

ZurRose Group

Invitation

to the 30th Annual General Meeting of Zur Rose Group AG

Thursday, 4 May 2023, 5.00 p.m.

Kongresshaus Zurich, Claridenstrasse 5, 8002 Zurich

Dear Shareholders,

On behalf of the Board of Directors and the Executive Board, I would like to cordially invite you to the Annual General Meeting of Zur Rose Group AG as well as the following aperitif.

Date Thursday, 4 May 2023
Venue Kongresshaus Zurich, Claridenstrasse 5, 8002 Zurich
Door opening 4.00 p.m.
Start 5.00 p.m.

You may request your personal admission card and voting materials using the enclosed registration form. Further information on participation, eligibility to vote and proxy representation at the Annual General Meeting can be found in the section “Organisational notes” on page 14.

I am very pleased to welcome you to the Annual General Meeting.

Zur Rose Group AG



Walter Oberhänsli
Chairman of the Board of Directors

Steckborn, April 2023

Agenda-**1. Approval of the Annual Report and the consolidated and statutory financial statements 2022**

The Board of Directors proposes that the Annual Report, the consolidated and the statutory financial statements for the 2022 financial year be approved.

2. Appropriation of the balance sheet result 2022 of Zur Rose Group AG

The Board of Directors proposes that the balance sheet result be appropriated as follows:

Loss carried forward from previous year	CHF	-57,621,092
Net income/(loss)	CHF	-125,845,303
Accumulated loss	CHF	-183,466,395
Carried forward to new account	CHF	-183,466,395

The Board of Directors thus proposes to the Annual General Meeting that no dividend be paid for 2022 and that the entire amount of CHF -183,466,395 be carried forward to the new account.

3. Granting of discharge to the members of the Board of Directors and the Executive Board from liability

The Board of Directors proposes that its members and the members of the Executive Board be discharged from liability for the 2022 financial year.

4. Amendments to the Articles of Association regarding the new company law

The Board of Directors proposes that the Articles of Association be amended in accordance with the proposed amendments as set out in Appendix 1 to this invitation. The proposed amendments to the Articles of Association are structured thematically and will be submitted to the Annual General Meeting to a vote under five different agenda items (agenda items 4.1 to 4.5). Detailed explanations of the proposed amendments to the Articles of Association and a comparison with the detailed wording of the current and the proposed Articles of Association can be found in Appendix 1.

4.1 Exercise of financial instruments relating to conditional capital, shares and share register**4.2 General Meeting****4.3 Virtual General Meeting****4.4 Board of Directors and compensation****4.5 Annual Report and information****5. Introduction of a capital band (amendment to the Articles of Association)**

The Board of Directors proposes the introduction of a capital band in the main proposal with an upper limit of 120% of the current share capital and a lower limit of 95% of the current share capital and, for this purpose, to amend article 3a paragraph 1 and paragraph 4 lit. a, h (previously e) of the Articles of Association as well as the respective margin note as follows and to insert the following article 3a paragraph 4 lit. d, e, f (immediately after the previous lit. c) of the Articles of Association, whereby these amendments shall only come into force if article 3e (agenda item 8) (*Limitation of the exclusion of preemptive rights and limitation of the aggregate dilution*) is also approved:

[Margin note]
Capital band

Article 3a

- ¹ *The Board of Directors is authorized during the period until 4 May 2026 to (a) increase the share capital in one or more steps by a maximum of CHF 80,945,640.00 to CHF 485,673,840.00 (upper limit) by issuing a maximum of 2,698,188 fully paid-up registered shares with a par value of CHF 30.00 each and (b) to reduce the share capital in one or more steps by a maximum of CHF 20,236,410.00 to not less than CHF 384,491,790.00 (lower limit) exclusively by cancelling registered shares with a nominal value of CHF 30.00 each which were issued for the purpose of securities lending for convertible bonds of the Company and are (possibly for the time being) no longer required therefor. Increases in partial amounts are permitted. In the event of a capital reduction, the amount of the reduction shall be booked to the reserves.*
- ⁴ *(a) in connection with a listing or admission to trading of shares on domestic or foreign trading venues, including for the purpose of granting an over-allotment option (greenshoe); or*
- (d) to create reserve shares to be used for the above purposes or to back financial instruments issued on market terms; or*
- (e) to service financial instruments issued on market terms; or*
- (f) to create a fix or variable reserve of shares intended for stock lending in connection with financial instruments issued or guaranteed by the Company, namely convertible bonds; or*
- (h) for raising capital in a fast and flexible manner which could only be achieved with difficulty or not at all without excluding the preemptive rights of shareholders; or*

First additional proposal subject to the approval of the above main proposal:

Furthermore, the Board of Directors proposes, subject to the approval of the first proposal made under this agenda item (main proposal), the further reduction of the lower capital band limit from the already approved CHF 384,491,790.00, corresponding to a reduction by a maximum of CHF 20,236,410.00, to CHF 347,728,200.00, corresponding to a reduction by a maximum of CHF 57,000,000.00, and thus a corresponding amendment of paragraph 1 of article 3a of the Articles of Association as approved under the first proposal.

Second additional proposal subject to the approval of the above main proposal:

Furthermore, the Board of Directors proposes, subject to the approval of the first proposal made under this agenda item (main proposal), the extension of the term of the capital band from 4 May 2026 to 30 September 2027 and thus a corresponding amendment of paragraph 1 of Article 3a of the Articles of Association as approved under the first proposal.

6. Increase of the conditional capital for employee participations and extension to consultants (amendment to the Articles of Association)

The Board of Directors proposes to increase the conditional share capital according to article 3b of the Articles of Association for the issuance of shares to employees and members of the Board of Directors of the Company and its subsidiaries to newly 400,000 fully paid-in registered shares with a nominal value of CHF 30 each and to extend the possibility of issuing shares from the conditional capital to consultants. It is therefore proposed to amend article 3b paragraph 1 of the Articles of Association as follows:

Article 3b

¹ *The share capital of the Company may be increased by an amount not to exceed CHF 12,000,000.00 through the issuance of up to 400,000 fully paid up registered shares with a par value of CHF 30.00 each through issuance of shares to employees, consultants and members of the Board of Directors of the Company and its subsidiaries. The preemptive rights and advance subscription rights of the existing shareholders of the Company for the new shares in proportion to their existing participations shall be excluded.*

The existing paragraphs 2 and 3 of article 3b of the Articles of Association remain unchanged.

7. Conditional capital for financing, acquisitions and other purposes (amendment to the Articles of Association)

The Board of Directors proposes to create new conditional share capital in the amount of 20% of the existing share capital and for this purpose to increase the existing conditional share capital of 1,238,927 shares or CHF 37,167,810, which remains reserved (except for three shares) for the already issued convertible bonds and may also be used for the reorganisation of the existing convertible bonds, to 3,937,112 shares or CHF 118,113,360. Furthermore, it is proposed to amend paragraph 3 of article 3c with an addition clarifying that the advance subscription rights may also be excluded for intra-group financial instruments used to support financial instruments issued to investors. Accordingly, the Board of Directors proposes to amend article 3c paragraph 1 and paragraph 3 of the Articles of Association as follows, whereby these amendments shall only enter into force if article 3e (agenda item 8) (*Limitation of the exclusion of preemptive rights and limitation of aggregate dilution*) is also approved:

Article 3c

¹ *The share capital of the Company may be increased by an amount not to exceed CHF 118,113,360.00 through the issuance of up to 3,937,112 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 bonds, notes, options, warrants or other financial market instruments or contractual obligations of the Company or any of its subsidiaries (hereinafter collectively, the **Financial Instruments**). Of the conditional share capital pursuant to this paragraph of Article 3c of these Articles of Association, a nominal amount of CHF 37,167,720.00 is reserved for the creation of up to 1,238,924 registered shares with a par value of CHF 30.00 each as a result of the exercise of conversion rights by the creditors of the CHF 175 million convertible bond maturing on 31 March 2025 and of the CHF 94.972 million convertible bond maturing 15 September 2026. Therefore, they cannot be used for any other purpose except for the reorganization of these convertible bonds, e.g. in the context of an exchange offer or a repurchase offer with a related new issue; for the purpose of such reorganization, reserved shares shall be released to the extent that one of the convertible bonds is replaced.*

³ *[First part remains unchanged; addition:]*

Within the scope of numbers (1) and (2) above, the advance subscription right may already be excluded for financial instruments that are issued internally within the Group in order to ensure servicing with shares of the financial instruments that are issued to investors or in order to initially create a share lending facility that is first used to allow investors hedging the financial instruments issued to them and then for servicing these financial instruments.

8. Limitation of the number of shares that may be offered under exclusion of subscription rights or advance subscription rights (amendment to the Articles of Association)

The Board of Directors proposes to limit the upper limit of the number of shares which may be issued under limitation or exclusion of the preemptive rights under article 3a and the preemptive rights under article 3c to 10% of the currently issued share capital, i.e. to 1,349,094 registered shares. In addition, the authority of the Board of Directors to issue or reserve shares under these two provisions shall be limited in the aggregate to 20% by reducing the authority provided for under one provision accordingly when exercising the authority provided under the other provision. Financial instruments already issued are not subject to this limitation.

To this end, the Board of Directors proposes that article 3e (formerly 3d) be amended as follows (main proposal):

[Margin note]

Combined Issuance Authority Cap and Exclusion Authority Cap

Article 3e

From 4 May 2023 until 4 May 2026, the authority of the Board of Directors to exclude preemptive rights in the event of a capital increase based on Article 3a paragraphs 1 and 4 of these Articles of Association and to exclude advance subscription rights based on Article 3c paragraphs 1 and 3 of the Articles of Association shall be limited to a total of 1,349,094 shares to be issued or serving as underlying. This restriction does not cover situations in which the preemptive or advance subscription rights of shareholders are indirectly upheld with respect to the shares to be issued or financial instruments to be issued (such as in the case of an issuance via a financial institution offering the shares to the shareholders or if the shares are issued for servicing financial instruments for which this provision has been complied with but are put to an interim use in the sense of these financial instruments, such as a stock lending, and are therefore issued well in advance of the conversion or exercise of the financial instrument). From 4 May 2023 until 4 May 2026, the authority of the Board of Directors to increase capital under Art. 3a paragraph 1 and to reserve shares under Art. 3c paragraph 1 is limited to a total of 2,698,188 shares; each share issued under Art. 3a paragraph 1 reduces the authority to reserve under Art. 3c paragraph 1 and vice versa.

In the case of the reuse of shares to back financial instruments issued in the course of a reorganization pursuant to Art. 3c para. 1 last sentence, the restrictions pursuant to the preceding paragraph shall not apply.

Additional proposal subject to the approval of the above main proposal:

Furthermore, the Board of Directors proposes, subject to the approval of the first proposal made under this agenda item (main proposal), to extend the term of the provision from 4 May 2026 to 30 September 2027 and thus a corresponding amendment of paragraph 1 of article 3e of the Articles of Association as approved under the first proposal.

9. Prospective vote on LTIP (amendment to the Articles of Association)

The Board of Directors concluded that long-term incentive plans (LTIP) should be voted on in advance, i.e. before the beginning of the financial year of the respective allocation.

To this end, the Board of Directors proposes that article 25 paragraph 1 be amended by replacing paragraph 4 with the following paragraphs 4 and 5:

- ⁴ *the maximum variable compensation of the Group Management for the following financial year, provided that such compensation is related to plans that run over several years and for which at least the maximum value can be determined upon allocation; and*
- ⁵ *the variable compensation of the Group Management for the preceding financial year, unless not already approved under number 4 above.*

10. Change of name and transfer of registered office (amendment to the Articles of Association)

The Board of Directors proposes to change the name of the Company to DocMorris AG (DocMorris SA) (DocMorris Ltd) and thus to replace the company name in article 1 of the Articles of Association accordingly and to transfer the registered office to Frauenfeld, Switzerland, both under the condition precedent that the Board of Directors determines that the sale of the entities belonging to the Swiss business of the Company has been closed. The Board of Directors is instructed to register this amendment to the Articles of Association with the Commercial Register as soon as the closing has taken place, whereby this resolution shall lapse if the registration with the Commercial Register has not taken place by 30 November 2023. In the event that the aforementioned closing of the sale has already taken place prior to the General Meeting, the condition precedent shall no longer apply.

The new article 1 paragraph 1 of the Articles of Association then reads as follows:

- ¹ *Under the name DocMorris AG (DocMorris SA) (DocMorris Ltd) (the **Company**) shall exist a corporation with its registered office in Frauenfeld, canton of Thurgau, Switzerland.*

11. Re-election of the members and the chairman of the Board of Directors

The Board of Directors proposes that all members of the Board of Directors be re-elected for a further term of office concluding at the end of the next Annual General Meeting:

11.1 Re-election of Walter Oberhänsli as member and as chairman of the Board of Directors in the same vote

11.2 Re-election of Prof. Dr. Andréa Belliger as member

11.3 Re-election of Prof. Stefan Feuerstein as member

11.4 Re-election of Rongrong Hu as member

11.5 Re-election of Dr. Christian Mielsch as member

11.6 Re-election of Florian Seubert as member

12. Re-election of the members of the Compensation and Nomination Committee

The Board of Directors proposes that all members of the Compensation and Nomination Committee be re-elected for a further term of office concluding at the end of the next Annual General Meeting:

12.1 Re-election of Rongrong Hu as member

12.2 Re-election of Walter Oberhänsli as member

12.3 Re-election of Florian Seubert as member

13. Re-election of the independent proxy

The Board of Directors proposes that Buis Bürgi AG, Zurich, be re-elected as independent proxy for a further term of office concluding at the end of the next Annual General Meeting.

14. Re-election of the auditors

The Board of Directors proposes that Ernst & Young Ltd, Zurich, be re-elected as auditors for a further term of office concluding at the end of the next Annual General Meeting.

15. Compensation

15.1 Consultative vote on the Compensation Report 2022

The Board of Directors recommends to approve the Compensation Report 2022 in a consultative vote.

15.2 Approval of the maximum aggregate amount for the fixed compensation of the Board of Directors for the 2024 financial year

The Board of Directors proposes to approve the maximum aggregate amount for the fixed compensation of the members of the Board of Directors of CHF 1,330,000 for the financial year 2024.

15.3 Approval of the aggregate amount for the variable compensation of the Executive Board for the 2022 financial year

The Board of Directors proposes to approve the aggregate amount for the short-term and long-term variable compensation of the members of the Executive Board of CHF 3,166,000 for the completed financial year 2022.

15.4 Approval of the aggregate amount for the long-term variable compensation of the Executive Board for the 2023 financial year

The Board of Directors proposes to approve the aggregate amount for the long-term variable compensation of the members of the Executive Board of CHF 1,600,000 for the financial year 2023.

15.5 Approval of the aggregate amount for the long-term variable compensation of the Executive Board for the 2024 financial year

The Board of Directors proposes to approve the aggregate amount for the long-term variable compensation of the members of the Executive Board of CHF 1,600,000 for the 2024 financial year.

15.6 Approval of the maximum aggregate amount for the fixed compensation of the Executive Board for the 2024 financial year

The Board of Directors proposes to approve the maximum aggregate amount for the fixed compensation of the members of the Executive Board of CHF 3,500,000 for the 2024 financial year.

Explanatory notes on the agenda

– Approval of the Annual Report and the consolidated and statutory financial statements 2022 (agenda item 1)

In the opinion of the Board of Directors, the Annual Report and the consolidated and statutory financial statements have been prepared in accordance with the applicable accounting standards and the applicable provisions of the Swiss Code of Obligations. The Annual Report and the consolidated and statutory financial statements have also been audited by the Company's auditors and have received an unqualified audit opinion. The Board of Directors is further of the opinion that neither the Annual Report nor the consolidated or the statutory financial statements contain specific facts that require an in-depth discussion.

– Appropriation of the 2022 balance sheet result of Zur Rose Group AG (agenda item 2)

Due to the currently expected medium to long-term financial needs of the Company, the Board of Directors considers it appropriate and expedient not to propose any distributions. The accumulated loss result shall be carried forward to the next account.

– Granting of discharge to the members of the Board of Directors and the Executive Board from liability (agenda item 3)

The Board of Directors is not aware of any facts that would make it necessary to withhold discharge from liability.

– Amendments to the Articles of Association regarding the new company law (agenda item 4)

Detailed explanations by the Board of Directors are included in Appendix 1 to this invitation.

– Introduction of a capital band (agenda item 5)

As a result of the reform of the company law, the authorised capital was replaced by the capital band as of 1 January 2023. The introduction of a capital band requires the inclusion of a corresponding provision in the Articles of Association, as was previously the case with the authorised capital. The opportunities that present themselves to the Company, especially in the German, but also in the European market, may require further investments and thus additional financial resources.

In order to be able to react quickly to such opportunities, the Board of Directors proposes the creation of a capital band with an upper limit of 120%. Such newly created possibility to increase the share capital is linked to the proposed conditional capital for financial instruments in such a manner that any increase of the share capital under the capital band limits the authority of the Board of Directors to reserve shares for financial instruments under the conditional capital to the same extent and vice versa (article 3e paragraph 1). Preemptive rights are to be excluded for a maximum of 10%; this possibility is also linked to the possibility of excluding advance subscription rights via article 3e paragraph 1.

The Board of Directors also proposes a lower capital band limit of 95% of the existing share capital as part of the main proposal. However, the Board of Directors may only exercise its authority to reduce the share capital for shares that are currently used for the purpose of a share lending facility for the existing convertible bonds. These shares will be released and are to be cancelled if the convertible bonds are not converted. The reasoning behind the requested authority of the Board of Directors under the capital band is that this would partially offset any stamp duties resulting from the issuance of new shares from the capital band. This is due to the fact that the stamp duty is only taken into account in its entirety at the end of the duration of the capital band. In the best case scenario, this would enable a saving of several hundred thousand Swiss francs in stamp duty. The Board of Directors proposes the capital band in the main proposal for a term of three years, i.e. until 4 May 2026.

The proposed limits of 120% and 95% as well as the proposed term of three years of the capital band correspond to the current lower end of the market standard. However, the Board of Directors proposes in the first additional proposal to reduce the lower limit of the capital band to 85.91%. This would allow all 1.9 million shares of the stock lending facility to be cancelled within the capital band as part of the capital reduction. This capacity is required in case none of the shares can be used to convert the existing convertible bonds and no capital increase takes place within the term of the capital band until the share lending facility is released. Further, in the second additional proposal, the Board proposes to extend the term of the capital band from 4 May 2026 to 30 September 2027. This proposal is made to cater to the event that the stock lending facility is not released until after repayment of the 2026 convertible bond due in autumn 2026. In order to cover the possibility of a reorganisation of the 2026 convertible bond with an extension of one year, a period of one additional year, i.e. until the end of September 2027, is intended.

Within the limits of the main proposal, the Board of Directors also proposes to slightly expand the reasons for the exclusion of preemptive rights in the capital band compared to the authorised capital. This involves clarifications, as in lit. a, d and h, on the one hand. On the other hand, it is about ensuring that any financial instruments can be serviced not only via the conditional capital in article 3c, but also via article 3a. Because the two provisions are linked, this does not expand the power of the Board of Directors to create new shares as a whole, but it does create the possibility for an optimal selection of the sources of the shares to be used.

— **Increase of conditional capital for employee participations and extension to consultants (agenda item 6)**

The objective of the Zur Rose Group's employee share ownership plans is to allow employees and members of the Board of Directors to participate, with their own investment, in the continued increase in the value of the Company to the extent customary in the market, in order to align their interests with those of the shareholders.

Due to the issuance of shares to employees and members of the Board of Directors under the existing employee participation plans, the existing conditional capital for employee participation was used up to a remaining 156,159 available shares. For the future servicing of the employee participation plans, the Board of Directors proposes to increase the conditional capital for employee participations by 243,841 shares to a new total of 400,000 shares. After the increase, the conditional capital for employee participations corresponds to CHF 12,000,000 and thus to just under 3% of the current registered share capital of Zur Rose Group AG. Furthermore, it has become apparent that compensation with shares should not only be possible for employees, but also for persons working in a consulting relationship for the Company or its subsidiaries, who should also be incentivised by such compensation.

— **Conditional share capital for financing, acquisitions and other purposes (agenda item 7)**

The proposed conditional capital enlarges the power of the Board of Directors to increase the share capital with a view to the powers under the capital band pursuant to article 3a, such extension being only in terms of instruments that may be used, but not in terms of the amounts. This creates the possibility to raise capital not only through the direct issuance of shares, but also through the prior issue of convertible bonds. It became evident that only in this manner there is sufficient flexibility provided in the various market situations. Furthermore, the provision of conditional capital is intended to support a possible reorganisation of the convertible bonds in 2025 and 2026.

In order to maintain this financial flexibility of the Company, the Board of Directors therefore proposes to increase the conditional capital for financing, acquisitions and other purposes by issuing 3,937,112 new registered shares. Of these, 1,238,924 shares are reserved for the 2025 and 2026 convertible bonds

and cannot be used otherwise except for a reorganisation of these two convertible bonds. The remaining authority of the Board of Directors to create new shares is thus limited to 2,698,188 shares or 20% of the existing capital. Pre-emptive rights may be excluded in the case of convertible bonds and financial instruments for acquisitions and their refinancing as well as in the case of issuance at market conditions. However, this exclusion is limited to 10% via article 3e.

– **Limitation of the number of shares that may be offered under exclusion of subscription rights or advance subscription rights (agenda item 8)**

As already explained above, articles 3a and 3c are linked by giving them a common upper limit of 20% for the increase and allocation powers of the Board of Directors, respectively, and one of 10% for the exclusion of preemptive rights by article 3e. This limits the overall increase authority of the Board of Directors and its authority to exclude preemptive rights. The proposal is made as a main proposal for a term until 4 May 2026. Should the duration of the capital band be extended until 30 September 2027, the additional proposal is made that article 3e is also extended until such date.

– **Prospective vote on LTIP (agenda item 9)**

The Board of Directors is convinced that long-term incentive programmes (LTIP) as part of the variable compensation should be approved by the General Meeting before they are allocated. There is a risk that the recipients of these programmes cannot be sufficiently incentivised and motivated to act in accordance with the programme and strategy if these programmes are still subject to the approval of the General Meeting. Therefore, a corresponding amendment to article 25 of the Articles of Association is proposed.

– **Change of name and transfer of registered office (agenda item 10)**

With the sale of the Swiss business to Medbase, the “Zur Rose” brand will also be transferred to Medbase, whereby Zur Rose Group AG has the right to continue using the brand during a transitional period. Against this background, a change of name for Zur Rose Group AG is required. The new name DocMorris AG references the DocMorris brand, which will be used in future for both the B2C core business and the Group.

At the same time, the physical pharmacy in Steckborn will be transferred to Medbase as part of the sale of the Swiss business. It therefore makes no sense to keep the Company's registered office in Steckborn. The Board of Directors therefore proposes that it be moved to Frauenfeld, where the Company's offices are located.

The proposal is made in such a way that the amendment would only come into effect if and when the sale of the Swiss business has been closed.

– **Re-election of the members and the chairman of the Board of Directors (agenda item 11)**

In the opinion of the Board of Directors, the Board of Directors in its current composition works efficiently and well together and meets the needs of the Zur Rose Group. It also meets the requirements in terms of expertise and diversity. Furthermore, it is of the opinion that the current chairman of the Board of Directors is ideally suited to lead the Board and represent the Zur Rose Group externally. Lastly, it concluded that continuity in the composition of the Board of Directors, which has proven itself well, is in the best interest of the Zur Rose Group.

– **Re-election of the members of the Compensation and Nomination Committee (agenda item 12)**

In the opinion of the Board of Directors, the Compensation and Nomination Committee in its current composition has advised and supported the Zur Rose Group in matters of compensation in the past financial year in a manner appropriate to its needs and in a comprehensive manner. In addition, the

Board of Directors considers the current members to be independent within the meaning of the “Swiss Code of Best Practice for Corporate Governance” of *economiesuisse*, as they are neither involved in the operational management of the Zur Rose Group nor affiliated with important shareholders of the Company. The Board of Directors further believes that continuity in the composition of the Compensation and Nomination Committee, which has proven to be well established, is in the best interest of the Zur Rose Group.

— **Re-election of the independent proxy (agenda item 13)**

In the opinion of the Board of Directors, Buis Bürgi AG, Zurich, is independent and well acquainted with the duties as an independent proxy, which is important for the smooth performance of the duties of this office.

— **Re-election of the auditors (agenda item 14)**

In the opinion of the Board of Directors, Ernst & Young AG, Zurich, is well acquainted with the tasks of an auditor as well as with the internal procedures of the Zur Rose Group, which is important for a smooth audit process. The Board of Directors has no indication that the performance of the auditors in the past year was anything other than fully satisfactory.

— **Consultative vote on the Compensation Report 2022 (agenda item 15.1)**

The purpose of the Compensation Report is to provide shareholders with information on the compensation systems, policies and practices relating to the Board of Directors and the members of the Executive Board. In the opinion of the Board of Directors, the Compensation Report 2022 has been prepared in accordance with the applicable accounting standards as well as the applicable provisions of the Swiss Code of Obligations. The Compensation Report has also been audited by the Company's auditors and received an unqualified audit opinion. It is further the opinion of the Board of Directors that there are no specific facts contained therein that would require further discussion. The Compensation Report is available in the download centre at report.zurrosegroup.com/en.

— **Approval of the maximum aggregate amount for the fixed compensation of the Board of Directors for the 2024 financial year (agenda item 15.2)**

The structure and level of compensation of the Board of Directors are reviewed periodically and are aligned with the industry environment. The compensation consists of a combination of a basic compensation and an additional compensation for the work in committees. For their work, the members of the Board of Directors receive a fixed basic compensation per term of office (retainer), 70% of which is paid out in cash and 30% in the form of registered shares of Zur Rose Group AG with a three-year blocking period. The compensation amount is not linked to a performance component and there is no variable compensation. The proposed maximum aggregate amount for the 2024 financial year of CHF 1,330,000 is based on the assumption that the six proposed persons will be re-elected as members of the Board of Directors (and of the Compensation and Nomination Committee) at the 2023 Annual General Meeting. The amount consists of the fixed compensation in cash and in shares, the committee fee, social security contributions and a reserve of approximately 5% of the expected fixed compensation for 2024. The reserve takes into account various types of unforeseen expenses, compensation adjustments and/or unexpected costs, e.g. taxes contractually owed or immediately payable. For the 2022 financial year, the total compensation paid to the members of the Board of Directors was CHF 1,315,000.

Based on the recommendations of the Compensation and Nomination Committee, it is the opinion of the Board of Directors that the structure and amount of the compensation is in line with common market practice of companies listed on the SIX Swiss Exchange, which are comparable to the Zur Rose Group, is appropriate in view of the work performed by the members of the Board of Directors and is consistent with the compensation principles set forth in the Articles of Association.

– **Approval of the aggregate amount for the variable compensation of the Executive Board for the 2022 financial year (agenda item 15.3)**

For the completed financial year 2022, the proposed maximum aggregate amount of CHF 3,166,000 for the variable compensation of the members of the Executive Board has been calculated. This amount consists of a short-term variable compensation in cash of CHF 1,446,000, a long-term variable compensation in conditional shares of CHF 1,496,000 and pension benefits of CHF 224,000. Two members of the Executive Board receive the cash compensation in EUR. Therefore, the actual payment may differ depending on the exchange rate at the time of payment.

The long-term variable compensation has been allocated to the members of the Executive Board in the form of restricted share units and performance share units, i.e. in the form of conditional shares whose vesting depends on service and performance conditions defined in advance. Details of the terms and conditions can be found in the Compensation Report 2022.

– **Approval of the aggregate amount for the long-term variable compensation of the Executive Board for the 2023 financial year (agenda item 15.4)**

In view of the forward-looking nature of the long-term variable compensation, as of this Annual General Meeting 2023, the vote on the long-term variable compensation for the members of the Executive Board will be carried out prospectively for the allocation following the Annual General Meeting.

For the current financial year 2023, the proposed aggregate amount of CHF 1,600,000 for the long-term variable compensation of the members of the Executive Board has been calculated. The long-term variable compensation is allocated to the members of the Executive Board in the form of performance share units (PSUs), i.e. conditional shares whose allocation is linked to predefined service and performance conditions.

In order to further promote a rapid recovery of Zur Rose's share price and thus to increase value creation for our shareholders, the Board of Directors has made a further adjustments to the existing long-term variable compensation from 2023 onwards. The current performance condition of sales growth will be replaced by challenging share price targets. Thus, PSUs will only be converted into shares if the Zur Rose share price has increased to at least CHF 60 at the end of the three-year performance period. The maximum conversion rate of one PSU into two shares is if the Zur Rose share price increases to CHF 100 with linear interpolation within the price range of CHF 60 and CHF 100. This evolution of the PSU plan anchors our strategic initiatives, including the break-even programme (incl. refinancing) and the expansion of the digital health ecosystem, which we have undertaken to support our transformation, and aligns the final payout under the long-term variable compensation with our shareholders' experience. Details of the PSU terms can be found in the 2022 Compensation Report.

– **Approval of the aggregate amount for the long-term variable compensation of the Executive Board for the 2024 financial year (agenda item 15.5)**

Because of the change from a retrospective approval to a prospective approval, two separate approvals for the revised PSU plan are scheduled to occur at this General Meeting: the approval for the financial year 2023 (agenda item 15.4 above) and the approval for the financial year 2024.

– **Approval of the maximum aggregate amount for the fixed compensation of the Executive Board for the 2024 financial year (agenda item 15.6)**

For the 2024 financial year, the requested maximum aggregate amount of CHF 3,500,000 is calculated based on a fixed compensation of six members of the Executive Board. This amount consists of the fixed

basic compensation, the fringe benefits, the employer contributions to the staff pension foundations, the social security benefits (AHV/IV/EO and ALV) and the daily sickness benefits and accident insurance as well as a reserve of approx. 10% of the expected fixed compensation for 2024. The reserve takes into account various types of unforeseen expenses, compensation adjustments and/or unexpected costs, e.g. taxes contractually owed or immediately payable. Two members of the Executive Board are paid in EUR. The aggregate proposed amount includes the conversion of the compensation for these members based on the average exchange rate for 2022 of 1 EUR = 1.0049 CHF. Exchange rate fluctuations until the final payment of all compensation elements are not taken into account. For the 2022 financial year, a total of CHF 4,264,000 was paid to the eight members of the Executive Board (fixed basic salary incl. fringe benefits and pension benefits).

— **Joint explanation for agenda items 15.3 to 15.6**

Based on the recommendations of the Compensation and Nomination Committee, the Board of Directors is of the opinion that the compensation of the Executive Committee is in line with common market practice of companies listed on the SIX Swiss Exchange, which are comparable to the Zur Rose Group, is appropriate in view of the work performed by the members of the Executive Committee and is in accordance with the compensation principles set forth in the Articles of Association.

Organisational notes

— **Eligibility to attend and vote/admission card**

If you would like to attend the Annual General Meeting in person, please register and request an admission card using the enclosed registration form. Alternatively, you have the option of ordering the admission card electronically. The access information to the online platform is printed on the registration form. Admission cards will be sent out from 19 April 2023. All shareholders whose shares are registered in Zur Rose Group AG's share register on 26 April 2023 will be entitled to vote. From 27 April 2023 to the day of the Annual General Meeting, no more entries in the share register will be made.

— **Appointment of proxies**

Shareholders who are unable to attend the Annual General Meeting in person may appoint any of the following persons as their proxy:

- any proxy authorised in writing. Pursuant to article 12 paragraph 2 of the Articles of Association of Zur Rose Group AG, the proxy must present a written power of attorney;
- the independent proxy Buis Bürgi AG, Mühlebachstrasse 8, P.O. Box, 8024 Zurich. The proxy must be granted by using the duly completed registration form enclosed with this invitation or via the electronic platform by 12.00 noon (receipt) on 2 May 2023. The access information to the online platform is printed on the registration form. If you would like to issue specific voting instructions, please use the form on the back of the registration form or the online platform before the close of instructions by 12.00 noon on 2 May 2023. In the absence of specific instructions, the independent proxy will vote in favour of the proposals of the Board of Directors.

— **Annual Report**

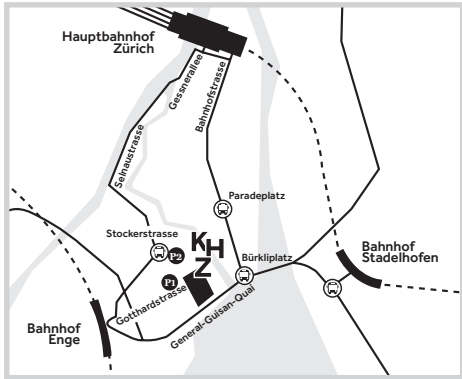
The Annual Report 2022, which also contains the Compensation Report and the auditor's reports, can be viewed online and downloaded at report.zurrosegroup.com/en.

— **Queries**

If you have any queries about the Annual General Meeting, please contact Lisa Lüthi, Director Communications, phone: +41 52 724 08 14, e-mail: aktionaeere@zurrose.com.

— **Directions**

The Kongresshaus Zurich is easily accessible from the main railway station and Stadelhofen station. If you are travelling by car, the Park Hyatt Zurich (P1) and Bleicherweg (P2) car parks are located in the immediate vicinity of the Kongresshaus. Detailed information on how to get there by public transport or by car can be found at www.zurichconventioncenter.com/en/about-us/downloads. The entrance to the Kongresshaus is at Claridenstrasse 5.



Appendix

Appendix 1: Amendments of the Articles of Association regarding the new company law (agenda item 4)

On 1 January 2023, the revision of company law came into force. This requires certain amendments of the Articles of Association, which are proposed herein.

The proposed amendments of the Articles of Association are structured thematically and will be submitted to the General Meeting to a vote under five different agenda items (agenda items 4.1 to 4.5). The proposed amendments are explained separately for each agenda item below. In addition, the following comparison shows the detailed wording of the amendments of the Articles of Association proposed by the Board of Directors against the current Articles of Association as well as in an adjusted version.

Agenda item 4.1: Exercise of financial instruments relating to conditional capital, shares and share register

The provisions of the Articles of Association regarding shares and restrictions on transferability will be adapted to the new company law and generally modernised.

The amendment of article 3d of the Articles of Association allows for financial instruments, such as options for employees or convertible bonds for investors, to be exercised electronically in the future. This simplifies the administration of such instruments.

With the introduction of ledger based securities, it makes sense to clarify that only simple uncertificated securities are meant in article 4 paragraph 1 of the Articles of Association in, but not ledger based securities.

The amendments proposed for article 5 paragraph 1 of the Articles of Association are intended to simplify future electronic communication with those shareholders who provide their e-mail address.

The Board of Directors proposes to insert a new article 3d as follows (former article 3d becomes 3e) and to amend article 4 paragraph 1 and article 5 paragraph 1 and 2 as follows:

Version according to the proposal of the Board of Directors (additions/deletions)

Clean version

Margin note

Exercise of Rights to Obtain Shares from Conditional Capital

Margin note

Exercise of Rights to Obtain Shares from Conditional Capital

Article 3d

Rights to subscribe for new shares from the conditional capital pursuant to Articles 3b and 3c of these Articles of Association shall be exercised by electronic means (including by email or via electronic systems or platforms made available by or for the Company) as further determined by the Board of Directors or in writing, and may be waived in the same form.

Article 3d

Rights to subscribe for new shares from the conditional capital pursuant to Articles 3b and 3c of these Articles of Association shall be exercised by electronic means (including by email or via electronic systems or platforms made available by or for the Company) as further determined by the Board of Directors or in writing, and may be waived in the same form.

Article 4 paragraph 1

¹ The Company may issue its registered shares in the form of single certificates, global certificates and simple uncertificated securities. Subject to applicable law, the Company may convert its registered shares from one form into another form at any time and without the approval of the shareholders. The Company shall bear the cost associated with any such conversion.

Article 5 paragraphs 1 and 2

¹ The Company shall maintain, itself or through a third party, a share register for the registered shares that lists the first and last name (in the case of a legal entity, the company name), the address (including, if provided, electronic address) and nationality (in the case of a legal entity, the registered office) of the shareholders or usufructuaries. A person registered in the share register shall notify the share registrar of any change in address. Until such notification has occurred, all written or, respectively, electronic communications by the Company to persons registered in the share register shall be deemed to have validly been made if sent to the address previously recorded in the share register.

² Persons acquiring registered shares shall be registered in the share register as shareholders with voting rights upon their request if they expressly declare to have acquired and to hold these registered shares in their own name and for their own account.

Article 4 paragraph 1

¹ The Company may issue its registered shares in the form of single certificates, global certificates and simple uncertificated securities. Subject to applicable law, the Company may convert its registered shares from one form into another form at any time and without the approval of the shareholders. The Company shall bear the cost associated with any such conversion.

Article 5 paragraphs 1 and 2

¹ The Company shall maintain, itself or through a third party, a share register for the registered shares that lists the first and last name (in the case of a legal entity, the company name), the address (including, if provided, electronic address) and nationality (in the case of a legal entity, the registered office) of the shareholders or usufructuaries. A person registered in the share register shall notify the share registrar of any change in address. Until such notification has occurred, all written or, respectively, electronic communications by the Company to persons registered in the share register shall be deemed to have validly been made if sent to the address previously recorded in the share register.

² Persons acquiring registered shares shall be registered in the share register as shareholders with voting rights upon their request if they expressly declare to have acquired and to hold these registered shares in their own name and for their own account.

Agenda item 4.2: General Meeting

The law now explicitly mentions the possibility of holding general meetings at different locations or as hybrid events (i.e. that shareholders who are not present at the venue of the General Meeting can participate and exercise their rights electronically). This is intended to be clarified in the Articles of Association through article 9 paragraph 5. Further additions to regarding the process of convening the General Meeting are newly regulated in article 9 paragraphs 3 and 4.

Minority rights were strengthened with the revision of company law. For example, the threshold for the right to convene an extraordinary General Meeting was lowered from 10% to 5% of the share capital or votes. In addition, the new law provides that shareholders may request the inclusion of a proposal on an agenda item in the invitation to the General Meeting under the same conditions as for the right to request an agenda item as such. Furthermore, the new law provides that in the case of unannounced items on the agenda, a resolution may also be passed on proposals submitted for the election of an auditor. These innovations from the revision of the company law lead to changes in article 10 paragraph 1 and 2.

Under the new law, public companies must make the resolutions and election results electronically available within 15 days after the conclusion of a General Meeting, stating the exact voting results. In addition, shareholders may request that the minutes be made available to them within 30 days of a General Meeting. These legal requirements are also intended to be anchored in the Articles of Association (article 11 paragraph 2).

The powers of the General Meeting and the catalogue of resolutions of the General Meeting requiring a qualified majority have been expanded under the new law and result in amendments to article 7 paragraph 2 no 6, 7, 8, 10, article 8 paragraph 2, article 13 paragraphs 1, 2 and 3, and article 32 paragraph 2. The other amendments proposed herein are further changes required to reflect the reformed company law.

The Board of Directors proposes to amend article 7 paragraph 2 no 6-12, article 8 paragraph 2, article 9 paragraphs 3, 4 and 5, article 10 paragraphs 1 and 2, article 11 paragraph 2, article 12 paragraph 2, article 13 paragraphs 1, 2 and 3 as well as article 32 paragraph 2 as follows:

Version according to the proposal of the Board of Directors (additions/~~deletions~~)

Clean version

Article 7 paragraph 2 no 6–12

² The General Meeting of Shareholders shall have the following inalienable powers:

(...)

6. the approval of the annual financial statements and the resolution on the appropriation of the unappropriated profit, in particular the declaration of dividends and shares in profit;

7. the determination of the interim dividend and the approval of the interim financial statements required therefor;

8. the resolution on the repayment of the statutory capital reserve;

~~7.~~ 9. the release from liability of the members of the Board of Directors and the persons entrusted with management;

10. delisting of the equity securities of the Company;

~~8.~~ 11. the approval of the compensation of the Board of Directors and the Group Management pursuant to article 25 of these Articles of Association; and

~~9.~~ 12. the adoption of resolutions on matters that are reserved to the General Meeting of Shareholders by law or these Articles of Association or that are, subject to article 716a CO, submitted to the General Meeting of Shareholders by the Board of Directors.

Article 7 paragraph 2 no 6–12

² The General Meeting of Shareholders shall have the following inalienable powers:

(...)

6. the approval of the annual financial statements and the resolution on the appropriation of the unappropriated profit, in particular the declaration of dividends and shares in profit;

7. the determination of the interim dividend and the approval of the interim financial statements required therefor;

8. the resolution on the repayment of the statutory capital reserve;

9. the release from liability of the members of the Board of Directors and the persons entrusted with management;

10. delisting of the equity securities of the Company;

11. the approval of the compensation of the Board of Directors and the Group Management pursuant to article 25 of these Articles of Association; and

12. the adoption of resolutions on matters that are reserved to the General Meeting of Shareholders by law or these Articles of Association or that are, subject to article 716a CO, submitted to the General Meeting of Shareholders by the Board of Directors.

Article 8 paragraph 2

² Extraordinary General Meetings of Shareholders shall be held if

- (a) the Board of Directors or the Auditors deem it necessary;
- (b) so resolved by a General Meeting of Shareholders; or
- (c) shareholders who hold, alone or together, shares representing at least ~~10~~ 5% of the share capital or votes so request in writing, indicating the matters to be discussed and the corresponding proposals and, in case of elections, the names of the nominated candidates.

Article 8 paragraph 2

² Extraordinary General Meetings of Shareholders shall be held if

- (a) the Board of Directors or the Auditors deem it necessary;
- (b) so resolved by a General Meeting of Shareholders; or
- (c) shareholders who hold, alone or together, shares representing at least 5% of the share capital or votes so request in writing, indicating the matters to be discussed and the corresponding proposals and, in case of elections, the names of the nominated candidates.

Article 9 paragraphs 3, 4 and 5

- ³ The annual report, the compensation report and the Auditors' reports as well, if applicable, the report on non-financial aspects shall be made available for inspection by to the shareholders at the registered office of the Company no later than 20 calendar days prior to before the Annual ordinary General Meeting of Shareholders. Registered shareholders shall be informed in writing in the notice. If these documents are not available electronically, each shareholder may request that they be sent to him in due time.
- ⁴ The notice shall specify the items on the agenda as well as the proposals of the Board of Directors and the shareholder(s) who requested that a General Meeting of Shareholders be held or an item be included on the agenda and, in the event of elections, the names of the proposed candidates. In addition to the date, time, kind and place of the meeting, the convocation notice shall state the items to be discussed, the motions of the board of directors together with a brief statement of the reasons for these motions, the motions of the shareholders, if any, together with a brief statement of the reasons for these motions, and the name and address of the independent proxy.
- ⁵ The General Meeting of Shareholders may be held at one or several venues at the same time. The board of directors may provide that shareholders who are not present at the place of the General Meeting of Shareholders may exercise their rights electronically.

Article 9 paragraphs 3, 4 and 5

- ³ The annual report, the compensation report and the Auditors' reports as well, if applicable, the report on non-financial aspects shall be made to the shareholders no later than 20 calendar days before the ordinary General Meeting of Shareholders. If these documents are not available electronically, each shareholder may request that they be sent to him in due time.
- ⁴ In addition to the date, time, kind and place of the meeting, the convocation notice shall state the items to be discussed, the motions of the board of directors together with a brief statement of the reasons for these motions, the motions of the shareholders, if any, together with a brief statement of the reasons for these motions, and the name and address of the independent proxy.
- ⁵ The General Meeting of Shareholders may be held at one or several venues at the same time. The board of directors may provide that shareholders who are not present at the place of the General Meeting of Shareholders may exercise their rights electronically.

Article 10 paragraphs 1 and 2

- ¹ Shareholders who, alone or together, either hold shares with a par value of at least CHF 1,000,000 or who represent at least 10 percent 0,5% of the share capital or the votes may (jointly) request that an item be included on the agenda. Such request must be made in writing at least 45 calendar days prior to the General Meeting of Shareholders, specifying the agenda item and the proposals of the shareholders. Under the same conditions, shareholders may request that proposals regarding agenda items be added to the convocation notice.
- ² No resolutions may be passed at a General Meeting of Shareholders on proposals concerning agenda items for which proper notice was not given. This provision shall not apply to proposals made during a General Meeting of Shareholders to convene an Extraordinary General Meeting of Shareholders, to elect an auditor or to initiate a special audit investigation.

Article 11 paragraph 2

- ² The acting chair of the General Meeting of Shareholders shall appoint the minute keeper and the vote counters, none of whom need to be shareholders. The minutes shall be signed by the acting chair of the General Meeting of Shareholders and the minute keeper. Any shareholder may request that the minutes be made available within 30 days of the General Meeting of Shareholders. The resolutions and the results of the elections shall be made available electronically within 15 days after the General Meeting of Shareholders, stating the exact number of votes.

Article 10 paragraphs 1 and 2

- ¹ Shareholders who, alone or together, represent at least 0.5% of the share capital or the votes may (jointly) request that an item be included on the agenda. Such request must be made in writing at least 45 calendar days prior to the General Meeting of Shareholders, specifying the agenda item and the proposals of the shareholders. Under the same conditions, shareholders may request that proposals regarding agenda items be added to the convocation notice.
- ² No resolutions may be passed at a General Meeting of Shareholders on proposals concerning agenda items for which proper notice was not given. This provision shall not apply to proposals made during a General Meeting of Shareholders to convene an Extraordinary General Meeting of Shareholders, to elect an auditor or to initiate a special investigation.

Article 11 paragraph 2

- ² The acting chair of the General Meeting of Shareholders shall appoint the minute keeper and the vote counters, none of whom need to be shareholders. The minutes shall be signed by the acting chair of the General Meeting of Shareholders and the minute keeper. Any shareholder may request that the minutes be made available within 30 days of the General Meeting of Shareholders. The resolutions and the results of the elections shall be made available electronically within 15 days after the General Meeting of Shareholders, stating the exact number of votes.

Article 12 paragraph 2

² The Board of Directors shall establish the rules regarding the participation in and representation at the General Meeting of Shareholders and shall determine the requirements as to proxies and instructions. A shareholder may only be represented at the General Meeting of Shareholders by the independent voting rights representative, its legal representative or, by means of a written proxy, by any other proxy, ~~who need not be a shareholder~~. All shares held by a shareholder may only be represented by one person.

Article 13 paragraphs 1, 2 and 3

¹ The General Meeting of Shareholders shall pass its resolutions and decide its elections by the ~~absolute~~ majority of the votes represented, unless required otherwise by law or these Articles of Association.

² Two thirds of the votes represented and the ~~absolute~~ majority of the par value of shares represented shall be required for the adoption of resolutions of the General Meeting of Shareholders on the following matters:

1. the modification of the purpose of the company;
2. the ~~creation~~ consolidation of shares ~~with preferential voting rights~~;
- ~~3. restrictions of the transferability of registered shares and the easing or lifting of such restrictions;~~
- ~~4. an authorized or conditional share capital increase;~~
- ~~5.3. a share the increase of capital increase by conversion out of equity surplus, against contributions in kind or for purposes of an acquisition of assets, or by offsetting against a claim and the granting of special benefits;~~
- ~~6.4. the limitation or exclusion of preemptive restriction or cancelation of subscription rights;~~
5. the introduction of conditional capital and the introduction of a capital band;

Article 12 paragraph 2

² The Board of Directors shall establish the rules regarding the participation in and representation at the General Meeting of Shareholders and shall determine the requirements as to proxies and instructions. A shareholder may only be represented at the General Meeting of Shareholders by the independent voting rights representative, its legal representative or, by means of a written proxy, by any other proxy. All shares held by a shareholder may only be represented by one person.

Article 13 paragraphs 1, 2 and 3

¹ The General Meeting of Shareholders shall pass its resolutions and decide its elections by the majority of the votes represented, unless required otherwise by law or these Articles of Association.

² Two thirds of the votes represented and the majority of the par value of shares represented shall be required for the adoption of resolutions of the General Meeting of Shareholders on the following matters:

1. the modification of the purpose of the company;
2. the consolidation of shares;
3. the increase of capital out of equity, against contributions in kind or by offsetting against a claim and the granting of special benefits;
4. the restriction or cancelation of subscription rights;
5. the introduction of conditional capital and the introduction of a capital band;

6. the conversion of participation certificates into shares;

7. the ~~conversion~~ restriction of the transferability of registered shares ~~into bearer shares~~;

8. the introduction of voting shares;

9. the change of currency of the share capital;

10. the introduction of the casting vote of the Chairman at the General Meeting of Shareholders;

11. a provision in the Articles of Association for the holding of General Meetings abroad;

12. the delisting of the Company's equity securities;

~~8.~~ 13. the relocation of the registered office of the Company; and

14. the introduction of an arbitration clause in the Articles of Association; and

~~9.~~ 15. the dissolution of the Company.

³ Resolutions and elections shall be decided by open ballot, unless the General Meeting of Shareholders resolves or its acting chair decides that a secret ballot be held or that it be voted by electronic means. The acting chair of the General Meeting of Shareholders may at any time order that a resolution or election be repeated if he considers the vote to be in doubt. The resolution or election previously held shall then be deemed not to have taken place. The exact voting ratio is determined for votes and elections.

Article 32 paragraph 2

² In addition to the reserves required by law, the General Meeting of Shareholders may create ~~other~~ voluntary earnings reserves in compliance with the legal requirements.

6. the conversion of participation certificates into shares;

7. the restriction of the transferability of registered shares;

8. the introduction of voting shares;

9. the change of currency of the share capital;

10. the introduction of the casting vote of the Chairman at the General Meeting of Shareholders;

11. a provision in the Articles of Association for the holding of General Meetings abroad;

12. the delisting of the Company's equity securities;

13. the relocation of the registered office of the Company;

14. the introduction of an arbitration clause in the Articles of Association; and

15. the dissolution of the Company.

³ Resolutions and elections shall be decided by open ballot, unless the General Meeting of Shareholders resolves or its acting chair decides that a secret ballot be held or that it be voted by electronic means. The acting chair of the General Meeting of Shareholders may at any time order that a resolution or election be repeated if he considers the vote to be in doubt. The resolution or election previously held shall then be deemed not to have taken place. The exact voting ratio is determined for votes and elections.

Article 32 paragraph 2

² In addition to the reserves required by law, the General Meeting of Shareholders may create voluntary earnings reserves in compliance with the legal requirements.

Agenda item 4.3: Virtual General Meeting

The revision of the company law created the legal basis for a purely virtual General Meeting, in which a General Meeting without a physical venue is held exclusively by electronic means. The Covid-19 pandemic has taught companies that they must remain flexible with regard to the form of their meetings under company law. Accordingly, the Board of Directors proposes to establish the statutory basis necessary to conduct a virtual General Meeting. The Board of Directors will strive to ensure that a virtual General Meeting also meets the requirements for genuine participation and exchange among shareholders and with the Company.

The Board of Directors proposes to insert article 9 paragraph 6 as follows:

Version according to the proposal of the Board of Directors (additions/deletions)

Clean version

Article 9 paragraph 6

⁶ The General Meeting of Shareholders may also be held exclusively by electronic means (including telephone, video conference or other audio-visual or electronic means of communication) without a meeting place. The Board of Directors shall regulate the use of such electronic means. It shall ensure that the identity of the participants is known, that the votes in the meeting are transmitted immediately, that each participant can make motions and take part in the discussion and that the result of the vote cannot be distorted.

Article 9 paragraph 6

⁶ The General Meeting of Shareholders may also be held exclusively by electronic means (including telephone, video conference or other audio-visual or electronic means of communication) without a meeting place. The Board of Directors shall regulate the use of such electronic means. It shall ensure that the identity of the participants is known, that the votes in the meeting are transmitted immediately, that each participant can make motions and take part in the discussion and that the result of the vote cannot be distorted.

Agenda item 4.4: Board of Directors and compensation

The company law was also revised at the level of the Board of Directors with regard to the eligibility of electronic forms of communication. Zur Rose intends to apply these modernisations. The Board of Directors therefore proposes an amendment to article 18 paragraph 3.

Analogous to the powers of the General Meeting, the powers of the Board of Directors have also been slightly revised. The Board of Directors proposes to adopt these changes in the Articles of Association (article 19 paragraph 2 no 4, 8, 10).

One objective of the revision of company law is to transfer the ordinance against excessive compensation in listed stock corporations (VegüV), which entered into force on 1 January 2014, into federal law. The majority of the provisions of the VegüV were transferred into the company law unchanged. Only a few provisions were amended. The Board of Directors proposes to reflect the following points in the Articles of Association: the provision, now explicitly anchored in the company law, according to which the Compensation Report must be submitted to the General Meeting for a consultative vote if variable compensation is voted on prospectively (article 25 paragraph 2); the provision according to which the compensation for contractual non-competition agreements may not exceed the average compensation of the last three financial years (article 28 paragraph 3); and the amended definition of the term “mandates outside the company” (article 29 paragraph 4).

The Board of Directors proposes to insert or amend article 18 paragraph 3, article 19 paragraph 2 no 4, 8 and 10, article 25 paragraph 2, article 28 paragraph 1 and 3 and article 29 paragraph 4 as follows:

Version according to the proposal of the Board of Directors (additions/deletions)

Clean version

Article 18 paragraph 3

³ The Board of Directors may pass its resolutions:

1. at a meeting with a venue; and/or
2. by electronic means (including telephone, video conference or other audiovisual or electronic means of communication); or
3. ~~Resolutions may also be adopted by way of written consent, unless a member requests discussion thereof.~~ by written means on paper or in electronic form (including email or any other form of transmission enabling the resolution to be evidenced by text), unless a Member requests oral deliberation. In the case of resolutions passed electronically, no signature shall be required, unless otherwise determined in writing by the Board of Directors.

Article 18 paragraph 3

³ The Board of Directors may pass its resolutions:

1. at a meeting with a venue; and/or
2. by electronic means (including telephone, video conference or other audiovisual or electronic means of communication); or
3. by written means on paper or in electronic form (including email or any other form of transmission enabling the resolution to be evidenced by text), unless a Member requests oral deliberation. In the case of resolutions passed electronically, no signature shall be required, unless otherwise determined in writing by the Board of Directors.

Article 19 paragraphs 2 no 2, 8 and 10

² It shall have the following non-transferable and inalienable responsibilities:

(...)

4. the appointment and dismissal of the persons entrusted with management and representation of the Company, ~~and establishment of rules on signature powers;~~

(...)

8. the adoption of resolutions on the increase or the decrease of the share capital to the extent such power is vested in the Board of Directors, the ascertainment of capital increases, the preparation of the capital increase report, and the respective amendments to the Articles of Association (including deletions);

(...)

10. the filing of a petition for debt-restructuring moratorium and the notification of the judge court if liabilities exceed assets; and

Article 25 paragraph 2

² If variable compensation is voted on in advance, the compensation report must be submitted to the General Meeting of Shareholders for an advisory vote.

(previous paragraph 2 becomes 3, 3 becomes 4, 4 becomes 5)

Article 19 paragraphs 2 no 2, 8 and 10

² It shall have the following non-transferable and inalienable responsibilities:

(...)

4. the appointment and dismissal of the persons entrusted with management and representation of the Company;

(...)

8. the adoption of resolutions on the increase or the decrease of the share capital to the extent such power is vested in the Board of Directors, the ascertainment of capital increases, the preparation of the capital increase report, and the respective amendments to the Articles of Association (including deletions);

(...)

10. the filing of a petition for debt-restructuring moratorium and the notification of the court if liabilities exceed assets; and

Article 25 paragraph 2

² If variable compensation is voted on in advance, the compensation report must be submitted to the General Meeting of Shareholders for an advisory vote.

Article 28 paragraphs 1 and 3

- ¹ The Company or companies controlled by it may enter into agreements with non-executive members of the Board of Directors relating to their compensation ~~for a fixed term or for an indefinite term.~~ Duration and termination shall comply with the term of office and the law.
- ³ The Company or companies controlled by it may enter into commercially justified non-compete agreements with executive members of the Board of Directors and members of the Group Management for the time after termination of employment. Their duration shall not exceed one year, and consideration paid for such non-compete undertaking shall not exceed the ~~total annual compensation~~ average of the compensations of such member ~~during the preceding of~~ the last three financial year years.

Article 29 paragraph 4

- ⁴ Mandates shall mean ~~mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a comparable foreign register~~ activities in functions comparable with those of a board member, member of management or advisory board member, at other companies with an economic purpose. Mandates in different legal entities that are under joint control or same beneficial ownership are deemed to be one mandate.

Article 28 paragraphs 1 and 3

- ¹ The Company or companies controlled by it may enter into agreements with non-executive members of the Board of Directors relating to their compensation. Duration and termination shall comply with the term of office and the law.
- ³ The Company or companies controlled by it may enter into commercially justified non-compete agreements with executive members of the Board of Directors and members of the Group Management for the time after termination of employment. Their duration shall not exceed one year, and consideration paid for such non-compete undertaking shall not exceed the average of the compensations of such member of the last three financial years.

Article 29 paragraph 4

- ⁴ Mandates shall mean activities in functions comparable with those of a board member, member of management or advisory board member, at other companies with an economic purpose. Mandates in different legal entities that are under joint control or same beneficial ownership are deemed to be one mandate.

Agenda item 4.5: Annual report and information

The Code of Obligations recognises the relevance of a regular report on non-financial matters (sustainability report) and requires the preparation and publication of such a report in the future. The Board of Directors proposes to make a reference to this in the Articles of Association (article 31 paragraph 2).

The revision of the company law also allows that all communications of the company to its shareholders can also be sent to an electronic address registered in the share register (e.g. by e-mail) if the articles of association provide for this. The Board of Directors proposes that this be stipulated in the Articles of Association (article 34 paragraph 1).

The Board of Directors proposes to amend article 31 paragraph 2, the margin note of article 31 and article 34 paragraphs 1 and 3 as follows:

Version according to the proposal of the Board of Directors (additions/deletions)

Margin note

Financial Year, Annual and Compensation Report, Report on Non-Financial Matters

Article 31 paragraph 2

² The Board of Directors shall prepare an annual report for each financial year, comprising the annual financial statements, the management report and the consolidated financial statements, as well as a compensation report and, if applicable, a report on non-financial matters.

Clean version

Margin note

Financial Year, Annual and Compensation Report, Report on Non-Financial Matters

Article 31 paragraph 2

² The Board of Directors shall prepare an annual report for each financial year, comprising the annual financial statements, the management report and the consolidated financial statements, as well as a compensation report and, if applicable, a report on non-financial matters.

Article 34 paragraph 1

¹ The official means of publication Subject to any mandatory legal provisions to the contrary, all notices of the Company to its shareholders shall be made either by publication in the Swiss Official Gazette of Commerce or by transmission allowing proof of the notice by text (e.g. email) to an address entered in the share register.

³ ~~To the extent that personal notification is not mandated by law, all communications to the shareholders shall be deemed valid if published in the Swiss Official Gazette of Commerce. Written communications by the Company to its shareholders shall be sent by ordinary mail to the address of the shareholder or authorized recipient last recorded in the share register.~~

Article 34 paragraph 1

¹ Subject to any mandatory legal provisions to the contrary, all notices of the Company to its shareholders shall be made either by publication in the Swiss Official Gazette of Commerce or by transmission allowing proof of the notice by text (e.g. email) to an address entered in the share register.

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