



# Invitation

**to the 27th Annual General Meeting of Zur Rose Group AG**

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Thursday, 23 April 2020, 5 p.m.

Homburger AG, Prime Tower, Hardstrasse 201, CH-8005 Zurich

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## Dear Shareholders

As a result of the extraordinary situation related to the COVID-19 (coronavirus) pandemic, the 27th Annual General Meeting of Zur Rose Group AG cannot take place in the usual format. This year's Annual General Meeting will therefore be held in accordance with the Ordinance of the Federal Council on Measures to Combat the Coronavirus. Given the measures currently in force, the personal attendance of shareholders at the Annual General Meeting on site is not possible. Consequently, we order that shareholders may only be represented by the independent voting rights representative. The Board of Directors very much regrets not being able to welcome you to the Annual General Meeting this year and is looking forward to seeing you again next year.

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**Date** Thursday, 23 April 2020  
**Location** Homburger AG, Prime Tower, Hardstrasse 201, CH-8005 Zurich  
**Start** 5 p.m.

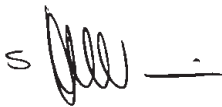
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For information on how voting instructions can be given to the independent voting rights representative, please see the section entitled Organisational Notes on page 10.

We would be very pleased if you make use of the option to be represented by the independent voting rights representative.

The voting results will be published at [www.zurrosegroup.com/en](http://www.zurrosegroup.com/en), "Investors & Media", "Press Releases" shortly after the Annual General Meeting.

By order of the Board



**Stefan Feuerstein**  
Chairman of the Board



**Walter Oberhänsli**  
Executive Director and CEO

Steckborn, 2 April 2020

## Agenda

### 1. To approve the Management Report, Annual Financial Statements and Consolidated Financial Statements for 2019

The Board of Directors proposes that the Management Report, Annual Financial Statements and Consolidated Financial Statements for 2019 be approved.

### 2. To appropriate 2019 retained earnings of Zur Rose Group AG

The Board of Directors proposes that retained earnings be appropriated as follows:

Retained earnings brought forward	CHF	31,610,891
Profit/loss for the year	CHF	-13,324,819
<b>Total available for distribution</b>	CHF	<b>18,286,073</b>
Balance to be carried forward	CHF	18,286,073

The Board of Directors therefore proposes that the Annual General Meeting resolves not to pay a dividend for 2019 and to carry forward the total amount of CHF 18,286,073 available for distribution.

### 3. To ratify the actions of the Directors and Group Management

The Board of Directors proposes that the actions of the Directors and Group Management during the 2019 financial year be ratified.

### 4. Creation of authorized share capital (amendment to Articles of Association)

The Board of Directors proposes creating authorized share capital with a nominal value of CHF 39,329,880 for a period of two years up to 23 April 2022 and amending Article 3a paragraph 1 of the Articles of Association for this purpose as follows:

*The Board of Directors is authorized to increase the share capital, at any time until 23 April 2022 by a maximum amount of CHF 39,329,880.00 by issuing a maximum of 1,310,996 fully paid up shares with a par value of CHF 30.00 each. An increase of the share capital in partial amounts shall be permissible.*

Paragraphs 2 to 4 of Article 3a of the Articles of Association remain unchanged.

Further, the Board of Directors proposes to limit the total number of shares that can be issued from (i) authorized share capital where the preemptive rights were restricted or excluded and (ii) conditional capital for financing, acquisitions and other purposes pursuant to the new Article 3c paragraph 2 of the Articles of Association as proposed under agenda item 5 where the advance subscription rights were restricted or excluded to 1,310,996 registered shares, as further described under agenda item 5.

### 5. Creation of additional conditional share capital for financing, acquisitions and other purposes (amendment to Articles of Association)

The Board of Directors proposes creating additional conditional share capital for financing, acquisitions and other purposes pursuant to which 1,310,996 fully paid up registered shares can be issued.

At the same time the Board of Directors proposes limiting the total number of shares that can be issued from (i) conditional share capital for financing, acquisitions and other purposes pursuant to the proposed Article 3c paragraph 2 of the Articles of Association where the advance subscription rights were restricted or excluded and from (ii) authorized share capital where the preemptive rights were restricted or excluded to 1,310,996 registered shares (i.e., 15 percent of the registered share capital).

To this end, the Board of Directors proposes inserting a new paragraph 2 in Article 3c and a new Article 3d in the Articles of Association as follows:

*Article 3c paragraph 2:*

*In addition, the share capital of the Company may be increased by an amount not to exceed CHF 39,329,880.00 through the issuance of up to 1,310,996 fully paid up registered shares with a par value of CHF 30.00 each through the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with Financial Instruments.*

*Article 3d:*

*Until 23 April 2022, the total number of new shares issued from (i) authorized capital according to Article 3a paragraphs 1 and 4 of these Articles of Association where the preemptive rights were restricted or excluded and (ii) conditional capital according to Article 3c paragraph 2 and 4 of these Articles of Association where the advance subscription rights of the existing shareholders were restricted or excluded and may not exceed 1,310,996 new shares.*

Except for the change of the paragraph numbers from 2 to 3, 3 to 4 and 4 to 5, the existing paragraphs 2 to 4 of Article 3c of the Articles of Association remain unchanged.

**6. Re-elections of the members and the Chairman of the Board of Directors**

The Board of Directors proposes that all current Board members be re-elected for a term until the conclusion of the next Annual General Meeting:

- 6.1 Re-election of Prof. Stefan Feuerstein as member and Chairman of the Board in the same vote**
- 6.2 Re-election of Prof. Dr. Volker Amelung as member**
- 6.3 Re-election of Tobias Hartmann as member**
- 6.4 Re-election of Dr. Christian Mielsch as member**
- 6.5 Re-election of Walter Oberhäsli as member**
- 6.6 Re-election of Dr. Thomas Schneider as member**
- 6.7 Re-election of Florian Seubert as member**

**7. Re-elections of the members of the Compensation Committee**

The Board of Directors proposes that all current Compensation Committee members be re-elected for a term until the conclusion of the next Annual General Meeting:

**7.1 Re-election of Prof. Stefan Feuerstein as member**

**7.2 Re-election of Dr. Thomas Schneider as member**

**7.3 Re-election of Florian Seubert as member**

**8. Re-election of the independent voting rights representative**

The Board of Directors proposes that FÜRER Partner Advocaten KIG, Frauenfeld, be re-appointed as independent voting rights representative for another term until the conclusion of the next Annual General Meeting.

**9. Re-election of the auditors**

The Board of Directors proposes that Ernst & Young AG, Zurich, be reappointed as auditors for another term until the conclusion of the next Annual General Meeting.

**10. Compensation**

**10.1 Consultative vote on the Compensation Report 2019**

The Board of Directors recommends that the Compensation Report 2019 be approved in a consultative vote.

**10.2 Approval of the maximum aggregate fixed compensation amount for Board members for the 2021 financial year**

The Board of Directors proposes that a maximum aggregate fixed compensation amount of CHF 1,000,000 for the Board members be approved for the coming 2021 financial year.

**10.3 Approval of the aggregate variable compensation amount for Group Management members for the 2019 financial year**

The Board of Directors proposes that an aggregate short-term and long-term variable compensation amount of CHF 1,072,000 for the Group Management members be approved for the past 2019 financial year.

**10.4 Approval of the increase in the maximum aggregate fixed compensation amount for Group Management members for the 2020 financial year**

The Board of Directors proposes that an increase in the maximum aggregate amount of fixed compensation for the Group Management members for the 2020 financial year in the amount of CHF 900,000 from CHF 2,500,000 (as approved at the 2019 Annual General Meeting) to CHF 3,400,000 be approved.

**10.5 Approval of the maximum aggregate fixed compensation amount for Group Management members for the 2021 financial year**

The Board of Directors proposes that a maximum aggregate fixed compensation amount of CHF 3,700,000 for the Group Management members be approved for the coming 2021 financial year.

## Explanatory Notes to the Agenda

### – Appropriation of 2019 retained earnings of Zur Rose Group AG (agenda item 2)

With the Zur Rose Group's long-term development in mind, the Board of Directors considers it appropriate to retain liquidity in the Company to allow the necessary investments in growth to be financed again in 2020. The Board of Directors therefore proposes that the Annual General Meeting resolves not to pay a dividend for the 2019 financial year and to carry forward the total amount of CHF 18,286,073 available to the General Meeting for distribution.

### – Creation of authorized share capital (agenda item 4)

The authorized capital existing pursuant to the Articles of Association expired on 19 June 2019. The Board of Directors proposes creating again authorized capital in order to maintain the financial flexibility of Zur Rose Group AG. The authorized capital proposed is equivalent to 15 percent of the registered share capital of the company, which is in line with comparable companies. Please see also the joint explanatory notes to the agenda items 4 and 5 below.

### – Creation of additional conditional share capital for financing, acquisitions and other purposes (agenda item 5)

On March 26, 2020 Zur Rose Group AG completed the placement of CHF 175 million convertible bonds due 2025, convertible into registered shares of Zur Rose Group AG. As 1,228,981 registered shares to be issued out of conditional share capital are required to serve the convertible bonds the available conditional capital of Zur Rose Group AG will be reduced to 79,899 registered shares and will hence be largely used up. To maintain the financial flexibility of the Company, the Board of Directors proposes creating additional conditional capital for financing, acquisitions and other purposes pursuant to which 1,310,996 registered shares can be issued. The proposed conditional capital corresponds to 15 percent of the registered share capital of the Company, which is in line with comparable companies. Please see the joint explanatory notes below to the agenda items 4 and 5.

### – Joint explanatory notes to agenda items 4 and 5

By proposing the simultaneous creation of authorized capital (agenda item 4) and conditional capital (agenda item 5), the Board of Directors wishes to ensure that it has the flexibility to use the appropriate financing instrument in each case. At the same time, the total number of shares that can be issued from authorized and conditional share capital shall be limited to 15 percent of the currently registered share capital (corresponding to 1,310,996 registered shares). Consequently, it proposes the creation of a provision in the Articles of Association (new Article 3d) pursuant to which the total number of shares which may be issued from (i) authorized share capital where the preemptive rights were restricted or excluded and from (ii) conditional capital for financing, acquisitions and other purposes pursuant to Article 3c paragraph 2 of the Articles of Association where the advance subscription rights were restricted or excluded will be limited to 1,310,996 registered shares.

### – Re-elections of the members and the Chairman of the Board of Directors (agenda item 6)

The majority of the Board members of Zur Rose Group AG are independent Directors. They have extensive experience in various areas of corporate management, commerce, healthcare and medical care. All members are standing for re-election. It is proposed that all Board members be re-elected for another term until the conclusion of the next Annual General Meeting. The summary CVs of the members of the Board of Directors proposed for re-election can be found in the online Annual Report at <https://gb.zurrosegroup.com/en> > "Corporate Governance".

— **Re-appointment of the voting rights representative (agenda item 8)**

The Board of Directors proposes that FÜRER Partner Advocaten KIG, Frauenfeld, be re-appointed as independent voting rights representative for another term until the conclusion of the next Annual General Meeting. Dr. iur. Christa-Maria Harder Schuler, partner of the law firm FÜRER Partner Advocaten KIG, has acted as the independent voting rights representative for the shareholders of Zur Rose Group AG since the 2014 Annual General Meeting. She is independent and well-versed in the relevant procedures.

— **Compensation (agenda item 10)**

The principles governing compensation of the members of the Board of Directors and Group Management are governed by Articles 25, 26 and 27 of the Articles of Association of Zur Rose Group AG. The Articles of Association can be viewed online at [www.zurrosegroup.com](http://www.zurrosegroup.com) > “Investors & Media” > “Corporate Governance”. Further information on the compensation paid to the Board of Directors and Group Management can also be found in the Compensation Report 2019 at <https://gb.zurrosegroup.com/en> > “Compensation Report”.

— **Consultative vote on the Compensation Report 2019 (agenda item 10.1)**

The Compensation Report 2019 describes Zur Rose Group AG’s compensation principles, governance framework and compensation system. It also contains detailed information on the compensation of the members of the Board of Directors and Group Management for the 2019 financial year. The Compensation Report complies with the requirements of the Ordinance against Excessive Remuneration in Listed Companies by Shares of 20 November 2013 (Ordinance) and with Section 5 of the Annex to the Directive on Information relating to Corporate Governance of SIX Swiss Exchange of 20 June 2019 (DCG). The vote on the Compensation Report is purely consultative. The report can be found online at <https://gb.zurrosegroup.com/en> > “Compensation Report”.

— **Approval of the maximum aggregate fixed compensation amount for Board members for the 2021 financial year (agenda item 10.2)**

The members of the Board of Directors receive a fixed base fee for their services for each term of office (retainer), 70 percent of which is paid in cash and 30 percent comprising registered shares of Zur Rose Group AG with a three-year vesting period. The amount of compensation is not linked to a performance component and no variable compensation is paid.

The proposed maximum aggregate amount of CHF 1,000,000 for the 2021 financial year assumes that the seven proposed persons will be re-elected as members of the Board of Directors (and the Compensation Committee) at the 2020 Annual General Meeting. The amount consists of the fixed compensation in cash and in shares, the committee fee, the social security contributions and a reserve of approximately 5 percent of the expected fixed compensation for 2021. The reserve takes into account various types of unforeseen expenses, market compensation adjustments and/or unexpected costs, such as contractual or immediately payable taxes.

In the 2019 financial year, the aggregate compensation paid to Board members amounted to CHF 915,000.



**– Approval of the aggregate variable compensation amount for Group Management members for the 2019 financial year (agenda item 10.3)**

For the past 2019 financial year, the proposed maximum aggregate amount of CHF 1,072,000 was calculated for the variable compensation of a total of four members of the Group Management. This amount comprises short-term variable compensation in cash of CHF 382,000, long-term variable compensation in shares of CHF 620,000 and pension benefits of CHF 70,000. One member of the Group Management receives cash compensation in euros. Therefore, the actual payout may differ depending on the exchange rate at the time of the payout.

**– Approval of the increase in the maximum aggregate fixed compensation amount for Group Management members for the 2020 financial year (agenda item 10.4)**

The maximum aggregate amount of fixed compensation for the Group Management members for the 2020 financial year approved at the 2019 Annual General Meeting of CHF 2,500,000 was based on the assumption that the Group Management consisted of just four members. As the Group Management will be extended by three members, Betül Susamis Unaran as Chief Strategy and Digital Officer, Bernd Gschaider as Chief Operations Officer and David Masó as Head Europe, as of 1 May 2020, an increase in the maximum aggregate amount of fixed compensation for the 2020 financial year of CHF 900,000 to CHF 3,400,000 will be necessary to allow Zur Rose Group AG to pay all members adequate compensation as it has done in the past. The summary CVs of the current and designated members of the Group Management can be found in the online Annual Report at <https://gb.zurrosegroup.com/en> > “Corporate Governance”.

**– Approval of the maximum aggregate fixed compensation amount for Group Management members for the 2021 financial year (agenda item 10.5)**

For the 2021 financial year, the proposed maximum aggregate amount of CHF 3,700,000 per financial year will be calculated for the fixed compensation of a total of seven members of the Group Management. This amount consists of the fixed basic salary, the fringe benefits, the pension benefits and a reserve of approx. 10 percent of the expected fixed compensation for 2021. The reserve takes into account various types of unforeseen expenses, market compensation adjustments and/or unexpected costs, such as contractual or immediately payable taxes. One member of the Group Management is paid in euros. The total proposed aggregate amount includes the conversion of the compensation for this member based on the average exchange rate for 2019 of EUR 1 = CHF 1.112194. Exchange rate fluctuations up to the final payment of all compensation elements are not taken into account.

For the 2019 financial year, a total of CHF 2,313,000 was paid out to the four members of the Group Management (fixed basic salary including fringe benefits and pension benefits).

## **Organisational Notes**

### **– Representation by the independent voting rights representative**

As mentioned above, given the measures currently in force, shareholders will not be able to attend the Annual General Meeting in person. By order of the Board of Directors you may only exercise your voting rights through the independent voting rights representative FÜRER Partner Advocaten KIG, Rheinstrasse 16, PO Box 731, 8501 Frauenfeld, represented by Dr. iur. Christa-Maria Harder. The proxy must be granted using the duly completed proxy form enclosed with this invitation or via the electronic platform. Information on how to access the online platform is printed on the proxy form. If you would like to issue specific voting instructions, please use the reverse side of the proxy form or the online platform before the close of instructions on 21 April 2020 at 12:00 noon. In the absence of specific instructions, the independent voting rights representative will vote in favour of the Board's proposals.

All shareholders whose shares are registered in Zur Rose Group AG's share register on 15 April 2020 will be entitled to vote through the independent voting rights representative. From 16 April 2020 to the day of the Annual General Meeting, the share register will be closed for new entries.

### **– Annual Report**

The 2019 Annual Report, which also contains the Compensation Report and the auditors' reports, is available for inspection by shareholders at Zur Rose Group AG's offices at Walzmühlestrasse 60, Frauenfeld. The detailed online 2019 Annual Report was published on 19 March 2020 and can be downloaded at <https://gb.zurrosegroup.com/en>.

### **– Queries**

If you have any queries about the Annual General Meeting, please contact Lisa Lüthi, Head of Corporate Communications, telephone: +41 52 724 08 14, email: [lisa.luethi@zurrose.com](mailto:lisa.luethi@zurrose.com).



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