

# Corporate Governance

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Von Roll Holding AG is organised in accordance with Swiss law and meets current requirements regarding Corporate Governance. This publication complies with all the requirements imposed by the SIX Swiss Exchange (Swiss stock exchange) regarding information on Corporate Governance (Corporate Governance Directive of 17 April 2002 and 29 March 2006).

Since 11 August 1987, Von Roll Holding AG, with its registered office in CH-4226 Breitenbach, Passwangstrasse 20, and with a further business address at Steinacherstrasse 101, CH-8804 Au/Wädenswil, has been listed on the SIX Swiss Exchange (symbol: ROL, security number 324.535, ISIN: CH0003245351). As of 31 December 2007, the market capitalisation amounted to TCHF 1,415,406 (2007: TCHF 1,570,621).

# 1. Group structure and shareholders

## 1.1 Group structure

### 1.1.1 Operating Group structure

Von Roll Holding AG and its subsidiaries focus their operating activities on the three segments (business units) Von Roll Insulation (formerly Electrical), Von Roll Composites (formerly Industrial) and Von Roll Elco Transformers. Details about the organisation, including an outline of the operating Group structure and the business units are available in the "Overview of Von Roll" section and in segment reporting in Note 6 of the "Financial reporting" section in this Annual Report.

### 1.1.2 Listed companies

There are no other listed companies within the scope of consolidation of Von Roll Holding AG.

### 1.1.3 Unlisted companies

A list of significant unlisted consolidated companies is disclosed in Note 23 of the "Financial reporting" section of this Annual Report.

## 1.2 Significant shareholders

As published in the SOGC (Swiss Official Gazette of Commerce) on 1 February 2008, the von Finck shareholder group, comprising August von Finck, Munich (D), Francine von Finck, Munich (D), August François von Finck, Pfäffikon SZ (CH), Maximilian von Finck, Bäch (CH), and Maria-Theresia von Finck, Munich (D), announced that the group now held 105,764,412 bearer shares in Von Roll Holding AG and therefore 57.24% of the voting rights. Of these, 24,911,364 bearer shares, or 13.48%, stemmed from the "interim results of the tender offer." Ownership of the paper transferred to the von Finck shareholder group on 12 February 2009 with delivery of the shares against payment. The group was acting in mutual agreement and was represented by Rainer Nocon, von Finck'sche Hauptverwaltung, Promenadeplatz, Munich (D).

On 22 February 2008, Deutsche Bank AG, Frankfurt (D), reported that its holding had fallen below the threshold of 3% of the voting rights and that the composition of the group holding the stake in Von Roll Holding AG had changed. The members acting as a group were now: Deutsche Bank AG, Frankfurt (D), Deutsche Bank Securities Inc., New York (USA), DB U.S. Financial Markets Holding Corporation, Wilmington (USA), and Taunus Corporation, Wilmington (USA). The shareholding of the Deutsche Bank group in Von Roll Holding AG was made up as follows: 4,467,223 bearer shares and 850,000 call options. Overall, this corresponded to 2.66% of the voting rights. In addition, the group held 0.06% sales rights and 7.07% conversion and purchase rights. In total, the sales rights corresponded to voting rights of 7.13%. The contact person for the shareholder group was Dirk Hadlich. This announcement complied with the recommendation of the Disclosure Office of SWX (now: SIX) dated 8 February 2008, granting Deutsche Bank AG an alleviation of its reporting obligations, allowing it to refrain from disclosure of information concerning certain written convertible and purchase rights in accordance with Art. 17 para. 1a SESTO-SFBC (Ordinance of the Swiss Federal Banking Commission to the Federal Act on Securities Exchanges and Securities Trading). The alleviation was granted on 1 December 2007, primarily because of the short time period between adoption and implementation of the revised provisions of the SESTO-SFBC.

On 14 April 2008, Deutsche Bank AG, Frankfurt (D), reported that the former group had dissolved and that Deutsche Bank AG alone held the following voting rights in Von Roll Holding AG: 3,999,138 bearer shares; the purchase positions therefore corresponded to a 2.164% of the voting rights. In addition, the group

held 0.057% of the sales rights and 5.759% of the conversion and purchase rights. In total, the sales rights corresponded to 5.816% of the voting rights.

Deutsche Bank AG, Frankfurt (D), announced in the SHAB (Schweizerisches Handelsamtsblatt) on 15 May 2008, that a group had been formed. In addition, it was reported that the 3% threshold had not been met and that the group no longer held any notifiable participation in Von Roll Holding AG. The members acting as a group comprised the following: Deutsche Bank AG Frankfurt (D), Deutsche Bank Securities Inc., New York (USA), DB U.S. Financial Markets Holding Corporation, Wilmington (USA), and Taunus Corporation, Wilmington (USA).

On 9 May 2008, Mr. Rumen Hranov, Zollikon (CH), reported that through the sale of options the 5% threshold was no longer met. The interest held by Rumen Hranov in Von Roll Holding AG now comprised 466,573 bearer shares and 7,000,000 call options. This corresponded to 4.26% of the voting rights.

On 3 September 2008, Mr. Rumen Hranov, Zollikon (CH), reported that through the sale of options, the 3% threshold was no longer met and that he therefore no longer held a notifiable interest in Von Roll Holding AG.

As published in the SOGC on 17 November 2008, Von Roll Holding AG reported that through the acquisition of own shares it had exceeded the threshold of 3% of the voting rights in Von Roll Holding AG. The company held 5,838,588 treasury bearer shares, corresponding to 3.16% of the voting rights of the shares issued.

As published on 26 November 2008, the von Finck shareholder group comprising August von Finck, Munich (D), Francine von Finck, Munich (D), August François von Finck, Freienbach (CH), Maximilian von Finck, Freienbach (CH), Maria-Theresia von Finck, Munich (CH), and Von Roll Holding AG, Au/Wädenswil (CH), reported that the group now held 123,334,009 bearer shares in Von Roll Holding AG and therefore 66.75% of the voting rights.

Von Roll Holding AG has not received any further notifications pursuant to Art. 20 SESTO for financial year 2008.

### **1.3 Cross-shareholdings**

There are no cross-shareholdings with other companies. Please see section 1.2 for information on possible cross-shareholdings that could arise from the disclosed main shareholder structure.

## 2. Capital structure

### 2.1 Ordinary share capital

The ordinary share capital of Von Roll Holding AG as of the date of this report amounts to CHF 18,477,888.90, divided into 184,778,889 bearer shares with a nominal value of CHF 0.10 each.

### 2.2 Authorised and conditional capital

As of 31 December 2008, there was no authorised or conditional capital.

### 2.3 Changes in share capital

On 12 November 2007, the capital increase resolved by the Extraordinary General Meeting on 13 August 2007 was carried out, increasing the share capital by CHF 4,619,472.20 from CHF 13,858,416.70 to a nominal value of CHF 0.10 per share, so that the share capital increased to CHF 18,477,888.90.

### 2.4 Shares and participation certificates

As of 31 December 2008, 184,778,889 bearer shares with a nominal value of CHF 0.10 had been issued and were fully paid up. One bearer share carries one voting right. There were no participation certificates outstanding.

### 2.5 Bonus certificates

Von Roll Holding AG has not issued any bonus certificates.

### 2.6 Limitations on transferability and nominee registrations

There are no limitations on transferability or nominee registrations.

### 2.7 Convertible bonds and options

There are no convertible bonds as of 31 December 2008.

In 2007, 500,000 options were allocated to the members of the Executive Management, entitling them to acquire 500,000 shares. The exercise price was fixed at CHF 20.00 per option. The issued options may be exercised until 31 December 2010, however only 50% may be exercised in 2007 and 2008 and 50% in 2009. Each option corresponds to one share. This relates in total to share capital of CHF 50,000 in 2007. The options will be covered by treasury shares of the company. No options were exercised in either 2007 or 2008. Under the option participation plan, at the start of 2009 Thomas Limberger was allocated 300,000 options, and Andreas Harting and Markus Scherbel 100,000 options with an exercise price of CHF 12.00. For further information, please see Note 30 in the "Financial reporting" section of this Annual Report.

## 3. Board of Directors

### 3.1 Members of the Board of Directors

The Board of Directors of Von Roll Holding AG comprises the following members:

Name	Nationality	Born	Position	Member since	Term of office	Function
Thomas Limberger	D	1967	Chairman	2007	2010	Delegate
Guido Egli	CH	1951	Vice Chairman	2007	2010	Non-executive
Gerd Amtstätter	D	1943	Member	2007	2010	Non-executive
Dr. Peter Kalantzis	CH/GR	1945	Member	2007	2010	Non-executive
Gerd Peskes	D	1944	Member	2000	2009	Non-executive

#### **Thomas Limberger**

Chairman and Delegate

German national

Degree from the Institut Supérieur de Gestion, Paris; MBA in Finance and Strategic Management, University of New York, USA

#### **Professional career**

1995–2001: Fresenius AG and Fresenius Medical AG, Bad Homburg, Germany: different management functions

2001–2005: General Electric Deutschland, Austria and Switzerland, Munich, Germany: CEO and National Executive

2005–2007: OC Oerlikon AG, Pfäffikon SZ, Switzerland: CEO and Vice Chairman of the Board of Directors

#### **Other activities**

Member of the Board of Directors of SGS (Société Générale de Surveillance), Geneva, Switzerland; member of the Board of Directors of Mövenpick Hotels & Resorts, Glattbrugg, Switzerland

**Guido Egli**

Vice Chairman

Swiss national

Degree from Höhere Wirtschafts- und Verwaltungsschule, Switzerland, and degree from the London Business School, UK

**Professional career**

1977–2001: Different management positions in the food industry, e.g. as Director Sales and Marketing with the Emmi Group, CEO and Delegate of the Board of Directors of Hero Switzerland

1996: Foundation of own consulting company “ifm Food Marketing,” Lucerne, Switzerland, with various consultancy mandates in Switzerland and abroad for renowned companies

Since 2001: Mövenpick Foods Switzerland Ltd., Cham, Switzerland, Chairman of the Board of Directors and CEO

Since 2006: Mövenpick-Holding, Cham, Switzerland, CEO

**Other activities**

Chairman of the Board of Directors of the Grand Casino Luzern Group, Lucerne, Switzerland; member of the Board of Directors of Marché International AG, Glarus, Switzerland; member of the Board of Directors of Mövenpick Restaurants AG, Zurich, Switzerland; member of the Board of Directors of Mövenpick Wein AG, Zug, Switzerland; member of the Board of Directors of Stutzer & Co. AG, Zurich, Switzerland; member of the Board of Directors of Luzern Tourismus AG, Lucerne, Switzerland

**Gerd Amtstätter**

Member

German national

Degree in law from the University of Munich, Germany

**Professional career**

1971–1975: Member of the management team of a medium-sized company

1975–1998: Government of the Free State of Bavaria, Germany, last position as assistant secretary of state (Ministerialdirektor) in the Ministry of Finance

Since 1998: Chief representative (Generalbevollmächtigter) of von Finck'sche Hauptverwaltung

**Other activities**

Member of the Management Boards of Nymphenburg Immobilien AG and Amira Verwaltungs AG, Supervisory Board Chairman of Custodia Holding AG and Staatl. Mineralbrunnen AG, Bad Brückenau, and member of the Supervisory Boards of Sektellerei J. Oppmann AG and FidesSecur Versicherungsmakler GmbH

**Dr. Peter Kalantzis**

Member  
Swiss national  
Dr. rer. pol., University of Basel, Switzerland

**Professional career**

1971–1990: Various management functions, last position as delegate to the Board of Directors of Lonza AG, Basel, Switzerland  
1991–2000: General Director and member of the Executive Management of the Alusuisse-Lonza Group AG, Zurich, Switzerland. From 1991 to 1996 head of the Chemie Lonza division and then responsible for Group development from 1997 to 2000

**Other activities**

Chairman of the Board of Directors of Mövenpick Holding AG, Cham, Switzerland, of Clair Finanz Holding AG, Cham, Switzerland and of PrivatAir Holding SA, Geneva, Switzerland; member of the Board of Directors of Lonza Group AG, Basel, Switzerland; member of the Board of Directors of Lamda Development AG, Athens, Greece; member of the Board of Directors of CNH Global NV, Amsterdam, Netherlands; member of the Board of Directors of Paneuropean Oil and Industrial Holding SA, Luxembourg; member of the Board of Directors of Hansa AG, Baar, Switzerland (until 13 February 2009); and member of the Board of Directors of Transbalkan Pipeline BV, Amsterdam, Netherlands.

**Gerd Peskes**

Member  
German national  
Business degree from Fachhochschule Bochum, Germany  
Professional accountant

**Professional career**

Since 1978: Managing Director of Gerd Peskes GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, Germany

**Other activities**

Vice Chairman of the Supervisory Board of Custodia Holding AG, Munich, Germany; Vice Chairman of the Supervisory Board of Nymphenburg Immobilien AG, Munich, Germany; member of the Supervisory Board of RHI AG, Vienna, Austria; Vice Chairman of the Supervisory Board of Zwack Unicum RT., Budapest, Hungary; member of the Board of Directors of Mövenpick Holding AG, Cham, Switzerland; Chairman of the Supervisory Board of ARAG Allgemeine Rechtsschutz-Versicherungs-AG, Düsseldorf, Germany; member of the Supervisory Board of apetito AG, Rheine, Germany; member of the Supervisory Board of Claas KGaA, Harsewinkel, Germany; and member of the Board of Directors of Underberg AG, Dietlikon, Switzerland.

### **3.2 Other activities and interests**

Information on other activities and interests of the Board of Directors is shown in section 3.1.

### **3.3 Elections and terms of office**

The members of the Board of Directors are normally individually elected on a staggered basis for a term of three years by the Annual General Meeting. As a result of the election of a completely new Board of Managing Directors in financial year 2007, this staggering is currently not in place; the term of office for four Directors ends at the Annual General Meeting in 2010 and for one Director in 2009. In accordance with the Rules of Procedure of Von Roll Holding AG, each member of the Board of Directors is obliged to resign from office at the latest by the Annual General Meeting of the calendar year following the calendar year in which that member turns 72.

### **3.4 Internal organisation**

The organisation of the Board of Directors and its committees is detailed in the Rules of Procedure which can be found on Von Roll AG's website, [www.vonroll.com](http://www.vonroll.com), under "Rules of Procedure" in the Corporate Governance section under Investor Relations. The following paragraphs summarise the main elements of the Rules of Procedure.

#### **3.4.1 Division of responsibilities and working methods of the Board of Directors**

The Board of Directors constitutes itself by annually electing a Chairman, a Vice Chairman and the members of the committees from its members. The individual functions are listed in section 3.1. The Board of Directors appoints a minute-taker who does not have to be a member of the Board of Directors. The Board of Directors makes its decisions and decides elections with an absolute majority of the votes cast. In the event of a tied vote, the Chairman has the casting vote. The members of the Executive Management participate without voting rights in meetings for the agenda items relating to business activities. The invitation letter to the meeting shows all the agenda items that a member of the Board of Directors, a committee or the CEO wishes to discuss. The participants of the meeting receive detailed written documentation in advance for all motions.

The Chairman convenes the Board of Directors as often as business operations require. The Board of Directors met 15 times during the reporting year. On average, the meetings lasted two and a half hours. The dates for the ordinary meetings are set at an early stage so that most members were usually able to attend in person.

#### **3.4.2 Board committees**

The Board of Directors has the following committees:

##### **Audit Committee**

The Audit Committee is a standing committee of the Board of Directors. It supports the Board of Directors in the assumption of its responsibility for the Group in the area of financial reporting, the application of accounting standards and systems and the external audit. The activities of the Audit Committee do not release the Board of Directors from its legal obligations and the decision-making power remains with the Board of Directors. The Audit Committee comprises three members of the Board of Directors: G. Peskes (Chairman), G. Amtstätter and Dr. P. Kalantzis. The CFO attends the Audit Committee meetings. The Audit Committee met four times in total during the reporting year. On average the meetings lasted three hours.

### **People & Remuneration Committee**

The People & Remuneration Committee is responsible for monitoring the selection of managers as well as their terms of employment. The members verify and propose the remuneration of the Board of Directors and the managers as well as any option and stock option plans. The committee has no decision-making powers. The duties and competences assigned to the Board of Directors under the Rules of Procedure and by law remain with the full Board of Directors. The committee may seek outside expert advice from time to time to support its recommendations. The People & Remuneration Committee comprises the Board members G. Amtstätter (Chairman), G. Egli and Dr. P. Kalantzis. The CEO and Chairman attends the Committee's meetings, apart from when his remuneration is being discussed. During the reporting year, the Committee met three times for an hour on average.

### **3.5 Powers and responsibilities**

The Board of Directors is responsible for the company's overall management as well as supervising the management of the company and the Group, in particular with regard to compliance with legislation, the Articles of Association, regulations and instructions. The Board of Directors issues the necessary directives regarding business policy and receives regular reports about business development and may give orders and instructions to the CEO. The powers and responsibilities and nature of cooperation between the Board of Directors and the Executive Management are stipulated in the organisational and business regulations. These are available on Von Roll Holding AG's website, [www.vonroll.com](http://www.vonroll.com), under Rules of Procedure in the Corporate Governance section under Investor Relations.

The Board of Directors has delegated responsibility for business operations to the CEO of Von Roll Holding AG. However, in accordance with its resolution, the Board of Directors continues to make important personnel decisions and decisions regarding acquisitions and divestments exceeding CHF 1.0 million. Furthermore, the Board of Directors decides on investments in technology depending on the type of investment that exceed CHF 1.0 million as well as other matters that are relevant to the Group and cannot be delegated by law.

### **3.6 Information and instruments for monitoring the Executive Management**

The Executive Management provides transparent and timely information and documentation to the Board of Directors. Each member of the Board of Directors receives the detailed monthly financial statements plus comments, quarterly financial statements (first and third quarter), half-yearly and annual financial statements. The CEO and CFO also report to the meetings of the Board of Directors on business activities and all matters relevant to the Group including significant legal cases. Site visits complete the information received. Each year, based on the proposals of the CEO and CFO, the Board of Directors discusses and approves the next year's budget, which it then regularly reviews. Once a year, the Board of Directors reviews the strategic direction of the Group at a two-day conference.

### **3.7 Risk management in the Group**

The Board of Directors and the Executive Management attach considerable importance to the careful handling of risks and expanded risk management during the reporting year. In addition to ensuring comprehensive and effective insurance cover, risk management involves the systematic identification, assessment and reporting of strategic, operational and financial risks. Strategic risks are primarily assessed by the Board of Directors, while financial and operational risks are assessed by the Executive Management.

The Risk Manager reports on risks management to the Executive Management on a half-yearly basis. The Board of Directors is informed immediately of risks involving gross exposure of over CHF 25 million.

Risk management is not limited to financial concerns but encompasses all business divisions and companies. The inclusion of Von Roll Transformer Ltd. in the risk management system will be implemented in the next financial year. Suitable management instruments were allocated to the risks identified within the divisions. According to their importance, risks are allocated to the core processes procurement, production and unit sales, as well as by risks to the support processes such as ICT and Human Resources.

The Board of Directors and management introduced a half-yearly risk assessment and a risk management process in 2008. The half-yearly risk assessment is based on information obtained in interviews with key employees. The risks are categorised according to the same framework used in the internal control system. For top risks (including those that can lead to incorrect reporting) a detailed probability and impact analysis is carried out which forms the basis for the introduction of an appropriate risk management process.

Activities in risk management centre on hedging currency and metal price risks as well receivables management. Furthermore, new risks are identified through direct contact between the departments and risk management.

## 4. Executive Management

### 4.1 Members of the Executive Management

As of 31 December 2008, the Executive Management of Von Roll Holding AG comprises the following members:

Name	Nationality	Born	Position	In the position since
Thomas Limberger	D	1967	CEO (Delegate)	August 2007
Markus Scherbel	D	1972	CFO	October 2007
Dr. Jürgen Bremer	D	1963	CLO	September 2007
Andreas Harting	D	1970	CMO	September 2007

### 4.2. Professional career and other activities

In accordance with the Corporate Governance directive, substantial or important additional activities or interests of Executive Management members are to be listed. Please see section 3.1 for information on Thomas P. Limberger, Chairman of the Board of Directors and Delegate.

**Markus Scherbel**

Chief Financial Officer (CFO)

German national

Degree from the European Business School (ebs), Oestrich-Winkel, Germany

**Professional career**

- 1997–2000: Accounting and consultancy services for accounting firm Arthur Andersen, Stuttgart, Germany
- 2000–2004: Head of International Financial Accounting at the listed company mg technologies ag, Frankfurt, Germany (formerly Metallgesellschaft AG)
- 2004–2006: Member of the Executive Management and Chief Financial Controller Europe of automotive supplier Hilite Group Europe, Markt-Heidenfeld, Germany
- 2006–2007: Senior Vice President and Head of Corporate Accounting and Reporting, OC Oerlikon Management AG, Pfäffikon SZ, Switzerland

**Dr. Jürgen Bremer**

Chief Legal Officer and Head of Human Resources (CLO)

German national

Dr. iur., Universities of Münster and Würzburg, Germany

**Professional career**

- 1994–1999: In-house Counsel, Head of Equity Investments, RWE Energie AG, RWE Energie AG, Essen, Germany
- 1999–2002: General Counsel at Gerresheimer Glas AG, Düsseldorf, Germany
- 2002–2005: General Counsel/Head of Legal Department at RWE Umwelt AG, Viersen, Germany
- 2005: Head of Legal and HR Departments at RWE Beteiligungsmanagement GmbH, Essen, Germany
- 2005–2006: Member of the Executive Board of Harpen AG, Dortmund, Germany
- 2006–2007: General Counsel and Senior Vice President at OC Oerlikon Management AG, Pfäffikon SZ, Switzerland

**Andreas Harting**

Chief Marketing Officer (CMO)

German national

Business economics degree, a Diplôme de Grande École and a Masters from the ESCP-EAP European School of Management (Paris, Oxford, Berlin)

**Professional career**

- 1996–1997: Consultant, The Boston Consulting Group GmbH, Munich, Germany
- 1997–1999: Product Manager for Johnson & Johnson GmbH, Düsseldorf, Germany
- 2000–2002: Member of the Executive Board of United Screens Media AG, Unterföhring, Germany
- 2002–2005: Manager, BBDO Consulting GmbH, Munich, Germany
- 2005–2007: Senior Vice President (Global Marketing), OC Oerlikon Management AG, Pfäffikon SZ, Switzerland

**4.3 Management contracts**

There are no management contracts with third parties.

## 5. Remuneration, profit-sharing and loans

### 5.1 Content of and procedure for determining remuneration and profit-sharing programmes

The People & Remuneration Committee of the Board of Directors draws up the parameters for the remuneration of the members of the Board of Directors annually and submits them to the Board of Directors for approval. The members of the Board of Directors and Executive Management are not entitled to attend or participate in the relevant meetings of the Committee and Board of Managing Directors. The services of an external adviser were not called upon during the reporting year. The Committee regularly reviews the contracts of employment and the relevant income of the CEO and the members of the Executive Management. This is carried out on the principle of attracting the most suitable and well-qualified personnel for the company. The management is paid fairly at normal market rates, based on salary comparisons, in line with their abilities, experience and qualifications. The remuneration comprises a fixed salary plus a variable performance-related component. The level of the performance-related components depends on the attainment of personal targets set annually and the attainment of the company's targets.

The members of the Board of Managing Directors received a fixed salary in the form of a cash payment in 2008. The salary for the CEO also included remuneration for his duties on the Board of Managing Directors. The non-executive members of the Board of Directors did not receive either additional remuneration or emoluments in the form of additional fees, shares or options.

The members of the Executive Board received a basic salary plus a performance-related salary component, 30% of which is based on personal targets and 70% on the success of the company. The basic salary and performance-related components account for around 60% and 40% of the remuneration respectively.

In 2007, a stock option plan was introduced for the Executive Management. Under this plan, the members of the Executive Management may be granted options each year free of charge, although there is no obligation to do so. The options granted in 2007 may be exercised within three years for a price that is fixed when the options are received, provided that the relevant member fulfills the criteria, e.g. is still employed with the company. In 2007 and 2008 or 2009, only 50% of the options awarded in each case could be exercised. One option corresponds to one share. At the start of 2009, the Executive Management were awarded 500,000 options under the stock option plan at an exercise price of CHF 12.00.

Please see the notes to the financial statements for detailed information on the remuneration paid to the members of the Board of Directors and the Executive Management.

## 6. Shareholders' participation

### 6.1 Voting rights and representation restrictions

The company's Articles of Association do not contain any voting right restrictions and do not deviate from Swiss law with regard to the representation of voting rights. The Annual General Meeting adopts resolutions and conducts elections with an absolute majority of the votes cast at the meeting, excluding any blank or invalid votes. This regulation applies unless stipulated otherwise by mandatory legal provisions or provisions set out in the Articles of Association. Each share carries one vote at the Annual General Meeting.

### 6.2 Quorum stipulated in the Articles of Association

A winding-up of the company without liquidation requires at least two thirds of the votes represented and an absolute majority of the nominal value of the shares represented. Moreover the quorums stipulated in the Articles of Association apply in accordance with Art.704 of the Swiss Code of Obligations (OR).

### 6.3 Convening of the Annual General Meeting

The Articles of Association do not contain any rules that deviate from Swiss law with regard to the convening of the Annual General Meeting. The ordinary General Meeting takes place annually, no later than six months after the end of the financial year. The meeting is convened by the Board of Directors. The invitation to the Annual General Meeting is published in the Swiss Official Gazette of Commerce (SOGC).

One or more shareholders who together represent at least 10% of the share capital may call for an Extraordinary General Meeting; Extraordinary General Meetings must take place within 90 days of receipt of such a request.

### 6.4 Agenda

Shareholders who together represent shares with a nominal value of at least CHF 1.0 million can ask for an item to be included on the agenda for discussion, but no later than 60 days before the day of the meeting. Requests must be submitted in writing.

### 6.5 Entries in the share register

The share capital of the company is exclusively comprised of bearer shares and consequently no share register is kept.

## 7. Change of control and defence measures

### 7.1 Duty to make an offer

The company stipulates that a major shareholder is obligated to make a public offer to purchase pursuant to Art. 32 and 52 SESTA (Federal Act on Securities Exchanges and Securities Trading) dated 24 March 1995. The threshold has not been raised.

In financial year 2008, the von Finck shareholder group made a mandatory tender offer on 14 December 2007. For further information, please see the press release for the end result of the public offer to purchase by the von Finck shareholder group.

## **7.2 Change of control clauses**

There are no significant contractual agreements with the Board of Directors or the Executive Management in the event of a change of control. The Articles of Association do not contain any change of control clauses in favour of members of the Board of Directors and/or Executive Management.

# **8. Auditor**

## **8.1 Duration of mandate and term of office of the lead auditor**

In 2004, Deloitte AG, Zurich, was registered in the commercial register as the auditor for Von Roll Holding AG. Mr Daniel O. Flammer was appointed the lead auditor in 2007. The Audit Committee oversees the auditors. The auditor's contract is limited to one year and the appointment of the auditor for Von Roll Holding AG has to be approved by the Annual General Meeting.

## **8.2 Auditing fee**

The fee paid to the auditor for the audit of the 2008 financial statements was TCHF 902 (previous year: TCHF 668).

## **8.3 Additional fees**

During the period under review, additional fees of TCHF 1,782 (previous year: TCHF 1,112) were paid for additional services relating to tax, compliance and transaction services.

## **8.4 Instruments for monitoring and managing the auditor**

The Audit Committee of the Board of Directors assesses the performance, remuneration and independence of the auditor annually (see sections 3.5.2 and 3.6). The Board of Directors proposes the election of the auditor to the Annual General Meeting based on the recommendation of the Audit Committee. Unless there are particular grounds to do otherwise, the emphasis is on ensuring continuity. The Audit Committee evaluates the scope of the audit by the auditor and the relevant procedures annually and discusses the audit findings with the auditor. During the reporting year, two meetings were held with the representatives of the auditor.

# **9. Information policy**

Von Roll Holding AG pursues a policy of transparent, truthful and proactive information. Whenever possible, employees are informed first. Shareholders receive information through the annual report, half-yearly report, media releases, the Internet and at the Annual General Meeting. Von Roll Holding AG reports and comments on its results on a half-yearly basis. Moreover, Von Roll Holding AG provides continuous information on important events according to the rules of ad hoc notifications. Upon request, shareholders can receive media releases from the press office by fax or e-mail.

These can be requested from Von Roll Holding AG, Steinacherstrasse 101, CH-8804 Au/Wädenswil, phone +41 (0)44 204 30 31, fax +41 (0)44 204 30 39, or e-mail [press@vonroll.com](mailto:press@vonroll.com). Von Roll Holding AG publishes all events that are relevant to the stock quotation in accordance with the guidelines of SIX Swiss Exchange.