	<b>3.0</b>
Norges Bank (the Central Bank of Norway), Oslo, Norway		<3 <sup>8</sup>	<b>130 203<sup>9</sup></b>	<b>3.1</b>
<b>Total</b>	<b>511 669</b>	<b>12.0</b>	<b>639 918</b>	<b>15.1</b>

<sup>1</sup> Based on 4 306 000 issued shares as of December 31, 2019.

<sup>2</sup> Based on 4 256 749 issued shares as of December 31, 2018.

<sup>3</sup> According to the disclosure notification of April 2, 2019.

<sup>4</sup> According to the disclosure notification of February 22, 2018.

<sup>5</sup> According to the disclosure notification of December 12, 2018.

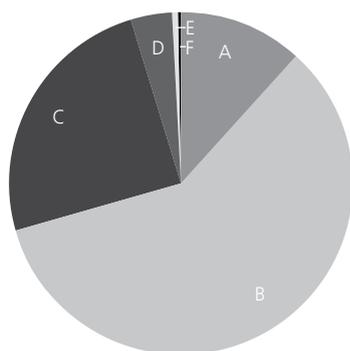
<sup>6</sup> According to the disclosure notification of December 12, 2018.

<sup>7</sup> According to the disclosure notification of March 3, 2018.

<sup>8</sup> According to the disclosure notification of December 20, 2019.

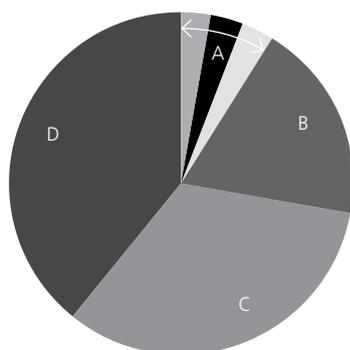
<sup>9</sup> According to the disclosure notification of December 30, 2018.

As of December 31, 2019, 4 966 shareholders (excluding Siegfried Holding AG) were registered in the share register of Siegfried Holding AG, representing a shareholding of 61% of the total share capital. The distribution of the shares among the shareholders was as follows:



A: 582	<b>1–10 Shares</b>
B: 2 930	<b>11–100 Shares</b>
C: 1 225	<b>101–1 000 Shares</b>
D: 191	<b>1 001–10 000 Shares</b>
E: 32	<b>10 001–100 000 Shares</b>
F: 6	<b>100 001–1 000 000 Shares</b>

Shareholdings by segment as of December 31, 2019, was as follows:



A: 9%	<b>Significant shareholders (&gt;3% *)</b>
3%	Credit Suisse Funds AG, Zurich
3%	René Braginsky, Susanne Braginsky, David Braginsky; Zurich/Tel Aviv
3%	Dimensional Holdings Inc., Wilmington, USA
B: 19%	<b>Individual</b>
C: 33%	<b>Institutional investors</b>
D: 39%	<b>Own shares and non-registered shares</b>

\* According to 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, 2019, amounted to CHF 116 262 000, divided into 4 306 000 fully paid-in registered shares with a par value of CHF 27.00 per share. All registered shares (with the exception of treasury 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. 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, 2019, no shares had been issued out of said authorized share capital.

According to Art. 3<sup>ter</sup> 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, representing a conditional share capital of CHF 5 805 000.

As per December 31, 2019, a total of 6 000 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. 3<sup>bis</sup> of the Articles of Incorporation. As a result, the conditional share amounted to CHF 5 643 000, divided into 209 000 registered shares with a par value of CHF 27.00 each. This corresponds to approx. 4.8% 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 2019, Siegfried Holding AG issued a total of 53 251 shares out of conditional share capital approved by the 2014 General Meeting of Shareholders and 6 000 shares out of conditional share capital approved by the 2019 General Meeting of Shareholders. All such 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<sup>bis</sup> of the Articles of Incorporation.

In addition, the 2019 General Meeting of Shareholders of Siegfried Holding AG approved an ordinary increase of the share capital of the Company by increasing the par value of the issued registered shares from CHF 2.00 by CHF 25.00 to CHF 27.00 per share. As the capital increase was entirely paid-in from capital contribution reserves, the shareholders were not subject to any contribution or other payment obligations, and the number of shares remained unchanged.

Hence, as per December 31, 2019 the share capital of Siegfried Holding AG amounts to CHF 116 262 000 divided into 4 306 000 registered shares with a par value of CHF 27.00 each. The share capital is fully paid-in.

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.

In the business year 2017, the share capital of Siegfried Holding AG increased by CHF 88 648 as a result of the issuance of 44 324 shares out of conditional share capital.

## 2.4 Participation Certificates and Dividend-right Certificates

As of December 31, 2019, 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, 2019, such an agreement existed with one nominee (Tweedy, Browne, New York, USA). All other nominees were registered in the share register without voting rights.

## 2.6 Convertible Bonds and Options

As per December 31, 2019, Siegfried had no convertible bonds or options outstanding.

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 13 et seq.).

## 3. Board of Directors

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

Dr. Rudolf Hanko, who was elected to the Board of Directors in 2019, does not stand for reelection at the upcoming General Meeting of Shareholders of Siegfried Holding AG on April 17, 2020. At his place, the Board of Directors will propose to the shareholders to elect Ms. Isabelle Welton to the Board of Directors.

Isabelle Welton (1963) 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 board of NZZ Media Group, Avobis Group and on the foundation boards of Swisscontact, SOS Children's Village Switzerland and Lucerne Festival. Isabelle Welton is a Swiss citizen.

During the previous three years, with the exception of Dr. Rudolf Hanko who served as CEO of the Siegfried Group from 2009 to 2018, none of the members of the Board held a position in the Executive Committee 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. With the exception of Dr. Rudolf Hanko, the members of the Board of Directors of the current term of office 2019/2020 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	2020
Rudolf Hanko	1955	Vice Chairman, non-executive	2019	2020
Colin Bond	1961	Non-executive member	2013	2020
Wolfram Carius	1961	Non-executive member	2014	2020
Reto Garzetti	1960	Non-executive member	2011	2020
Martin Schmid	1969	Non-executive member	2016	2020
Ulla Schmidt	1949	Non-executive member	2016	2020

### 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. Rudolf Hanko, Vice Chairman**

Rudolf Hanko (1955) joined the Board of Siegfried Holding AG in 2019. From May 2009 to December 2018, he served as CEO of Siegfried. 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 and completed post-doctoral studies at the Max Planck Institute in Mülheim. Rudolf Hanko is a German 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 2016, he was appointed Executive Vice President Pharmaceutical Product Supply at Bayer and, in this function, serves as a 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 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. He additionally serves on the board of SKW Stahl Metallurgie Holding AG (until 2016), 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 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.

#### **Dr. Martin Schmid, Member of the Board**

Martin Schmid (1969) joined the Board of Siegfried Holding AG in 2016. He was elected Councilor of State for the Canton of Grisons in 2011. From 2003 to 2011, he served as a member of the Canton of Grisons government, where he was in charge of the Department of Justice, Security, and Health as well as subsequently the Department of Finance. Martin Schmid is an attorney at law. He serves on the boards of Swiss Life Holding AG and Repower AG, and holds various other board mandates in the energy, health and construction sectors. In addition, he presides the Swiss Gas Industry Association (VSG ASIG), the foundation of the Cantonal Hospital Grisons and the Institute for Financial Economy and Financial Law (IFF) of the University of St. Gallen. Furthermore, he is a board member of *economie-suisse*, a Swiss corporate union. He studied law at the University of St. Gallen, where he was awarded a Ph.D. in 2005. Martin Schmid is a Swiss 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 in the Republic of Germany. She served in several public office functions; among others as City Councilor in Aachen. Ulla Schmidt is Chairwoman of the board of Federal Lebenshilfe Association headquartered in Marburg, Germany, an expert member on the supervisory board of Charité-University Medicine Berlin, and was a member of the advisory committee of K&S Sozialbau AG, Sottrum, until December 31, 2019. Furthermore, she serves on the board of Aktion Mensch, Bonn, and is Chairwoman of the board of trustees of Hospizstiftung Region Aachen. Ulla Schmidt studied psychology at the Technical University of Aachen until the pre-diploma, 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.

### **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 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 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.

### 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/fileadmin/Dateien/2019/04/Siegfried\\_Organisationsreglement\\_2019-04.pdf](https://www.siegfried.ch/fileadmin/Dateien/2019/04/Siegfried_Organisationsreglement_2019-04.pdf)

During the business year 2019, 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. With the exception of one member at one meeting only, 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 table shows the composition of the Board Committees for the term of office 2019–2020:

<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, Ulla Schmidt</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) ([https://www.siegfried.ch/fileadmin/Dateien/2019/05/SIE\\_Statuten\\_EN\\_2019-05.pdf](https://www.siegfried.ch/fileadmin/Dateien/2019/05/SIE_Statuten_EN_2019-05.pdf)) and Section 3.3.3 of the Board Regulations (see [https://www.siegfried.ch/fileadmin/Dateien/2019/04/Siegfried\\_Organisationsreglement\\_2019-04.pdf](https://www.siegfried.ch/fileadmin/Dateien/2019/04/Siegfried_Organisationsreglement_2019-04.pdf)). 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 2019, the Audit Committee met four times, the Remuneration Committee three times, and the Strategy Committee twice 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				
	01.03.2019	17.04.2019	06.–08.07.2019	19.08.2019	29.11.2019
Andreas Casutt	x	x	x	x	x
Rudolf Hanko		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
Martin Schmid	x	x	x	x	x
Ulla Schmidt	x	x	x	x	-

	Audit Committee			
	20.02.2019	06.05.2019	14.08.2019	15.11.2019
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			Strategy Committee	
	20.02.2019	14.08.2019	15.11.2019	17.05.2019	28.11.2019
Andreas Casutt	x	x	x	x	x
Rudolf Hanko					
Colin Bond					
Wolfram Carius				x	x
Reto Garzetti	x	x	x	x	x
Martin Schmid	x	x	x		
Ulla Schmidt	x	x	x	x	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 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. Rudolf Hanko  
Vice Chairman



Colin Bond  
Member of the Board



Prof. Dr. Wolfram Carius  
Member of the Board



Reto A. Garzetti  
Member of the Board



Dr. Martin Schmid  
Member of the Board



Ulla Schmidt  
Member of the Board

Detailed profiles of the members of the Board of Directors are listed on pages 9–11 or on [www.siegfried.ch](http://www.siegfried.ch)

## Executive Committee



Dr. Wolfgang Wienand  
Chief Executive Officer



Dr. Reto Suter  
Chief Financial Officer



Dr. René Imwinkelried  
Global Head Technical Operations



Arnoud Middel  
Global Head Human Resources



Dr. Jürgen Roos  
Chief Scientific Officer



Marianne Späne  
Global Head Business Development,  
Marketing & Sales

Detailed profiles of the members of the Executive Committee are listed on pages 17–18 or on [www.siegfried.ch](http://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/fileadmin/Dateien/2019/04/Siegfried\\_Organisationsreglement\\_2019-04.pdf](https://www.siegfried.ch/fileadmin/Dateien/2019/04/Siegfried_Organisationsreglement_2019-04.pdf)).

### 4.1 Members of the Executive Committee

Dr. Wolfgang Wienand, former Chief Strategy Officer and Chief Scientific Officer of the Siegfried Group, took over his new function as Chief Executive Officer on January 1, 2019. In addition, as announced by Siegfried on October 15, 2018, Dr. Jürgen Roos joined Siegfried in his function as Chief Scientific Officer per April 1, 2019.

Hence, as per December 31, 2019, 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	Global Head Technical Operations	2012	2016
Arnoud Middel	1971	Global Head Human Resources	2011	2011
Jürgen Roos	1968	Chief Scientific Officer	2019	2019
Marianne Späne	1962	Global Head Business Development, Marketing & Sales	2004	2010

Members of the Executive Committee may hold office until they reach the age of ordinary retirement under Swiss law. As of December 31, 2019, 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, Global Head Technical Operations**

René Imwinkelried (1957) heads the Technical Operations 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, Global 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 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, Global 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. 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 13 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 (cf. [https://www.siegfried.ch/fileadmin/Dateien/2019/05/SIE\\_Statuten\\_EN\\_2019-05.pdf](https://www.siegfried.ch/fileadmin/Dateien/2019/05/SIE_Statuten_EN_2019-05.pdf)).

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 Shareholders' Meeting

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 ordinary 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 ordinary 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 17, 2020

The Board of Directors has determined that the share register for the Annual General Meeting 2020 will be closed on Wednesday, April 8, 2020. All Shareholders wishing to attend the Annual General Meeting of April 17, 2020, 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 Wednesday, April 8, 2020, until Friday, April 17, 2020. Shareholders who sell their Siegfried shares prior to the Annual General Meeting forfeit their voting rights.

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](http://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 13 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 2019, the lead auditor, Thomas Illi, carried out the audit for the third 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 2019 financial statement of the Siegfried Group and related auditing services CHF 763 000 (2018: CHF 755 000).

### 8.3 Additional Fees

For tax consulting and other services in the financial year 2019, PwC billed the Siegfried Group CHF 94 000 (2018: CHF 123 000).

### 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 2019. 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](http://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 2020, the Siegfried Group will inform about the course of business as follows:

- March 4, 2020: publication of results for the 2019 business year at a media and analyst conference in Zurich (media and financial analysts)
- April 17, 2020, 10:00 a.m.: Annual General Meeting of Shareholders
- August 20, 2020: publication of 2020 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 2019 financial year ending 31 December 2019. The future-oriented topics dealt with in the report represent an exception. Siegfried's Annual Report appears annually and was last published in March 2019, both in a printed version and as PDF on our corporate website. The next report will come out in the spring of 2021.

### 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 2019 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](http://report.siegfried.ch).

## Publisher's Note

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

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