

# Corporate Governance Report

## Responsible corporate management and control in the interests of its shareholders, employees, customers and further interest groups are the foundation of the CPH Group's ability to sustainably create value through its business activities.

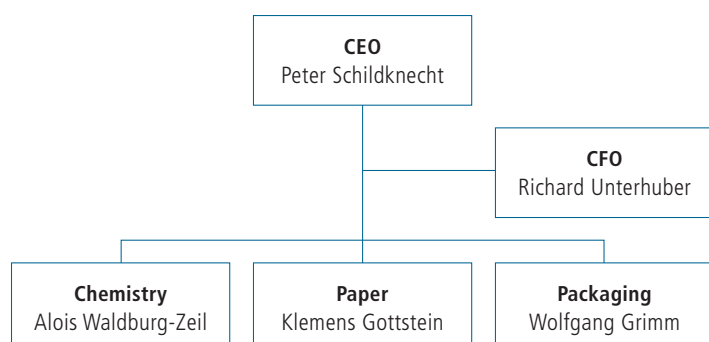
This section is structured in accordance with the corporate governance guidelines of the SIX Swiss Exchange. The CPH Group also aligns itself and its activities to the principles of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse, and applies these in a manner appropriate to its size and structure. For some items, reference is made to the consolidated financial statements from Page 48, and in particular to the additional corporate governance information in the annex to the consolidated financial statements from Page 70. This section is based on the Articles of Incorporation and the Organizational Regulations of CPH Chemie+Papier Holding AG, which are available (in German) for download at <https://cph.ch/en/investors/documentation/> under "Articles of incorporation, regulations and description of duties".

### 1 Group structure and shareholders

#### 1.1 Group structure

The CPH Group comprises the three business divisions of Chemistry, Paper and Packaging, which each act autonomously in their specific markets. The parent company CPH Chemie+Papier Holding AG is domiciled in Perlen/Root, Switzerland. A list of the subsidiaries included in the consolidated financial statements will be found on Page 74. CPH Chemie+Papier Holding AG is the only stock exchange-listed company of those consolidated. Its registered shares (securities number 162471, ISIN CH0001624714) are listed on the SIX Swiss Exchange. Details of market capitalization and further share information are provided in Item 9.2 "Information for shareholders" on Page 33. The CPH Group is headed by the Group CEO, while the divisions are headed by the Divisional CEOs. Group Executive Management consists of the Group CEO, the Group CFO and the Divisional CEOs.

#### Organization chart



#### 1.2 Significant shareholders

One significant shareholding was newly disclosed in 2020 in accordance with Article 120 of the "FinfraG" Financial Market Infrastructure Act. Earlier such disclosures may be viewed on the SIX Exchange Regulation website ([https://www.ser-ag.com/en/resources/notifications-market-participants/management-transactions.html#](https://www.ser-ag.com/en/resources/notifications-market-participants/management-transactions.html#/)).

Shareholder structure (in %)	31.12.2020	31.12.2019
Uetikon Industrieholding AG	50.0	50.0
Ella Schnorf-Schmid estate	7.2	7.2
Sarasin Investmentfonds AG	5.0	5.0
Members of the Board of Directors and Group Executive Management (and related parties)	1.8	1.7
Publicly-held shares	31.9	31.8
Shares currently not listed in the Share Register	4.1	4.3
Total shareholders	916	911

The descendants of the founding Schnorf family and the Ella Schnorf-Schmid estate hold shares in CPH Chemie+Papier Holding AG both directly and via the Uetikon Industrieholding AG company. CPH Chemie+Papier Holding AG Board of Directors members Peter Schaub, Tim Talaat and Manuel Werder hold shares in Uetikon Industrieholding AG and represent the interests of the founding family's descendants on the Board. Their direct shareholdings in CPH Chemie+Papier Holding AG are shown under Note 29.2.1, "Shares held by members of the Board of Directors and Group Executive Management" in the annex to the consolidated financial statements, Page 71. There are no shareholders' agreements between individual shareholder groups.

#### 1.3 Cross-shareholdings

CPH Chemie+Papier Holding AG has no cross-shareholdings with any other company of more than 5%, in capital or voting rights form.

### 2 Capital structure

#### 2.1 Capital

As specified in Article 3 of the company's Articles of Incorporation, the fully-paid-up share capital of CPH Chemie+Papier Holding AG amounts to CHF 1.2 million. This share capital consists of 6 000 000 registered shares each of CHF 0.20 nominal value (see also Note 29.1, "Capital structure" in the annex to the consolidated financial statements, Page 70).

#### 2.2 Authorized and conditional capital

The CPH Group had no authorized or conditional capital as of 31 December 2020.

### 2.3 Changes in capital in the last three years

In the 2018 financial year the nominal value of the CPH share was reduced from CHF 5.00 to CHF 2.00, with the reduction amount taken to capital reserves. In the 2020 financial year the nominal value of the CPH share was further reduced from CHF 2.00 to CHF 0.20, with the reduction amount distributed to shareholders. These actions reduced share capital in two steps from CHF 30 million to CHF 1.2 million (see Note 28.1, "Capital structure" in the annex to the consolidated financial statements, Page 70). There was no change in capital in the 2019 financial year.

### 2.4 Shares and participation certificates

Every voting registered share entered in the company's Share Register entitles its owner to one vote at the General Meeting. There are no transfer or voting right restrictions. No participation certificates have been issued.

### 2.5 Dividend-right certificates

No dividend-right certificates have been issued.

### 2.6 Limitations on transferability and nominee registrations

Acquirers of registered shares are entered into the Share Register by the Board of Directors as shareholders with voting rights at the shareholder's request. The Board of Directors may refuse such entry, however, if the shareholder does not expressly declare that the shares concerned have been acquired in their own name and at their own expense, or if they make any false statement. No restrictions on share transferability are envisioned under the Articles of Incorporation.

### 2.7 Convertible bonds and options

The CPH Group has no convertible bonds outstanding and has issued no options to any persons within or outside the Group.

## 3 Board of Directors

### 3.1 Members of the Board of Directors

The Board of Directors of CPH Chemie + Papier Holding AG consists of at least three members. No Board member is currently active with the company in an executive capacity or has been so in the last three years. As of 31 December 2020, the Board of Directors comprised six members. The Board's composition remained unchanged from 2019.

Board member since	Function	Finance & Auditing Committee	Personnel & Compensation Committee
Peter Schaub	Chairman since 2010	Member	Member
Tim Talaat	Deputy Chmn since 2015		Chair since 2020
Dr. Mauro Gabella	2005 Member		Member
Kaspar W. Kelterborn	2015 Member	Chair since 2015	
Manuel Werder	2015 Member	Member	
Christian Wipf	2008 Member		Member

### 3.2 Professional background and other activities and functions

#### Peter Schaub

Lic. iur., attorney-at-law, born 1960 and a Swiss national; Chairman of the Board of Directors since 2010. Partner at Weber Schaub & Partner AG, tax and legal consultants, Zurich since 1994; Chairman of the Board of Directors of Scobag Privatbank AG, Basel; Chairman of the Board of Directors of Zindel Immo Holding AG, Chur; Chairman of the Board of Directors of Mobimo AG, Lucerne; Deputy Chairman of the Board of Directors of Uetikon Industrieholding AG, Uetikon; Deputy Chairman of the Board of Directors of UBV Holding AG, Uetikon; Member of the Board of Directors of Rüegg Cheminée Holding AG, Zumikon. Member of the boards of directors of various further unlisted companies, and trustee of various foundations.

1990–1993 tax commissioner at the Cantonal Tax Office, Zurich; 1987–1988 junior associate at the Schellenberg Wittmer law firm, Zurich.

#### Tim Talaat

MSEE and MBA, born 1960 and a Swiss national; Deputy Chairman of the Board of Directors since 2015 and Chair of its Personnel & Compensation Committee since 2020. Majority shareholder and Chairman of the Board of Directors of Swiss Industrial Holding AG, Uetikon; Chairman of the Advisory Board of Single Holding GmbH, Hochdorf (Germany); Member of the Board of Directors of Bachofen AG, Uster.

2009–2015 CEO of Looser Holding AG, Arbon; 2007–2009 Managing Partner at Swiss Industrial Finance AG, Pfäffikon SZ; 2003–2007 CEO of SR Technics Switzerland and 1996–2003 Member of the SR Technics Group Executive Board, Zurich Airport.



**The Board of Directors (from left):** Kaspar W. Kelterborn, Manuel Werder, Tim Talaat, Peter Schaub, Mauro Gabella and Christian Wipf.

#### **Mauro Gabella**

Dr. sc. nat., born 1952 and a Swiss and French national.

2010–2011 Vice President Organizational Excellence & Project Management and 2006–2009 Vice President Central & Southern Europe, Sanofi-Aventis (now Sanofi), Paris; 2004–2006 General Manager Sanofi-Aventis (Switzerland) AG, Vernier; 1987–2004 various executive functions at predecessor companies to Sanofi-Aventis and MSD at a number of locations worldwide.

#### **Kaspar W. Kelterborn**

Lic. oec. HSG, born 1964 and a Swiss national; Chair of the Finance & Auditing Committee since 2015. CFO and Member of the Executive Committee of the Conzeta Group, Zurich since 2006; Member of the Board of Directors of Suhner Holding AG, Brugg; Member of the Board of Directors of Integra Holding AG, Zurich; Member of the Board of Directors of Wipf Holding AG, Brugg.

2002–2005 CFO and Member of the Executive Management of the Unaxis Group, Pfäffikon; 1996–2002 leading executive functions in finance and controlling both in and outside Switzerland for the Clariant Group, Muttenz.

#### **Manuel Werder**

Lic. iur. and LL.M., attorney-at-law, born 1974 and a Swiss national. Partner at the Niederer Kraft Frey AG law firm, Zurich since 2015; Member of the Board of Directors of Uetikon Industrieholding AG, Uetikon; Member of the Board of Directors of UBV Holding AG, Uetikon; member of the boards of directors of various further unlisted companies and trustee of various foundations.

2010–2015 Senior Associate at Niederer Kraft Frey AG, Zurich; 2007–2008 secondment to Allende & Brea Abogados, Buenos Aires; 2004–2007 Associate at Niederer Kraft Frey AG, Zurich; 2002–2004 Foreign Associate at Fox Horan & Camerini LLP, New York.

#### **Christian Wipf**

Lic. oec. HSG, born 1957 and a Swiss national. Chairman and Delegate of the Board of Directors of Wipf Holding AG, Brugg; chairman of the boards of directors of various subsidiaries of the Wipf Group.

1997–2020 CEO of the Wipf Group, Brugg; 2001–2007 CEO of Wipf AG, Volketswil; 1991–1997 Member of Executive Management of Seetal Schaller AG, Brugg; 1982–1991 various executive functions with Philips AG, Zurich and Philips Electronics Ltd, Montreal.

### 3.3 Statutory provisions regarding the number of activities permitted under VegüV Article 12, Paragraph 1, Section 1

Under Article 21 of the Articles of Incorporation of CPH Chemie + Papier Holding AG, members of the Board of Directors may hold up to 15 additional mandates, but no more than three such mandates at stock exchange-listed companies. Not included in the above calculations are:

- mandates at legal entities which control or are controlled by the company;
- mandates at associations, foundations or staff welfare institutions, of which every Board member may hold up to five;
- mandates at joint ventures in which the company is involved but which it does not control, of which every Board member may hold up to five.

A mandate is regarded as any activity performed by a member of the Board of Directors in the top management or administrative bodies of legal entities that are obliged to enter themselves in the Commercial Register (or a corresponding register abroad) and that neither control nor are controlled by the company. Mandates at multiple legal entities which are under common control are regarded as one single mandate. No member of the Board of Directors holds more than the maximum number of external mandates specified in the Articles of Incorporation.

### 3.4 Election and term of office

The dates of first election of the individual Board members are stated in 3.1 above. In accordance with Article 13 of the Articles of Incorporation of CPH Chemie + Papier Holding AG, Board members are elected individually by the Ordinary General Meeting to serve for a one-year period. They may be re-elected. A Board member's mandate will end at the latest at the Ordinary General Meeting of the year in which their 70th birthday falls.

### 3.5 Internal organizational structure

The organization of the Board of Directors of CPH Chemie + Papier Holding AG is based on the law, the company's Articles of Incorporation and its Organizational Regulations. The last two of these may be viewed (in German) on the CPH website at <https://cph.ch/en/investors/documentation/> (under "Articles of incorporation, regulations and description of duties").

The Board of Directors meets as often as business demands, and at least five times a year. The Board is quorate as long as a majority of its members are present. Resolutions are passed by a simple majority of the votes cast. The Chairman also has a vote, and has a further casting vote in the event of a tie. The Board met seven times in 2020, for three half-day sessions, three full-day sessions and a strategy meeting that was reduced to a single day's duration in view of the coronavirus pandemic.

The Board's strategy meeting is devoted to strategic issues and the medium-term development of the CPH Group and its divisions. The meeting is also attended by the full Group Executive Management and – for specific topics – members of the Divisional Management teams.

The Chairman of the Board or their deputy convenes board meetings, leads the discussions and ensures that appropriate minutes are kept thereof. The Chairman also represents the Board towards outside parties. The Chairman is the immediate superior of the Group CEO. Apart from the above, the Chairman has no special powers or authorities unless these are individually delegated to them by the Board or the urgency of a situation requires an immediate decision to be made.

The Board of Directors has created two permanent committees: Finance & Auditing and Personnel & Compensation. These committees each consist of at least three non-executive members of the Board of Directors. The members of the Finance & Auditing Committee meet at least three times a year, while the members of the Personnel & Compensation Committee meet at least twice a year. The committees take no decisions themselves: they primarily perform a preparatory and advisory function, helping the full Board in particular to conduct its meetings more efficiently and to take swift and well-founded decisions.

#### The Finance & Auditing Committee

The Finance & Auditing Committee consists of Kaspar W. Kelterborn (chair), Peter Schaub and Manuel Werder. The Group CEO and CFO also attend all committee meetings as permanent guests. The committee's tasks comprise in particular:

- evaluating the Group's financing and accounting systems in terms of their appropriateness, reliability and effectiveness
- examining the annual and half-yearly accounts and financial statements and other financial information intended for publication, and determining their guidelines, quality standards and content
- monitoring the assessment of corporate risks and the Group's risk management practices
- monitoring the Group's investment and hedging policies
- monitoring the Group's Internal Control System and the effectiveness thereof
- monitoring the Group's business activities in terms of their observance and implementation of board resolutions, company policy principles and directives and the relevant legal provisions, particularly those relating to stock exchange law

- assessing the work, performance, independence and remuneration of the external group and statutory auditors and making recommendations on the election of the same to the Board of Directors and the General Meeting, approving the auditing plan, processing audit reports and overseeing the adoption of the external auditors' recommendations
- monitoring the Group's real-estate strategy.

The committee met for three half-day deliberations and conducted two telephone conferences in 2020.

### The Personnel & Compensation Committee

The Personnel & Compensation Committee comprises Tim Talaat (chair), Mauro Gabella, Peter Schaub and Christian Wipf. The Group CEO also attends all committee meetings as a permanent guest, unless his own compensation or other topics relating to him are being discussed. The committee's tasks comprise in particular:

- devising guidelines for the CPH Group's compensation and benefit policy (in particular the compensation principles for the Board and Group Executive Management) on behalf of the Board of Directors
- submitting proposals to the full Board of Directors for the Board's compensation
- assessing the performance of the Group CEO and the further members of Group Executive Management and their achievement of their annual targets, and submitting corresponding proposals for their fixed and variable compensation to the full Board of Directors
- monitoring the implementation of the CPH Group's personnel and compensation policies along with groupwide salary developments
- making recommendations to the full Board of Directors on elections to its ranks and the appointment of a new Group CEO and/or further members of Group Executive Management, and on their terms and conditions of employment.

The committee met for three half-day deliberations in 2020, and also held further meetings and telephone conferences with regard to Mauro Gabella's succession.

### 3.6 Definition of areas of responsibility

In accordance with Article 716a of the Swiss Code of Obligations, the Board of Directors has certain non-transferrable and inalienable duties. The authorities of and the collaborations between the Board of Directors, its committees and Group Executive Management are laid down in the Organizational Regulations, which will be found (in German) at <https://cph.ch/en/investors/documentation/> under "Articles of incorporation, regulations and description of duties".

The Board of Directors has the following group-level duties:

- to determine the Guiding Principles and general corporate policy
- to determine the group structure, group policy, group objectives and general group strategy and define the strategic growth areas
- to formulate targets for operational key performance indicators, financing policy and investment returns

- to assign resources and decide on the use of funds within the Group
- to appoint the boards of directors of subsidiary companies
- to approve strategic collaboration agreements concluded by group member companies among themselves or with other companies
- to decide on entry into or withdrawal from key business segments
- to appoint and dismiss members of Group Executive Management
- to exercise supervisory authority over the group's management, particularly with regard to the observance of laws, the Articles of Incorporation, regulations and directives, and over the adoption of actions resolved
- to determine the remuneration principles for and the remuneration of the members of Group Executive Management
- to assess the risk management system and business risks.

For the business divisions, the Board of Directors has the following duties:

- to determine divisional objectives and divisional strategies
- to decide on the establishment or closure of operating sites and branch business operations.

The Chairman of the Board is in regular contact with the Group CEO to support them in their duties and in the implementation of business strategy. The Board of Directors supervises Group Executive Management through structured reporting and controlling processes. The Board receives a comprehensive monthly written report on current business trends, financial results, market developments, emerging risks and other key events. The Group CEO also reports on the latest business trends and performance and all further issues of relevance to the Group at every Board meeting.

### Risk management

Being internationally active, the CPH Group is exposed to various financial and non-financial risks that are inseparably linked with its business activities. The risks are defined in the broadest sense as the danger that financial, operational or strategic objectives may not be achieved as planned. To ensure the Group's long-term success, therefore, it is essential to effectively identify such risks, to analyze them and to eliminate or reduce them through appropriate steering and management actions.

### Assessment of significant risks at the end of 2020

The significant risks identified for the CPH Group as of the end of 2020 included the COVID-19 pandemic and its impact on sales markets and demand, the slowing of economic growth, political and economic uncertainties, Swiss franc/euro currency trends and developments in paper prices. Actions have been defined to reduce these and other risks, and such actions are now being taken in close coordination with the strategic objectives of the Group and its three divisions.

### Financial risk management (see table below)

By virtue of its business activities, the CPH Group is particularly exposed to financial risks such as currency risks, credit risks, liquidity risks and interest rate risks. Its overarching risk management is focused on the unforeseeability of developments on the financial markets, and is geared to minimizing any potential negative impact thereof on the Group's financial health. Risk management is performed by the Group's Finance Department, in accordance with the guidelines approved by the Board of Directors. These specify the use of derivatives and the handling of currency risks, interest rate risks and credit risks. The Board's guidelines are binding for all group member companies. The table below provides an overview of the financial risks, their description and their management.

### Risk management organization

Financial and operational risk management are conducted within the Group in accordance with the principles and the guidelines laid down by the Board of Directors and Group Executive Management. The group and statutory auditors support the Board of Directors and its Finance & Auditing Committee by verifying the existence of the Group's internal control system (ICS) in the course of their performance of their legal mandate.

### Risk management principles

The Group's risk management principles guide the regular assessment of operational and strategic business risks, the hedging of currency, interest rate, credit and liquidity risks and the internal control system (ICS). Guidelines have also been established for the management of liquid funds and loan procurement activities.

### Risk overview

The regularly identified and analyzed risks are summarized in an annual Risk Report which is submitted to the Board of Directors. The significant business risks are also defined in a detailed risk catalogue and a risk matrix, and are assessed in terms of their likelihood of occurrence and the scope of the damage they could cause. Insurance coverage is also annually appraised.

### Reporting

The Group's risk management is reported on annually. Strategic and operational risks are recorded. Any extraordinary incidents are reported immediately to the Board of Directors. In the Board's opinion, with the risk management established, the actions required have been taken to ensure the CPH Group's further development, although the possibility can never be excluded of unforeseen risks arising as a result of special circumstances or uncertainties.

### Financial risks overview

Risk	Description	Management
Currency risk	Being internationally active, the CPH Group is subject to currency risks that can impact on operating and financial results and on group equity. The euro and the US dollar are the Group's main foreign currencies.	<ul style="list-style-type: none"><li>– Wherever possible, the payment flows within the Group's divisions are naturally hedged by procuring goods in the same currency in which products are sold.</li><li>– Currency risks are reduced through the use of derivative financial instruments.</li><li>– Foreign currency risks relating to the book values of the net assets of subsidiaries outside Switzerland or to translations of the results of such subsidiaries are not currently hedged.</li></ul>
Interest rate risks	Interest rate risks may arise from changes to future interest payments as a result of fluctuations in market interest rates and through interest-related risks arising from changes in market value.	<ul style="list-style-type: none"><li>– The CPH Group has no major variable-interest assets or liabilities that would be substantially impacted by major changes in the interest rate environment.</li></ul>
Credit risks from business operations and financial transactions	Credit risks consist in the possibility of suffering financial loss should a customer or counterparty fail to fulfil their contractual obligations. Credit risks may derive from receivables, financial investments, credit balances with financial institutions, securities held and/or derivative financial instruments.	<ul style="list-style-type: none"><li>– Regular monitoring of independent ratings of financial institutions.</li><li>– Further reduction of any risks to liquid funds by ensuring that the funds concerned are maintained not at a single bank but at various financial institutions.</li><li>– Reducing cluster risks for receivables and financial assets by maintaining a broad geographical spread and large numbers of customers.</li><li>– Monitoring the creditworthiness of customers through past experience and specific checks.</li></ul>
Liquidity risk	A liquidity risk derives from the possibility of being unable to meet financial obligations when these become due for payment.	<ul style="list-style-type: none"><li>– Prudent liquidity management includes retaining adequate reserves of liquid funds and permanently monitoring these, and maintaining credit line options.</li></ul>



**Group Executive Management (from left):** Alois Waldburg-Zeil, Wolfgang Grimm, Peter Schildknecht, Richard Unterhuber and Klemens Gottstein

## 4 Group Executive Management

### 4.1 Members of Group Executive Management

As of 31 December 2020 Group Executive Management comprised:

Name	Function	Held since
Dr. Peter Schildknecht	Group CEO	2009
Richard Unterhuber	Group CFO	2016
Dr. Alois Waldburg-Zeil	Head of Chemistry	2010
Klemens Gottstein	Head of Paper	2012
Wolfgang Grimm	Head of Packaging	2003

### 4.2 Professional background and other activities and functions

#### Peter Schildknecht

Dr. sc. techn., born 1962 and a Swiss national; joined CPH in 2008, Group CEO since 2009. Member of the Board of Directors of Renergia Zentralschweiz AG, Root; Member of the Board of Directors of Kowema AG, Rotkreuz; Member of the Board of Directors of Buss AG, Pratteln; Deputy Chairman of the Board of the Central Switzerland Chamber of Industry & Commerce (IHZ), Lucerne.

2001–2008 Member of Group Executive Management of Sarna Kunststoff Holding AG, Sarnen and leadership of various group divisions, most latterly Sarnafil; 1995–2001 various functions in the

Von Roll Group, including CEO of Von Roll Betec AG and Head of Industrial Services and a Member of Executive Management at Von Roll Infratec Holding AG, Bern.

#### Richard Unterhuber

FH Diploma in Business Administration, Certified Management Accountant, MBA, born 1967 and a Swiss and Italian national; Group CFO since joining CPH in 2016.

2006–2016 CFO and Member of Group Executive Management at the internationally active Multi-Contact industrial group, Allschwil. Previously executive finance and controlling positions at various further industrial companies: 2001–2006 Head of Shared Services and CFO of SCA Packaging Switzerland AG, Oftringen; 1998–2001 Chief Commercial Officer and Member of Executive Management at Sarnatech (Schweiz) AG, Triengen; 1997–1998 Business Controller at DCL Data Center Luzern AG, Lucerne; 1995–1997 Head of Controlling, Swiss Post Aarau, Aarau.

#### Alois Waldburg-Zeil

Dr. iur., born 1963 and an Austrian national; joined the CPH Group as Head of Chemistry in 2010. Member of the Board of Directors of Canaxis Pharma AG, Schlattingen.

1997–2009 various management functions with the Süd-Chemie Group (now part of Clariant), including Head of the General Secretariat and Public Relations, Sales Manager EMEA, Global Financial Manager

for Süd-Chemie Performance Packaging in Paris (France), CEO of Süd-Chemie UK in Manchester (UK) and CEO of Süd-Chemie Zeolites GmbH in Bitterfeld (Germany); 1993–1997 auditor with KPMG.

#### **Klemens Gottstein**

Industrial engineer, paper manufacturer and MBA, born 1961 and a German national; joined CPH as Head of Paper in 2012.

1989–2011 various functions at the Myllykoski Group, including HR Director, General Manager of its Dachau and Ettringen works and Director of Business Development for Coated Papers. Most latterly Executive Vice President Operations and a Member of the Executive Management of Myllykoski Europe, with responsibility for its six European plants and Human Resources Europe.

#### **Wolfgang Grimm**

BA Diploma in Business Administration, born 1957 and a German national; joined the then Perlen Group as its Head of Packaging in 1998 and appointed to his present position in 2003.

1995–1998 Schüpbach AG, Burgdorf (Switzerland), most latterly Vice President Sales Central Europe for Danisco Flexible Schüpbach AG; 1993–1995 Sales Director at VAW Europack Export GmbH, Teningen (Germany).

#### **4.3 Statutory provisions regarding the number of activities permitted under VegüV Article 12, Paragraph 1, Section 1**

Under Article 21 of the Articles of Incorporation of CPH Chemie + Papier Holding AG, members of Group Executive Management may hold up to five additional mandates, but no more than one such mandate at a stock exchange-listed company. Not included in the above calculations are:

- mandates at legal entities which control or are controlled by the company;
- mandates at associations, foundations or staff welfare institutions, of which every Group Executive Management member may hold up to five;
- mandates at joint ventures in which the company is involved but which it does not control, of which every Group Executive Management member may hold up to five.

A mandate is regarded as any activity performed by a member of Group Executive Management in the top management or administrative bodies of legal entities that are obliged to enter themselves in the Commercial Register (or a corresponding register abroad) and that neither control nor are controlled by the company. Mandates at multiple legal entities which are under common control are regarded as one single mandate. No member of Group Executive Management holds more than the maximum number of external mandates specified in the Articles of Incorporation.

#### **4.4 Management contracts**

No management contracts have been concluded with companies or natural persons outside the CPH Group.

#### **5 Remuneration, shareholdings and loans**

The remuneration and shareholdings of the members of the Board of Directors and Group Executive Management, and the responsibilities and procedures for determining these, are specified in the Remuneration Report from Page 35 onwards.

#### **6 Shareholders' rights**

##### **6.1 Voting right restrictions and representation**

Every CPH Chemie + Papier Holding AG registered share entitles its holder to one vote at the General Meeting. There are no voting right restrictions.

In accordance with Article 9 of the Articles of Incorporation, any shareholder may be represented at a General Meeting by means of a written proxy issued either to another person or to the independent shareholders' representative. The company's shareholders may provide the independent shareholders' representative with their proxy for any General Meeting, either in writing or via the Sherpany platform ([www.sherpany.com](http://www.sherpany.com)).

##### **6.2 Statutory quora**

Unless otherwise required by law, the General Meeting passes its resolutions and conducts its elections by a relative majority of the votes cast. Abstentions, voting papers submitted blank and invalid votes are not counted in these calculations. In accordance with Article 12 of the Articles of Incorporation, all such votes and elections are open, unless the meeting chair or any other attendee demands a secret ballot.

##### **6.3 Convocation of the General Meeting**

In accordance with Article 10 of the Articles of Incorporation, a General Meeting is convened by letter to the shareholders or announcement in the Schweizerisches Handelsamtsblatt (Swiss Official Gazette of Commerce). This invitation must be extended at least 20 days in advance of the meeting. The invitation will include the meeting agenda and the proposals and recommendations of the Board of Directors and of any shareholders who have demanded the convocation of a General Meeting or submitted an agenda item (as permitted under Article 699, Paragraph 3 of the Swiss Code of Obligations).

##### **6.4. Submission of agenda items**

In accordance with Article 4 of the Articles of Incorporation, any request by a shareholder for an item to be included on a General Meeting agenda must be submitted to the Board of Directors in writing at least 60 days in advance of the meeting concerned. Subject to the special provisions relating to general meetings at which all



shareholders are represented in full, no resolution may be passed by the meeting on any matter which has not been communicated in this way.

### 6.5 Entry in the Share Register

In accordance with Article 9 of the Articles of Incorporation, all shareholders entitled to attend a General Meeting and exercise their share voting rights thereat must have been duly entered in the Share Register in advance of the meeting concerned on a cutoff date specified by the Board of Directors.

## 7 Change of control and defence measures

### 7.1 Obligation to make an offer

In accordance with Article 6 of the Articles of Incorporation, any acquirer of CPH shares whose total shareholding thereby exceeds a legally prescribed ownership threshold is not obliged to make a public takeover offer as specified in the Swiss Financial Market Infrastructure Act (“opting-out” clause).

### 7.2 Change-of-control clauses

There are no change-of-control clauses.

## 8 Auditors

### 8.1 Duration of mandate and term of office of the auditor in charge

PricewaterhouseCoopers AG, Zurich, has been the statutory and group auditor of the CPH Group since 1971. Thomas Illi has been the auditor in charge since 2016. In accordance with Article 730a, Paragraph 2 of the Swiss Code of Obligations, a new auditor in charge is designated every seven years.

### 8.2 Auditing and other fees

The following fees were paid to the auditors and others in the 2019 and 2020 financial years:

in CHF thousand	2020	2019
Auditing fees to PricewaterhouseCoopers AG	393	373
Auditing fees to further audit companies	44	59
Other fees to PricewaterhouseCoopers AG	80	99
Other fees to further audit companies	25	1
<b>Total</b>	<b>542</b>	<b>532</b>

Auditing fees are the amounts paid for the auditing services which are provided each year to give an opinion on the consolidated financial statements and to compile reports on the financial statements of group member companies required under applicable local law. Other fees are the amounts paid to audit companies for other services.

### 8.3 Information instruments pertaining to the external audit

The performance, independence and remuneration of the external auditors are assessed by the Finance & Auditing Committee, which approves the audit plan, processes the audit reports and supervises the adoption of the external auditors’ recommendations.

The Finance & Auditing Committee submits an annual report on these activities to the full Board of Directors. In 2020 representatives of the auditors attended all the meetings of the Finance & Auditing Committee for those agenda items which concerned them.

## 9 Information policy

### 9.1 Information tools

The CPH Group maintains an open communications culture towards its employees, its shareholders and the public. The Group publishes an Annual Report as of 31 December and a Half-Year Report as of 30 June. The printed Annual Report is mailed directly to all shareholders. Copies can also be ordered at <https://cph.ch/en/investors/documentation/> on the CPH website.

The “Investors” section of the CPH website at <https://cph.ch/en/investors/> offers full information for shareholders and investors such as the calendar of coming financial events, key company figures and the current CPH share price. Contact details are also provided in the form of the [info@cph.ch](mailto:info@cph.ch) email address, via which further information about the CPH Group can be obtained. Interested parties can also register on the website at <https://cph.ch/en/investors/ir-contacts> to automatically receive CPH Group email communications. All media releases issued are made immediately available at <https://cph.ch/en/media/media-releases/> upon their publication. An analysts’ and media conference is also held for the publication of the Group’s annual results.

The official organ of publication for the CPH Group is the Schweizerisches Handelsamtsblatt (the Swiss Official Gazette of Commerce). Written company communications to shareholders as required by law are sent to the most recent address provided in the Share Register for the shareholder or their proxy for such communications.

## 9.2 Information for shareholders

The CPH share, which is listed on the SIX Swiss Exchange, closed at a price of CHF 72.60 on 30 December 2020, compared to CHF 79.20 at the end of the previous year. At -8.3%, the performance of the CPH share in 2020 was below that of the market in general, where the Swiss Performance Index (SPI) rose 3.8%.

### Share information

Listed on	SIX Swiss Exchange
Securities number	162 471
ISIN	CH0001624714
Reuters symbol	CPH.S
SIX symbol	CPHN

### The CPH share price

Compared to the SPI (indexed, left-hand scale) and in CHF (right-hand scale)



Per-share statistics	2020	2019	2018	2017	2016
Share price on 31 December in CHF	72.60	79.20	82.50	53.55	40.00
High in CHF	80.80	88.50	89.00	57.30	42.20
Low in CHF	57.00	74.00	54.00	39.00	29.80
Nominal value in CHF	0.20	2.00	2.00	5.00	5.00
<b>Key figures per share <sup>1)</sup></b>					
Equity in CHF	78.46	73.56	67.87	66.06	63.49
Price-to-book ratio on 31 December	0.92	1.08	1.22	0.81	0.63
Net result in CHF	7.82	8.06	7.05	2.66	-1.32
Price/earnings ratio on 31 December	9.29	9.83	11.70	20.10	n.a.
Cash flow in CHF	7.64	13.33	11.50	2.41	4.71
Free cash flow in CHF	6.61	23.32	-13.42	2.14	0.32
Adjusted free cash flow in CHF <sup>2)</sup>	6.61	6.66	3.25	2.14	0.32
Distribution in CHF <sup>3)</sup>	1.80	1.80	1.80	0.65	0.65
<b>Market capitalization</b>					
Number of shares	6 000 000	6 000 000	6 000 000	6 000 000	6 000 000
Share capital in CHF million	1.2	12	12	30	30
Market capitalization in CHF million	436	475	495	321	240

<sup>1)</sup> Based on consolidated financial statements and excluding minorities

<sup>2)</sup> Excluding (for 2018 and 2019) CHF 100 million fixed-term deposit of funds generated by bond issue of 12.10.2018, repaid 9.7.2019

<sup>3)</sup> For 2020: recommendation

### 9.3 Information for bondholders

CPH had a CHF 100 million corporate bond with a coupon of 2.00% and a maturity in 2023 outstanding at the end of 2020. The bond, which is listed on the SIX Swiss Exchange, closed at 103.00 on 30 December 2020, i.e. unchanged from the end of the previous year.

#### The CPH 18–23 corporate bond



Bond information	CPH 18–23
Issued by	CPH Chemie + Papier Holding AG
Listed on	SIX Swiss Exchange
Securities number	43467836
ISIN	CH0434678360
SIX symbol	CPH18
Trading currency	CHF
Nominal volume	CHF 100 million
Issue price	100.00
Coupon	2.00 %
Denomination	CHF 5 000
Annual coupon payment	12 October
Issue date	12 October 2018
Maturity	12 October 2023
Redeemable	No
Credit rating by rating agency	None

### 9.4 Investor relations agenda for 2021

13 January	Baader Helvea Swiss Equities Conference
23 February	Publication of the 2020 Annual Report; media conference and investors' meeting
18 March	Ordinary General Meeting
14 June	CPH Group Investors' Day
21 July	2021 Half-Year Report
15/16 September	Investora Swiss Equities Conference
3/4 November	ZKB Swiss Equity Conference

### 9.5 Investor relations contact

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