

# ORGANISATIONAL REGULATIONS



**PRECIOUS WOODS**

of

Precious Woods Holding AG  
(Precious Woods Holding SA)  
(Precious Woods Holding Ltd)  
Zug, Switzerland



## Contents

Article 1	Basis in Articles of Association	3
Article 2	Board of Directors	4
Article 3	Committees of the Board of Directors	8
Article 4	Financial, Risk & Audit Committee (FRAC)	10
Article 5	Remuneration & Nomination Committee (RNC)	10
Article 6	Chair	11
Article 7	Vice-president	12
Article 8	Group Management	12
Article 9	CEO	13
Article 10	Signing authority	14
Article 11	Recusal / Conflicts of interest	15
Article 12	Confidentiality	15
Article 13	Entry into effect	16



## **Article 1 – Basis in Articles of Association**

- 1.1. Based on Articles 716b and 718 of the Swiss Code of Obligations and Article 18 of the Articles of Association, the Board of Directors issues these Organisational Regulations ("Regulations"). The Regulations regulate the management of the business of Precious Woods Group ("Group"), stipulate the functions required to carry this out, define their duties, and regulate the Group's internal reporting.
- 1.2. The Regulations govern the duties and powers of the following executive bodies of the Group:
  - i. Board of Directors of the Group ("Board of Directors");
  - ii. Chair of the Board of Directors of the Group ("Chair");
  - iii. Delegate of the Board of Directors of the Group, if applicable ("Delegate");
  - iv. Management of the Group ("Group Management");
  - v. Chair of the Group Management ("CEO").

The Group includes all companies which are under a single management within the meaning of Article 963(1) of the Code of Obligations ("Group companies").

- 1.3. The purpose of the Regulations is to ensure the single management of the Group. The executive bodies are obliged to manage, coordinate, and monitor the business activities in accordance with the provisions of the Regulations. The Group is managed in accordance with the laws and provisions of the Articles of Association applicable to the individual Group companies.

All function designations apply equally to men and women regardless of their linguistic form.



## **Article 2 – Board of Directors**

### **2.1. General provisions**

- 2.1.1 The Board of Directors is responsible for overall management as well as supervision and control of the management of the Group. It defines the business policy and keeps itself regularly informed about the course of business of the Group.
- 2.1.2 The Board of Directors is authorised to make decisions on all matters that are not reserved or assigned to the General Meeting or another body of the Group by law, the Articles of Association, or regulations.

### **2.2. Composition**

- 2.2.1. The members of the Board of Directors contribute experience and expertise from a wide range of different fields and have both the skills and time required to ensure that they can critically engage with the Group Management and are able to form independent opinions.
- 2.2.2. As a rule, the members of the Board of Directors do not perform any operational management duties within the Group.
- 2.2.3. As a rule, a member of the Board of Directors steps down from the Board of Directors on the day of the ordinary General Meeting after the member reaches the age of 74.

### **2.3. Constitution**

- 2.3.1. The Board of Directors is a self-constituting body and, where applicable, it appoints the Vice Chair and the members of the committees, each for a term of office of 1 year.
- 2.3.2. The Board of Directors appoints a secretary, who need not be a member of the Board of Directors.

### **2.4 Meetings and frequency of meetings**

- 2.4.1 The Board of Directors meets as often as is necessary for the course of business, but no fewer than four times per fiscal year. The dates for the ordinary meetings are set in advance for the entire fiscal year.
- 2.4.2 Extraordinary meetings must be convened by the Chair at least 5 working days in advance by email, fax, or letter, stating the agenda, unless all members agree to another form of convening.



- 2.4.3 The Chair may invite guests to the meetings, in particular members of the Group Management, who, however, are not entitled to vote.

**2.5 Convening and agenda**

- 2.5.1 The Chair issues invitations to the meetings, prepares the agenda, and chairs the meetings. If the Chair is unavailable or absent, the Vice Chair or, in the Vice Chair's absence, the longest-serving member of the Board of Directors shall assume the Chair's duties.
- 2.5.2 The agenda is set and announced by the Chair. Any member of the Board of Directors may request the Chair to add an item to the agenda up to 3 working days in advance. The Chair then announces the supplemented agenda without delay.
- 2.5.3 Resolutions on business not included in the agenda may not be passed without the consent of all members of the Board of Directors present.

**2.6 Quorum, adoption of resolutions, and taking of minutes**

- 2.6.1 The Board of Directors constitutes a quorum when at least half of its members are present.
- 2.6.2 Resolutions are passed by a majority of the voting members of the Board of Directors. In the event of a tie, the chair of the meeting has the casting vote.
- 2.6.3 Resolutions must be recorded in the minutes, which are signed by the chair of the meeting and the secretary. The minutes are delivered to the members of the Board of Directors after the meeting. If no objections are raised within 5 working days from the date of delivery of the minutes, the minutes are deemed approved. If objections are raised, the revised minutes are submitted to the Board of Directors for approval at the following meeting.
- 2.6.4 Unless a member requests oral deliberation, resolutions may also be passed in writing or in electronic form (including fax, email, and the like) subject to the following additional provisions (circular resolutions):
- i. Requests for circular resolutions must specify a deadline by which votes may be cast and oral deliberation may be requested. This period must be least 2 full working days.
  - ii. Circular resolutions are passed by a majority of the votes cast by the set deadline, with at least half of the members of the Board of Directors approving a resolution.
  - iii. Circular resolutions are recorded in the minutes at the next meeting of the Board of Directors.



## 2.7 Duties and powers

- 2.7.1 The Board of Directors delegates management of the Group to the CEO and/or the Group Management, unless otherwise provided by law, the Articles of Association, or the Regulations.
- 2.7.2 Notwithstanding points 2.1.2 and 2.7.1, the Board of Directors may at any time, either case by case or within the framework of general powers reserved, intervene in the duties and powers of the CEO or the Group Management and assume their business.
- 2.7.3 The Board of Directors shall in particular perform the following duties:
- a) The non-transferable and inalienable duties as set out by law and in Article 17 of the Articles of Association:
- i. the overall management of the Group and issuing the required directives;
  - ii. determining the Group's organisation;
  - iii. organising the accounting, financial control, and financial planning systems as required for management of the Group;
  - iv. appointing and dismissing persons entrusted with managing and representing the Group;
  - v. overall supervision of the persons entrusted with managing the Group, in particular with regard to compliance with the law, Articles of Association, regulations, and directives;
  - vi. compiling the annual report, preparing for the General Meeting and implementing its resolutions;
  - vii. filing an application for a debt restructuring moratorium and notifying the court in the event that the company is overindebted;
  - viii. determining the rules governing subsequent contributions in respect of shares that are not fully paid-up;
  - ix. deciding on the establishment of capital increases and the resulting amendments to the Articles of Association;
  - x. examining the professional requirements of the specially qualified auditors for the cases in which the law provides for the use of such auditors.



- b) Strategic management
  - i. determining the Group's strategic direction and ongoing control of strategy implementation;
  - ii. determining the strategic business areas in which the Group intends to operate with its business units;
  - iii. approving the business objectives and the means necessary to achieve them;
  - iv. approving the formation/liquidation and the acquisition/sale of Group companies as well as the formation/dissolution of strategic alliances;
  - v. ensuring an internal control system and risk management adapted to the Group.
- c) Financial management
  - i. determining the capital structure of the Group, the capital resources of the Group companies, and the shareholdings;
  - ii. determining accounting principles and approving changes in accounting principles;
  - iii. determining the principles of controlling and internal auditing;
  - iv. approving the business plans (medium-term plan, investment budget, annual budget);
  - v. determining the salary and remuneration principles, including employee participation and the main features of the conditions of employment;
  - vi. determining remuneration of the members of the Group Management.
- d) Determining the Group's organisation
  - i. determining the principles of the Group's organisation;
  - ii. determining the principles of management (corporate governance) and environmental and social policy;
  - iii. approving significant restructuring projects;
  - iv. approving the assumption of outside board memberships and political mandates by the Chair and the CEO;
  - v. determining the principles on the engagement of external consultants.



## **2.8 Right to information and of inspection, reporting**

2.8.1 At each meeting, the Board of Directors must be informed in good time by the Chair or the members of the Group Management designated by them about the current course of business, the most important business transactions, and their possible development potential at the Group and the Group companies. Extraordinary events must be brought to the attention of the members of the Board of Directors by circular letter without delay.

2.8.2 Each member of the Board of Directors may at any time request from the Chair information on all matters concerning the Group and the Group companies as well as inspection of the accounts of the Group and the Group companies. If the Chair refuses a request for information, consultation, or inspection, the Board of Directors shall decide on the request.

## **2.9 Remuneration**

2.9.1 The members of the Board of Directors receive annual remuneration. The Board of Directors determines the remuneration annually at the proposal of the RNC. If no RNC exists at the time of the determination, the full Board of Directors determines the remuneration.

2.9.2 For services performed by members of the Board of Directors on behalf of the Group which are obviously outside the ordinary activities of the Board of Directors, the Board of Directors determines the remuneration at the proposal of the RNC. If no RNC exists at the time of the determination, the full Board of Directors determines the remuneration.

## **Article 3 – Committees of the Board of Directors**

### **3.1 Composition and constitution**

3.1.1 The Board of Directors establishes committees from among its members. The committees comprise at least three members, who are elected for a term of office of 1 year. If the Board of Directors consists only of at most four members, it may integrate the committees into the ordinary meetings of the Board of Directors, and the full Board of Directors assumes all the duties of the committees.

3.1.2 The Board of Directors appoints the members of the committees and designates their chairs. In all other respects, the committees are self-constituting. They may issue regulations which set out their working methods in more detail within the scope of these Regulations.





3.1.3 The Board of Directors appoints a secretary for each committee, who need not be a member of the Board of Directors.

3.1.4 The committees may avail themselves of technical and/or professional assistance from third parties as needed.

### 3.2 Meetings

3.2.1 The committees meet as often as is necessary for the performance of their duties.

3.2.2 The members of the committees determine the meeting dates by mutual agreement and may also agree to deliberate by telephone.

### 3.3 Quorum, adoption of resolutions, and taking of minutes

3.3.1 A committee constitutes a quorum if at least two thirds of its members are present.

3.3.2 Resolutions are passed by a majority of the voting members of the committee. In the event of a tie, the chair of the meeting has the casting vote.

3.3.3 Resolutions must be recorded in the minutes.

3.3.4 Resolutions may also be passed in writing (including by fax or email) or by telephone with subsequent email confirmation (circular resolutions). Any resolution passed in this way has the same validity as resolutions passed at a meeting and must be recorded in the minutes.

### 3.4 Powers

3.4.1 The committees are responsible for preparing certain business or personnel matters for the attention of the Board of Directors and submitting proposals as needed. In addition, they report to the Board of Directors regularly, but at least once a year, on their activities.

3.4.2 The Board of Directors retains overall responsibility for the tasks assigned to the committees.

### 3.5 Remuneration

3.5.1 The members of the committees receive separate remuneration for their activities.

3.5.2 The Board of Directors determines the remuneration annually at the proposal of the RNC.

3.5.3 The committees submit an annual budget to the Board of Directors for approval concerning the costs of professional and/or technical assistance.

3.5.4. If the committee meetings are held as part of a regular Board of Directors meeting, no additional remuneration is paid.



## **Article 4 – Financial, Risk & Audit Committee (FRAC)**

### **4.1 Composition**

- 4.1.1 The members of the FRAC must have market knowledge and experience in finance and accounting and be able to read and understand (consolidated) financial statements.

### **4.2 Tasks and duties**

- 4.2.1 The FRAC monitors the integrity of the Group's financial reporting, in particular in the area of finance and accounting, and it assesses the risk and control processes.
- 4.2.2 The FRAC assesses the effectiveness of the external and internal audits and their interaction, and it reviews the risk management and compliance function. It monitors the independence of the external auditors and ensures their efficient communication with the Group Management. The FRAC also reviews the individual and consolidated financial statements and the interim financial statements intended for publication, and it submits a proposal to the Board of Directors regarding approval of the interim financial statements intended for publication and submission of the consolidated and individual financial statements to the General Meeting.
- 4.2.3 The FRAC assesses the financial situation of the Group and supports the management with proposals for financing structures. It is also available to provide active support in financing activities.
- 4.2.4 The FRAC assesses possible differences between the CFO and other members of the Group Management regarding implementation of the accounting principles, hearing all parties concerned. If the CFO and the members of the Group Management concerned cannot reach agreement, the FRAC submits a proposal to the Board of Directors, which makes the final decision.
- 4.2.4 The FRAC deliberates and decides independently. By appropriate means, it communicates its decisions, observations, and analyses to the members of the Group Management concerned, as a rule without prior consultation.

## **Article 5 – Remuneration & Nomination Committee (RNC)**

### **5.1 Composition**

- 5.1.2 The members of the RNC must have market knowledge and experience in human resources and remuneration and be able to understand personnel strategies and remuneration models.



## **5.2 Tasks and duties**

- 5.2.1 The RNC annually reviews the remuneration of the members of the Board of Directors and the CEO and – in consultation with the CEO – of the other members of the Group Management, and it submits corresponding proposals to the Board of Directors. This requires an assessment of the work of the CEO and the other members of the Group Management with regard to achievement of the objectives relevant for the determination of remuneration.
- 5.2.2 The RNC annually reviews the salary and remuneration principles, including employee participation plans and the main features of the conditions of employment, and it submits corresponding proposals to the Board of Directors.
- 5.2.3 The RNC monitors the market and performance fairness of total remuneration as well as the Group's competitiveness in the labour market, and it submits corresponding proposals to the Board of Directors.
- 5.2.4 The RNC draws up measures relating to personnel policy and strategy and submits corresponding proposals to the Board of Directors.
- 5.2.5 The RNC prepares the continuing development and deputisation of the CEO or, in their absence of the entire Group Management, and it reports periodically to the Board of Directors.
- 5.2.6 The RNC selects candidates for election or re-election to the Board of Directors and of the CEO and – at the proposal of the CEO – of the other members of the Group Management, and it submits corresponding proposals to the Board of Directors.
- 5.2.7 Disputes concerning the remuneration of members of the Group Management must be submitted to the RNC for assessment. The RNC then submits a proposal to the Board of Directors, which makes the final decision.

## **Article 6 – Chair**

- 6.1 The Chair performs duties in accordance with the law, the Articles of Association, and the Regulations.
- 6.2 The Chair is in particular responsible for:
  - i. leading the Board of Directors in the interest of the Group;
  - ii. providing information to the Board of Directors in a timely manner on important developments and special occurrences in the Group;
  - iii. monitoring implementation of the resolutions of the Board of Directors;
  - iv. ensuring contact with stakeholders, shareholders, and potential investors of the companies;



- v. communication of Group policy internally in coordination with the CEO or, in the absence of the CEO, with the CFO;
  - vi. preparing and chairing the General Meeting;
  - vii. granting specific individual mandates to members of the Board of Directors in the interest of the Group, provided that they appear suitable for the performance of such duties;
  - viii. composing ad hoc committees and working groups in the interest of the Group, where doing so appears to be urgent for reasons of time or other reasons.
- 6.3 The Chair reports to the Board of Directors regularly, but at least once a year, on the Chair's activities for the Group. The performance of the Chair's functions within the Group, in particular the Chair's influence on the management of the Group and internal communication, is subject to periodic review by the Board of Directors.
- 6.4 Joint appointment as Chair and CEO
- The Board of Directors and the Group Management are chaired by two different persons. In exceptional cases, however, this arrangement may be deviated from for a transitional period. In such cases, the Board of Directors ensures adequate control mechanisms or by means of special regulations.

## **Article 7 – Vice-president**

The Vice-president performs the duties of the Chair where the Chair is unable to do so or in the Chair's absence, in consultation with the Chair.

## **Article 8 – Group Management**

### **8.1 Composition**

The Group Management is composed of the CEO (or several co-CEOs) and the other members of the Group Management.

### **8.2 Responsibility**

The Board of Directors delegates the entire management of the Group to the Group Management, unless otherwise provided by law, the Articles of Association, or the Regulations.



### 8.3 Organisation, duties, and powers

- 8.3.1 The Group Management performs the operational management of the Group under the leadership of the CEO/of the co-CEOs. In the absence of a CEO, the Board of Directors divides the functions of the CEO among the other members of the Group Management.
- 8.3.2 The organisation, duties, and powers of the Group Management and its members are set out in Management Regulations, which are to be submitted to the RNC and approved by the Board of Directors.

## **Article 9 – CEOs**

### 9.1 Responsibility

The CEO/co-CEOs is/are responsible for personnel and professional leadership of the Group Management as well as for achievement of the Group's objectives and results within the scope of the CEO's duties.

### 9.2 Duties

#### 9.2.1 Operational management of the Group:

- i. managing, coordinating, and monitoring the business activities of the Group;
- ii. defining objectives and monitoring achievement of objectives by the individual business units, and adopting business objectives for the attention of the Board of Directors for approval;
- iii. organising the Group Management and submitting a proposal to the Board of Directors for approval of the Management Regulations;
- iv. issuing regulations and specifications for business units and functions;
- v. carrying out the directives and resolutions of the Board of Directors, and providing regular and systematised information to the Board of Directors on management and risk positions;
- vi. operating an active internal and external communications policy, and ensuring appropriate investor relations in coordination with the Chair.



**9.2.2 Strategic management of the Group:**

- i. submitting proposals to the Board of Directors concerning the strategic business areas in which the Group intends to operate with its business units;
- ii. submitting proposals to the Board of Directors for approval of the formation/liquidation and the acquisition/sale of Group companies as well as the formation/dissolution of strategic alliances.

**9.2.3 Financial management of the Group:**

- i. adopting the business plans (medium-term plan, investment budget, annual budget) in cooperation with the CFO for the attention of the Board of Directors for approval;
- ii. organising and carrying out controlling via the subordinate organisational units;
- iii. procuring, managing, and allocating the necessary financial resources;
- iv. controlling implementation.

**9.2.4 Organisation and staffing:**

- i. submitting proposals to the Board of Directors for a suitable organisational structure and process organisation of the Precious Woods Group;
- ii. submitting proposals to the Board of Directors for implementation of significant restructuring projects;
- iii. submitting proposals to the Board of Directors for appointment of members of the Group Management and their remuneration;
- iv. approving the assumption of outside board memberships and political mandates by members of the Group Management.

**Article 10 – Signing authority**

- 10.1 The Chair and, where applicable, other members of the Board of Directors as well as the persons entrusted with the management of the Group have dual signing authority.
- 10.2 The signing authority must be published in the commercial register or the equivalent foreign register.
- 10.3 The Board of Directors may grant exceptions in justified cases.



### **Article 11 – Recusal / Conflicts of interest**

- 11.1 Each member of the Board of Directors must inform the Chair by fax or email of any conflict of interest concerning one or more items on the agenda no later than 2 working days after the agenda has been announced. If the Chair is affected by a conflict of interest, the Chair must inform the Vice Chair or, in the absence of the Vice Chair, the entire Board of Directors, who shall chair the meeting for the business in question.
- 11.2 If a conflict of interest is communicated to or otherwise known to the Chair, or the Board of Directors, that body or person may order that:
- i. in the event of minor conflicts of interest, the member concerned be admitted to deliberation or decision-making; or
  - ii. the member concerned be excluded from deliberation and/or decision-making; or
  - iii. the member concerned must leave the meeting room during deliberation and decision-making.
- If the member concerned or the Board of Directors does not agree with the decision of the Chair, the Board of Directors orders the appropriate measure.
- 11.3 If conflicts of interest arise within the committees, the person chairing the respective committee orders the appropriate measures in accordance with point 11.2. If the person chairing the committee is involved in a conflict of interest, the Chair assumes that person's responsibility. If, due to a conflict of interest, a committee no longer constitutes a quorum, the Chair delegates a suitable member of the Board of Directors to the committee for the business in question.

### **Article 12 – Confidentiality**

- 12.1 The members of the Board of Directors must maintain confidentiality about all matters of the Group which they learn of in the course of their service and which are not intended for publication. This obligation continues to apply even after termination of their service as a member of the Board of Directors.
- 12.2 Upon termination of service as a member of the Board of Directors, all company documents must be handed over to the secretary of the Board of Directors.



**PRECIOUS WOODS**

### **Article 13 – Entry into effect**

These Organisational Regulations were adopted by the Board of Directors at its meeting on 8 November 2005, they entered into effect on 1 January 2006, and they were last amended on 12 December 2024.

The Chair of the Board of Directors:

Markus Brütsch