

# Contents

## Corporate Governance

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## Guidelines

The following information complies with the Directive on Information Relating to Corporate Governance (DCG) issued by the SIX Swiss Exchange as well as the Articles of Association and Organisational Regulations of the Emmi Group. Unless otherwise indicated, all data relate to the balance sheet as at 31 December 2018.

Articles of Association: [www.emmi.com](http://www.emmi.com) > about Emmi > Corporate Governance > Articles of Association of Emmi AG (pdf)

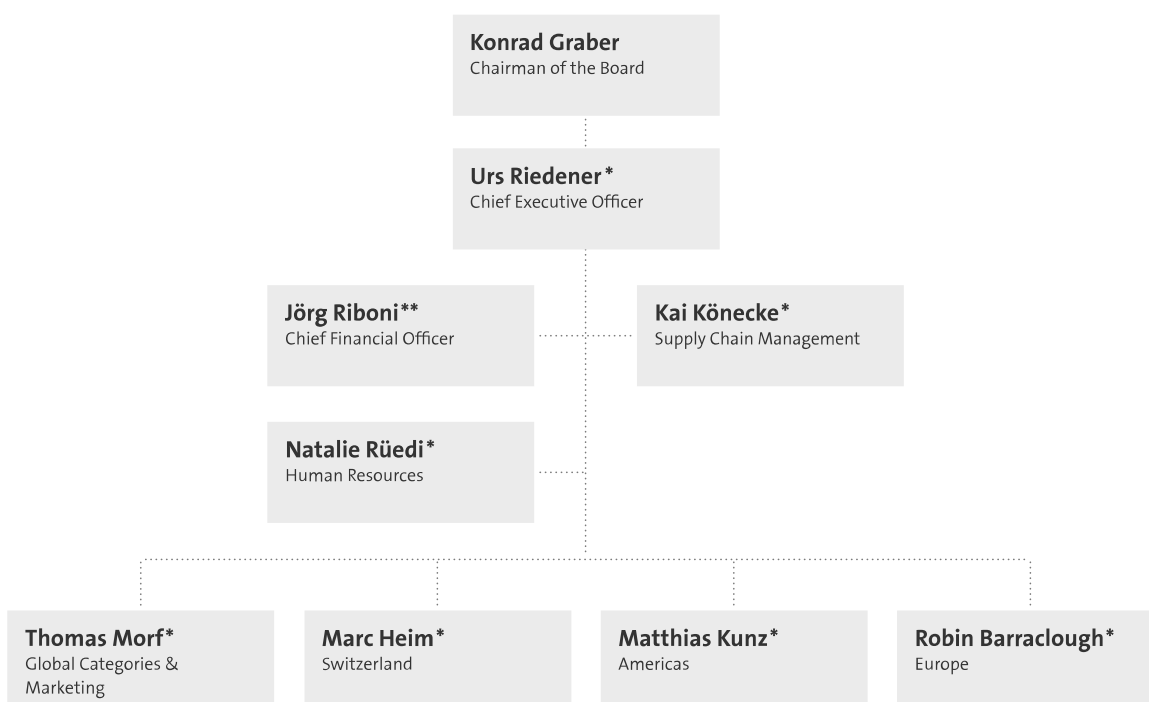
Organisational Regulations: [www.emmi.com](http://www.emmi.com) > about Emmi > Corporate Governance > Organisational Regulations (pdf)

# 1. Group structure and shareholders

## 1.1 Group structure

The Group structure is shown below.

**Group structure Emmi Group**  
as at the balance sheet date



**Member of the extended Group Management:**

- Othmar Dubach: Dairy Products & Cheese Switzerland
- Max Peter\*\*: Head of SCM Switzerland and interim Head of Operations at Emmi Dessert Italia
- Markus Willmann: Industry Switzerland

\* Member of Group Management

\*\* Jörg Riboni will step down from Group Management and leave the Emmi Group on 30 April 2019. Ricarda Demarmels, his successor, will join the Emmi Group on 1 June 2019. Max Peter will leave Emmi on 31 January 2019.

**Group functions:**

- Corporate Development
- Corporate Communications & IR
- Internal Audit
- Legal

The Emmi Group is listed on the SIX Swiss Exchange through the holding company Emmi AG (headquartered in Lucerne, hereinafter referred to as “Emmi”). The group of consolidated companies contains only non-listed companies.

Market capitalisation, securities number and ISIN number, see section Share information Emmi AG.

Consolidated companies, see Summary of consolidated companies, associates and joint ventures in the Notes to the consolidated financial statements.

## 1.2 Significant shareholders

Significant shareholders, see section 2.6 Share capital and significant shareholders in the Notes to the financial statements of Emmi AG.

ZMP Invest AG, Lucerne, the Zentralschweizerischer Milchkäuferverband, Willisau, and the MIBA Milchverband der Nordwestschweiz, Aesch (BL), form a group as defined by Art. 121 FinfraG, holding 60.8 % of the total voting rights. As at 7 June 2016, Capital Group Companies reported that it owned 268,500 registered shares (5.019 %). No further disclosure notifications have been made since.

## 1.3 Cross-shareholdings

There are no cross-shareholdings with other companies that exceed 5 % of capital or votes on both sides.

## 2. Capital structure

### 2.1 Share capital

Emmi's share capital amounts to KCHF 53,498.

### 2.2 Authorised and conditional capital

Emmi did not create any conditional or authorised capital in the reporting year, and there is no conditional or authorised capital from previous years.

### 2.3 Changes in capital

An overview of changes in capital for the years 2015 to 2018 can be found in the section Statement of changes in equity of the financial statements of Emmi AG.

### 2.4 Shares and participation certificates

The share capital of Emmi comprises 5,349,810 registered shares with a par value of CHF 10 per share. Only one category of registered share exists and no participation certificates exist. Each share carries the right to one vote. No preferential rights exist. The shares are fully paid up.

For further information on shares, see section Share information Emmi AG.

### 2.5 Dividend-right certificates

No dividend-right certificates exist.

### 2.6 Restrictions on transferability and nominee registrations

There are no restrictions on the transfer of registered shares of Emmi. The only precondition for entry in the share register and hence for the exercise of voting rights is a declaration on the part of the purchaser that the shares have been acquired in their own name and for their account. No other registration restrictions exist.

The registration of fiduciaries/nominees without voting rights is permitted. On request, the Board of Directors shall decide on the registration of fiduciaries/nominees with voting rights on a case-by-case basis. No fiduciaries/nominees with voting rights were entered during the year under review, nor did the Board of Directors approve any other exceptions for entry in the share register.

### 2.7 Convertible bonds and options

Emmi has no convertible bonds outstanding. Furthermore, neither Emmi nor other Group companies have issued options on ownership interests in Emmi.

### 3. Board of Directors

All nine members of the Emmi Board of Directors (see table in section 3.1 Members of the Board of Directors) are non-executive members who were not previously members of Emmi Group Management or the management team of one of the subsidiaries. The basis for nomination as a member of the Board of Directors is the fulfilment of a specific profile of requirements.

Christian Arnold-Fässler, Thomas Oehen-Bühlmann and Franz Steiger are members of the Board of the Central Switzerland Milk Producers Cooperative (ZMP), which supplies a large proportion of its milk to Emmi. ZMP, via its subsidiary ZMP Invest AG, Lucerne, holds a majority stake in Emmi.

Fritz Wyss (born 1944) has been Honorary Chairman of the Emmi Board of Directors since 2010. He was a Delegate of the Board of Directors from 1993 to 2003 and its Chairman from 2003 to 2009.



Members of the Emmi Board of Directors from right (as at the balance sheet date): Franz Steiger, Diana Strebel, Niklaus Meier, Monique Bourquin, Thomas Oehen-Bühlmann, Konrad Graber (Chairman of the Board of Directors), Alexandra Post Quillet, Christina Johansson, Christian Arnold-Fässler, Christa Wey (Secretary of the Board of Directors)

### 3.1 Members of the Board of Directors

|   | Year of birth | Nationality       | Education   | First elected         |
|---|---------------|-------------------|---|-----------------------|
| <b>Konrad Graber</b><br>Chairman of the Board of Directors              | 1958          | Swiss             | Business Administration HWV<br>Swiss Certified Public Accountant                                | 2006<br>2009 Chairman |
| <b>Thomas Oehen-Bühlmann</b><br>Vice-Chairman of the Board of Directors | 1958          | Swiss             | Certified Master Farmer   | 2009                  |
| <b>Christian Arnold-Fässler</b>   | 1977          | Swiss             | Certified Master Farmer   | 2012                  |
| <b>Monique Bourquin</b>   | 1966          | Swiss             | Business Economist lic. oec. HSG  | 2013                  |
| <b>Christina Johansson</b>  | 1966          | Swiss/<br>Swedish | Business Economist dipl. oec. Master of Science<br>in Business Administration & Economics       | 2018                  |
| <b>Niklaus Meier</b>  | 1955          | Swiss             | Swiss certified expert in accounting<br>and controlling   | 2012                  |
| <b>Alexandra Post Quillet</b>   | 1967          | Swiss/<br>German  | Business Economist lic. oec. HEC  | 2018                  |
| <b>Franz Steiger</b>  | 1959          | Swiss             | Certified Master Farmer   | 2015                  |
| <b>Diana Strebel</b>  | 1960          | Swiss             | Business Economist dipl. oec.<br>Master of Science in Marketing GSBA<br>and University of Wales | 2012                  |

### 3.2 Professional background and other activities and interests

#### Konrad Graber

##### Member of the Board of Directors since 2006, Chairman since 2009

##### Professional background

|             |   |
|-------------|---|
| since 2009  | BDO AG, Partner and Member of the Board of Directors  |
| 2005 – 2009 | BDO AG, Head of Management Consultancy and IT service division, Member of the Swiss Executive Board |
| 1999 – 2005 | BDO AG, Head of Department for Public Administration and non-profit organisations, Partner          |
| 1983 – 1999 | KPMG, auditor for national and international companies, latterly Partner and Director               |

##### Key mandates outside of Emmi

|             |   |
|-------------|---|
| since 2007  | Council of States, Member   |
| 2002 – 2017 | CSS Versicherungen, Member of the Board of Directors              |
| 2000 – 2012 | Verkehrsbetriebe Luzern AG, Chairman of the Board of Directors    |
| 1997 – 2001 | Cantonal Parliament, canton of Berne, Auditor                     |
| 1993 – 2004 | SSBL (foundation for the severely disabled in Lucerne), President |
| 1987 – 2007 | Cantonal parliament, canton of Lucerne, Member                    |

## Thomas Oehen-Bühlmann

### Member of the Board of Directors since 2009, Vice-Chairman since 2012

#### Professional background

|             |  |
|-------------|--|
| since 2013  | Member of the "Geissbühl" generational community farm                        |
| 1985 — 2013 | Management of the "Geissbühl" dairy and arable farm as an independent farmer |

#### Other mandates

|             |  |
|-------------|--|
| since 2012  | Central Switzerland Milk Producers Cooperative (ZMP), Chairman                                 |
| since 2011  | Board of Swiss Milk Producers (SMP), Berne, Member of the Board                                |
| since 2009  | Central Switzerland Milk Producers Cooperative (ZMP), Member of the Board, Chairman since 2012 |
| 2007 — 2012 | Hohenrain, Municipal Councillor, Mayor from 2008   |
| 1995 — 2003 | Agricultural training centres in the canton of Lucerne, Chairman of the Supervisory Committee  |
| 1985 — 2003 | Technical expert for proficiency exams and master farmer exams                                 |

## Christian Arnold-Fässler

### Member of the Board of Directors since 2012

#### Professional background

|            |   |
|------------|---|
| since 2000 | Management of a dairy farm as an independent farmer and training instructor |
|------------|---|

#### Other mandates

|             |   |
|-------------|---|
| since 2016  | Caseificio del Gottardo, Member of the Board of Directors                 |
| since 2012  | Uri Cantonal Parliament, Member   |
| 2015 — 2016 | Uri Cantonal Parliament, President  |
| since 2012  | Swiss Milk Producers (SMP), Member of the Board                           |
| since 2009  | Central Switzerland Milk Producers Cooperative (ZMP), Member of the Board |
| since 2009  | Central Switzerland Farmers' Cooperative, Delegate                        |
| 2006 — 2013 | Seedorf, Deputy Mayor   |



## Monique Bourquin

### Member of the Board of Directors since 2013

#### Professional background

|             |  |
|-------------|--|
| 2012 — 2016 | Unilever Germany, Austria and Switzerland (DACH), Chief Financial Officer        |
| 2008 — 2012 | Unilever Switzerland, Country Managing Director                                  |
| 2002 — 2008 | Unilever Switzerland, Customer Development Director                              |
| 1999 — 2002 | Mövenpick Foods Switzerland, latterly Director Switzerland for the Food division |
| 1997 — 1999 | Rivella AG, National Account Manager   |
| 1994 — 1997 | Knorr Nahrungsmittel AG, Product Manager   |
| 1990 — 1994 | PriceWaterhouseCoopers, various roles  |

#### Other mandates

|             |  |
|-------------|--|
| since 2018  | Swisscontact, Member of the Foundation Board                                       |
| since 2017  | Swiss Federal Institute of Technology (ETH), Zurich, Lecturer in Change Management |
| since 2017  | Promarca (Swiss branded goods association), President                              |
| since 2017  | Kambly AG, Member of the Board of Directors  |
| since 2017  | Straumann Group, Member of the Board of Directors                                  |
| since 2009  | GfM (Swiss Marketing Association), Member of the Board of Directors                |
| 2012 — 2016 | Unilever Germany pension fund, Chairman of the Board for the employer side         |
| 2008 — 2016 | Unilever Switzerland pension fund, Chairman of the Foundation Board                |

## Christina Johansson

### Member of the Board of Directors since April 2018

#### Professional background

|             |   |
|-------------|---|
| since 2018  | Bilfinger SE, Group CFO   |
| 2016 — 2018 | Bucher Industries Group, Group CFO  |
| 2014 — 2016 | SR Technics Group, Group CFO and Deputy Group CEO   |
| 2007 — 2014 | Pöyry Energy Business Group and Management Consulting Business Group Switzerland, CFO                     |
| 2005 — 2007 | Zeag Group, CFO and Deputy CEO  |
| 1996 — 2005 | Amcor Rentsch & Closures Group Switzerland/Germany/Canada, Group CFO, before Corporate Finance Controller |
| 1993 — 1996 | Securitas Group, Financial Controller and Treasury Manager for Germany and Austria                        |

#### Other mandates

|             |  |
|-------------|--|
| since 2017  | Swiss CFO Association (VSF), Member of the Board |
| 2013 — 2017 | Municipal Council of Wangen, Member              |
| since 2016  | OptikArt AG, Member of the Board of Directors    |

## Niklaus Meier

### Member of the Board of Directors since 2012

#### Professional background

|             |   |
|-------------|---|
| 2011 — 2017 | MEGlobal International FZE, Dubai, Chief Financial Officer  |
| 2009 — 2011 | BASF Schweiz AG, integration of the financial organisation following acquisition of Ciba                      |
| 1995 — 2009 | Ciba AG, latterly CFO   |
| 1993 — 1995 | ToniLait AG, Head of Finance  |
| 1976 — 1992 | Association of Milk Producers of Northwestern Switzerland (MIBA), latterly Head of Finance and Administration |

#### Other mandates

|            |   |
|------------|---|
| since 2017 | Association CO13 (association supporting individuals in their professional integration), President                          |
| since 2010 | Swiss Controlling Standards working group of the Swiss Association of Accounting and Controlling (VEB), Member              |
| since 2000 | Examination committee for finance and accounting specialists/Swiss certified experts for controlling and accounting, Member |

## Alexandra Post Quillet

### Member of the Board of Directors since April 2018

#### Professional background

|             |   |
|-------------|---|
| 2004 — 2018 | Crescendo Marketing, strategic brand and marketing consultancy, Managing Partner and Co-Founder |
| 2000 — 2003 | Unilever Poland, Managing Director Home and Personal Care                                       |
| 1998 — 1999 | Unilever Poland, Marketing Manager Personal Care  |
| 1995 — 1998 | Unilever Vietnam, Marketing Manager Home & Personal Care  |
| 1995        | Unilever Switzerland, National Sales Account Manager  |
| 1994        | Unilever Switzerland, Brand Manager   |
| 1992 — 1993 | Unilever Switzerland, Assistant Brand Manager   |
| 1990 — 1992 | Nestlé Switzerland, Controller Corporate Internal Audit   |

#### Other mandates

|            |   |
|------------|---|
| since 2018 | Télé Villars-Gryon-Diablerets, Member of the Board of Directors |
| since 2017 | SwissBoardForum, Member of the Board                            |
| since 2017 | Landolt & Cie, Member of the Board of Directors                 |
| since 2016 | Schenk SA, Vice-Chairman of the Board of Directors              |
| since 2015 | Hug AG, Member of the Board of Directors                        |
| since 2012 | SBB AG, Member of the Board of Directors                        |

## Franz Steiger

### Member of the Board of Directors since 2015

#### Professional background

|            |  |
|------------|--|
| since 1984 | Management of a dairy and pig-breeding farm as an independent farmer and training instructor |
|------------|--|

#### Other mandates

|             |   |
|-------------|---|
| since 2009  | Emmentaler Milk Producers' Organisation, Member of the Board              |
| since 2008  | Schlierbach, Mayor  |
| since 2006  | Swiss Farmers' Union, Delegate  |
| 2006 — 2015 | Central Switzerland Milk Producers Cooperative (ZMP), Vice President      |
| since 2000  | Central Switzerland Milk Producers Cooperative (ZMP), Member of the Board |
| since 1991  | Schlierbach-Krumbach Dairy Cooperative, Treasurer                         |

## Diana Strebel

### Member of the Board of Directors since 2012

#### Professional background

|             |   |
|-------------|---|
| since 2009  | Strebel-Birt AG, Managing Director of this consultancy firm for branding, communications and agency management, which she co-founded      |
| 2005 — 2009 | Interbrand Zintzmeyer & Lux AG, Managing Director   |
| 2005 — 2009 | Interbrand Europa, Chief Operating Officer  |
| 1981 — 2003 | Various advertising agencies, including as Deputy CEO at Publicis Group and CEO at Wunderman AG; founder and co-owner of Aebi, Strebel AG |

#### Other mandates

|             |  |
|-------------|--|
| since 2011  | Globalance Bank AG, Member of the Board of Directors             |
| since 2009  | Ricola AG, Member of the Board of Directors                      |
| 2006 — 2009 | Interbrand Zintzmeyer & Lux AG, Member of the Board of Directors |
| 2002 — 2005 | Scholz & Friends AG, Member of the Board of Directors            |
| 2002 — 2004 | Wundermann AG, Member of the Board of Directors                  |

### 3.3 Permitted number of activities

The members of the Board of Directors may hold a maximum of five mandates in listed legal entities and 15 mandates in non-listed legal entities.

### 3.4 Election and term of office

The first election of members can be seen in the table in section 3.1 Members of the Board of Directors. The term of office of members of the Emmi Board of Directors is one year and lasts until the 2019 General Meeting accordingly. Reelection is permitted. There is no restriction on the number of terms of office. The members of the Board of Directors and the Personnel and Compensation Committee are elected by the General Meeting, with the period between one Ordinary General Meeting and the end of the next deemed to be one year. The Chairman is elected by the General Meeting from among the members of the Board of Directors. Elections to the Board of Directors are generally carried out as individual elections. All votes and elections are carried out by open ballot unless a majority requests a secret ballot.

### 3.5 Internal organisation

#### Allocation of duties within the Board of Directors

The following table shows the allocation of duties to all members.

|   | Audit Committee | Market Committee | Personnel and Compensation Committee | Agricultural Council |
|---|-----------------|------------------|--------------------------------------|----------------------|
| <b>Konrad Graber</b><br>Chairman of the Board of Directors              | •               | •                | • (Chairman)                         | • (Chairman)         |
| <b>Thomas Oehen-Bühlmann</b><br>Vice-Chairman of the Board of Directors |                 | •                | •                                    | •                    |
| <b>Christian Arnold-Fässler</b><br>Member                               | •               |                  |                                      | •                    |
| <b>Monique Bourquin</b><br>Member                                       |                 | •                | •                                    | •                    |
| <b>Christina Johansson</b><br>Member                                    | •               |                  |                                      |                      |
| <b>Niklaus Meier</b><br>Member  | • (Chairman)    |                  |                                      |                      |
| <b>Alexandra Post Quillet</b><br>Member                                 |                 | •                |                                      |                      |
| <b>Franz Steiger</b><br>Member  |                 |                  |                                      | •                    |
| <b>Diana Strebel</b><br>Member  |                 | • (Chairman)     |                                      |                      |

## Composition, duties and delimitation of responsibilities of the committees

The composition of the committees and the Agricultural Council (hereinafter the “committees”) is shown in the previous table. The committees perform a regular assessment of their performance (self-assessment).

The **Audit Committee** supports the Board of Directors in monitoring the management of the company, in particular from a financial perspective. It is entitled to view all documents necessary for the performance of its duties and to request comprehensive information from all areas of the Group, as well as the external auditors, at any time. It comprises at least three members of the Board of Directors, one of whom is the Chairman of the Board of Directors. Its meetings are attended by the CEO, CFO, Head of Group Controlling, Head of Internal Auditing and, on invitation, the external auditor in charge.

The Audit Committee deliberates on and approves:

- the auditing plan and the personnel budget of Internal Auditing
- the appointment and dismissal of the Head of Internal Auditing
- the auditing plan and the remuneration budget for the external auditors
- the auditors for consolidated subsidiaries where these differ from the Group auditors
- the list of counterparties and their credit limits for financial transactions

The Audit Committee assesses the following, in particular, for the Board of Directors in an advisory or preparatory capacity:

- the organisation of accounting, and the organisation and content of financial control including internal auditing
- the effectiveness and independence of the internal auditors
- the selection of the Group auditors
- the effectiveness and independence of the external auditors
- the results of internal and external auditing and the monitoring of action plans by management based on these results
- the Group and holding accounts and the results of subsidiaries
- the annual and investment budget
- the evaluation of risks and of the measures based on this
- financial and liquidity planning as well as business relations with financial institutions
- financial reporting to shareholders and the public
- legal proceedings and out-of-court settlement of disputes whose outcome may have implications for the financial situation of the Group
- the treasury guidelines

The **Market Committee** supports the Board of Directors in monitoring the management of the company, in particular from a medium and long-term perspective. It offers recommendations on the basic organisation of the brand, product and market strategy as preparation for the corporate strategy. It comprises at least three members of the Board of Directors, one of whom is the Chairman of the Board of Directors. Its meetings are attended by the CEO and, on invitation, other members of Group Management. The Market Committee has no approval power.

The Committee assesses or processes the following for the Board of Directors in an advisory or preparatory/follow-up capacity:

- the organisation based on the strategy
- merger and acquisition projects, brand projects, and product and marketing investments based on the strategy
- the strengthening of the Emmi brand portfolio and innovations based on the strategy
- the preparation of changes in strategy
- the development of key customers and markets as well as critical business units
- the controlling of major projects

The **Personnel and Compensation Committee** supports the Board of Directors in monitoring the management of the company, in particular from a personnel perspective and regarding compensation issues. It comprises at least three members of the Board of Directors, one of whom is the Chairman of the Board of Directors. Its meetings are attended by the CEO and the Chief Human Resources Officer on invitation.

The Personnel and Compensation Committee deliberates on and approves:

- the remuneration system for management and employees
- the remuneration for the Chairman of the Board of Directors, the members of the Agricultural Council, the CEO and the other members of Group Management (taking into account the ceiling amounts approved by the General Meeting)
- the employer representation in the Emmi Pension Foundation and the Emmi Welfare Foundation
- other mandates of the members of the Board of Directors and Group Management

It also elects the members of Group Management, excluding the CEO, as well as members of the extended Group Management.

The Personnel and Compensation Committee assesses or processes the following, in particular, for the Board of Directors in an advisory or preparatory capacity:

- the remuneration system for the compensation of the Board of Directors as well as the remuneration of the members of the Board of Directors
- the remuneration system for the compensation of Group Management
- the ceiling amounts for the remuneration of the Board of Directors, the Agricultural Council and Group Management for approval by the General Meeting (for approval model, see section Remuneration system)
- the total amount of salary adjustments and bonuses for employees and basic changes to the pension fund regulations and other retirement benefit plans
- the composition of Group Management
- succession planning and the evaluation of candidates for the Board of Directors according to the regulations governing election
- succession planning for the Chairman of Group Management and, at the request of the CEO, for members of Group Management
- the regular review of the organisational regulations

The **Agricultural Council**, which consists of members of the Board of Directors and specialists, supports the Board of Directors in monitoring the management of the company, in particular with regard to milk procurement and agricultural issues. It comprises at least four individuals, of whom at least three are members of the Board of Directors (the Chairman of the Board of Directors plus two further members). Internal and external experts inform the Agricultural Council about the latest developments and provide its members with advice where necessary. Members of the Emmi Group who attend meetings as internal experts include the CEO, the Executive Vice President Switzerland, the Head of Agricultural Policy and the Head of Procurement. The external experts are the Managing Directors of the regional milk producer organisation ZMP, which has a stake in Emmi, and the national milk producer organisation SMP. Other members are the President of the national milk sector organisation BOM and as of 2019 the President of the milk producer organisation Mittelland Milch and the President of the milk producer organisation mooh. The Agricultural Council has no approval power.

It assesses or processes the following, in particular, for the Board of Directors in an advisory or preparatory capacity:

- general political issues
- the development of the milk and cheese industry and its organisations
- the volume and price management of milk as a raw material
- milk and cheese procurement

#### **Working methods of the Board of Directors and its committees**

As a rule, the Emmi Board of Directors and its committees meet as often as business requirements dictate, but at least quarterly. The Personnel and Compensation Committee and the Agricultural Council generally meet twice a year. In 2018, the Board of Directors held eight half-day meetings and one all-day meeting. The Audit Committee met five times for three hours each, and the Market Committee three times for three hours each plus for one whole day. The Personnel and Compensation Committee met three times for one-and-a-half hours each, while the Agricultural Council met twice for two hours each (average times).

Meetings held by the Board of Directors are also attended by the CEO, the CFO and, depending on the topic, other members of Group Management. Individual items on the agenda are handled exclusively within the Board of Directors, i.e. excluding all participants who are not members of the Board of Directors. The entire Group Management participates in the strategy meeting held by the Board of Directors. The inclusion of members of Group Management in meetings held by the committees is shown for the individual committees. With the exception of the Agricultural Council and Audit Committee, the Emmi Board of Directors holds its meetings without any external experts. The Chairman of the Board of Directors is a member of all committees for the purposes of coordinating the various committees of the Board of Directors and integrating the Board of Directors as a whole.

The chairpersons of the committees report to the Board of Directors at every Board meeting regarding their activities and results, and record details of their consultations and decisions in minutes that are distributed to all members of the Board of Directors. If any important issues arise, the Board of Directors is informed immediately following the meeting.

Overall responsibility for the duties assigned to the committees remains with the Emmi Board of Directors. The decisions of the Board of Directors are made with an absolute majority of the votes cast. In the event of a tied vote, the Chairman has the casting vote.

### 3.6 Definition of responsibilities between the Board of Directors and Group Management

The **Board of Directors** is responsible for the overall management of the company and the Group, as well as for monitoring the management of the company in accordance with Art. 716a of the Swiss Code of Obligations. On this basis, it deliberates on and determines issues including:

- the annual and investment budget
- the annual and half-year results
- Group structure up to and including Group Management
- the salary policy, in particular the remuneration system for the compensation of the members of the Board of Directors, the remuneration system for the compensation of Group Management, the total amount of salary adjustments and bonuses for employees, the pension fund regulations and other retirement benefit plans
- ceiling amounts for remuneration of the Board of Directors, the Agricultural Council and Group Management for approval by the General Meeting (for approval model, see section 3.1 Approval model of the General Meeting in the Compensation report)
- the evaluation of the main risks
- multi-year financial and liquidity planning
- strategy-relevant cooperations and agreements, in particular the purchase and sale of participations, companies, etc.
- Group regulations
- the founding and closure of companies
- the approval of members of the Board of Directors of consolidated subsidiaries
- the proposal of candidates for the Board of Directors to the General Meeting

All other areas of management are delegated in full by the Board of Directors to the Chairman, the CEO and Group Management. The Board of Directors can, at any time, on a case-by-case basis or on the basis of general powers reserved, intervene in the duties and areas of competence of the corporate bodies that report to it and take over business carried out by these bodies.

The **CEO** is the Chairman of Group Management. He leads, supervises and coordinates the members of Group Management and – for Group tasks – of the extended Group Management, and grants them the necessary authority to perform their functions. In particular, he is responsible for implementing strategic objectives, defining operational thrusts and priorities, and providing the necessary material and personnel resources for this purpose. He communicates regularly with the Chairman of the Board of Directors and the Board of Directors as a whole regarding business developments.



The members of **Group Management** consistently ensure the implementation of strategic Group management. They manage the subsidiaries from a financial point of view and influence their strategic orientation. Their areas of competence and responsibility are determined, in particular, by instructions from the CEO and the budget approved by the Board of Directors, as well as by the agreed business strategy.

As members of the Executive Board Switzerland and long-standing former members of Group Management, the members of the **extended Group Management** undertake the selective Group duties assigned to them by the CEO.

### 3.7 Information and control instruments vis-à-vis Group Management

The Emmi Board of Directors is informed at every meeting by the Chairman, the chairpersons of the committees, the CEO, the CFO and – depending on the agenda item – by other members of Group Management about current business developments, the financial situation and key business events. Additional information is provided during committee meetings. In the case of significant acquisitions, the Market Committee or delegations from the Board of Directors visit the companies concerned to assess the situation first-hand. The Chairman of the Board of Directors meets with a local Executive Board twice a year on average.

In addition to the meetings, every member of the Board of Directors can, having first informed the Chairman of the Board of Directors accordingly, request information from the members of Group Management about business developments and, with the authorisation of the Chairman, about individual transactions. The Chairman is kept up to date by the CEO on a regular basis, at least once every fortnight, and receives the minutes of all Group Management meetings. He and the CEO ensure an appropriate flow of information between Group Management and the Board of Directors. Members of the Board of Directors are informed immediately of exceptional incidents by means of circular letter.

Additional information and control systems are:

- Management Information System (MIS): Members of the Board of Directors receive detailed sales statistics on a monthly basis. Consolidated financial statements together with a forecast for the year-end closing statement are prepared on a quarterly basis, and the Board of Directors is informed in detail about the financial situation of the company at the same interval. The members of the Audit Committee receive the Group financial statements as well as the accounts of all subsidiaries on a quarterly basis and are informed in detail in order to assess quarterly financial performance.
- Risk management process: At least once a year, the Board of Directors is informed by the CEO regarding the main risks and their assessment on the basis of relevance and likelihood of occurrence. The Board of Directors approves the risk management measures defined by Group Management for implementation and monitors their progress (see also Notes to the consolidated financial statements).
- External and Internal Audit: Details of the external auditor are provided in section 8 Auditors. Internal Audit is a management tool used by the Board of Directors and Group Management, and as such forms a fundamental part of the internal control system. It is directly associated with the Chairman of the Audit Committee, as well as the Audit Committee as a whole, through participation in its meetings, which are held at least quarterly (five meetings in the year under review). The Audit Committee approves the auditing programme and the annual planning; it also receives all auditors' reports and is kept informed at its meetings of all findings and the resulting measures. In addition, the Head of Internal Audit regularly meets with the Chairman of the Audit Committee.

The Internal Audit department works in accordance with standards defined in the Audit Manual and carries out audits in the entire Emmi Group. These audits involve assessing the risk potential in the company's corporate governance, business processes and information systems in terms of the reliability and integrity of accounting data and other fundamental information, the efficacy and efficiency of business processes, the securing of tangible and non-tangible business assets, and compliance with laws, ordinances and agreements. Internal Audit also works closely together with the external auditors and carries out special audits at the request of the Audit Committee. It evaluates the effectiveness of the internal and external control systems, as well as the risk management organisation and processes of the Emmi Group. Compliance is also supported and jointly monitored by the Legal department.

## 4. Group Management

### 4.1 Members of Group Management



Members of Emmi Group Management from left (as at the balance sheet date): Matthias Kunz, Jörg Riboni, Robin Barraclough, Urs Riedener (CEO), Natalie Rüedi, Thomas Morf, Kai Könecke, Marc Heim

|                          | Year of birth | Nationality       | Education  | Current function                                       |
|--------------------------|---------------|-------------------|--|--|
| <b>Urs Riedener</b>      | 1965          | Swiss             | Business Economist lic. oec. HSG<br>Stanford Executive Program                               | Chief Executive Officer (CEO)                          |
| <b>Marc Heim</b>         | 1967          | Swiss             | Business Economist lic. oec. HSG   | Deputy CEO,<br>Executive Vice President<br>Switzerland |
| <b>Robin Barraclough</b> | 1967          | British/<br>Swiss | Economist  | Executive Vice President<br>Europe                     |
| <b>Kai Könecke</b>       | 1966          | German            | Dipl.-Ing. Mechanical Engineering  | Chief Supply Chain Officer                             |
| <b>Matthias Kunz</b>     | 1960          | Swiss             | Certified Agronomics Engineer ETH<br>MBA, Stanford Executive Program                         | Executive Vice President<br>Americas                   |
| <b>Thomas Morf</b>       | 1974          | Swiss             | Business Economist lic. oec. HSG   | Chief Marketing Officer                                |
| <b>Jörg Riboni</b>       | 1957          | Swiss             | Business Economist lic. oec. HSG<br>Swiss Certified Public Accountant                        | Chief Financial Officer                                |
| <b>Natalie Rüedi</b>     | 1971          | Swiss             | Certified Primary School Teacher<br>EMBA, Lucerne University of Applied Sciences<br>and Arts | Chief Human Resources<br>Officer                       |

## 4.2 Professional background and other activities and interests

### Urs Riedener

#### CEO and Chairman of Group Management since 2008

##### Professional background

|             |   |
|-------------|---|
| 2000 — 2008 | Migros Cooperative (MGB), from 2002 Head of Marketing and Member of the Executive Board   |
| 1995 — 2000 | Lindt & Sprüngli Group, both in Switzerland and abroad, various management positions, latterly National Sales Manager and Member of the Board of Management for Switzerland |
| 1992 — 1995 | Kraft Jacobs Suchard Group, various positions, latterly Group Brand Manager   |

##### Other mandates

|            |   |
|------------|---|
| since 2015 | SMG (Swiss Management Association), Member of the Executive Committee                     |
| since 2014 | Conzzeta AG, Member of the Board of Directors   |
| since 2010 | Promarca (Swiss branded goods association), Member of the Executive Committee             |
| since 2007 | GfM (Swiss Marketing Association), Member of the Executive Committee                      |
| since 2007 | Institute of Marketing at the University of St. Gallen, Member of the Executive Committee |

### Marc Heim

#### Executive Vice President Switzerland and Deputy CEO since 2017, Member of Group Management since 2009

##### Professional background

|             |  |
|-------------|--|
| 2014 — 2016 | Emmi Group, Executive Vice President Europe        |
| 2009 — 2013 | Emmi Group, Head of Sales                          |
| 2004 — 2009 | Halter Bonbons AG, Managing Director               |
| 1999 — 2004 | Kambly AG, various management roles                |
| 1992 — 1999 | Effems AG (now Mars Schweiz AG), various positions |

### Robin Barraclough

#### Executive Vice President Europe since 2017, Member of Group Management since 2009

##### Professional background

|             |   |
|-------------|---|
| 2014 — 2016 | Emmi Group, Chief Marketing Officer   |
| 2009 — 2014 | Emmi Group, Head of Marketing   |
| 2008        | Kraft Foods, in charge of the coffee business in German-speaking Europe   |
| 1991 — 2007 | Mars Incorporated, various managerial marketing roles at national and international level, latterly Senior Member of the Marketing Leadership Team at the European Masterfoods headquarters in Bremen (Germany) |

## Kai Könecke

### Chief Supply Chain Officer and Member of Group Management since 2017

#### Professional background

|             |   |
|-------------|---|
| 2012 — 2016 | Unilever Germany-Austria-Switzerland, Managing Director Supply Chain G-A-S  |
| 2011 — 2012 | Amazon, General Manager, Fulfillment Center Rheinberg (Germany)   |
| 2006 — 2011 | Mars (Effems) Germany, Plant Director of the facility in Viersen (Germany)  |
| 1993 — 2006 | Mars (Effems) Germany, various roles in Supply Chain, including Head of Logistics Germany and Head of Development of Supply Chain Management Europe |

## Matthias Kunz

### Executive Vice President Americas since 2014, Member of Group Management since 2002

#### Professional background

|             |   |
|-------------|---|
| 2009 — 2013 | Emmi Group, Head of International Division        |
| 2002 — 2009 | Emmi Group, Head of International Cheese Division |
| 1999 — 2002 | Swiss Dairy Food, Member of Group Management      |
| 1997 — 1999 | Toni International AG, Managing Director          |

## Thomas Morf

### Chief Marketing Officer and Member of Group Management since 2017

#### Professional background

|             |   |
|-------------|---|
| 2012 — 2017 | Danone Johannesburg, latterly Managing Director of the Mayo Dairy business unit |
| 2010 — 2012 | Danone Paris, Global Marketing Director Innovations                             |
| 2007 — 2010 | Danone Munich, various executive marketing roles                                |
| 2000 — 2007 | Procter & Gamble, Belgium, various executive marketing roles                    |

## Jörg Riboni

### CFO and Member of Group Management since 2013

#### Professional background

|             |   |
|-------------|---|
| 2005 — 2012 | Forbo Group, Chief Financial Officer  |
| 1997 — 2005 | Sarna Group, Chief Financial Officer  |
| 1995 — 1997 | Jelmoli, Chief Financial Officer  |
| 1991 — 1995 | Lacoray Group (Cosa Liebermann), Chief Financial and Administrative Officer |
| 1985 — 1991 | Peat, Marwick, Mitchell & Co and Deloitte & Touche, Auditor                 |

#### Other mandates

|            |  |
|------------|--|
| since 2018 | Heritage B Group, Member of the Board of Directors and Chairman of the Audit Committee |
| since 2012 | Glas Trösch Group, Member of the Board of Directors                                    |
| since 2000 | Chairman or Member of the Board of Directors at several privately held companies       |

## Natalie Rüedi

### Chief Human Resources Officer since 2014, Member of Group Management since 2011

#### Professional background

|             |   |
|-------------|---|
| 2009 — 2013 | Emmi Group, Head of Human Resources, Member of extended Group Management until 2010 |
| 2004 — 2009 | Emmi Group, responsible for developing and heading up staff development             |
| 2000 — 2004 | Emmi Group, Human Resources Specialist  |
| 1992 — 2000 | Teacher and headmistress at a primary school  |

## Members of the extended Group Management

### Othmar Dubach

**Head of Cheese and Dairy Products Switzerland, Member of the Executive Board Switzerland and of the extended Group Management since 2014**

#### Professional background

|             |   |
|-------------|---|
| 1993 – 2013 | Emmi Group, Head of the Cheese Division             |
| 1992 – 1993 | Emmi Group, Head of Marketing                       |
| 1983 – 1991 | Central Switzerland Milk Association, various roles |

### Max Peter

**Head of SCM Switzerland and interim Head of Operations at Emmi Dessert Italia, Member of the Executive Board Switzerland and of the extended Group Management since 2014**

#### Professional background

|             |   |
|-------------|---|
| 2018        | Emmi Group, Head of Supply Chain Management Switzerland and interim Head of Operations at Emmi Dessert Italia |
| 2017        | Emmi Group, Head of Supply Chain Management Switzerland and interim Managing Director at A-27                 |
| 2005 – 2017 | Emmi Group, Head of Trading & Supply Chain Management   |
| 2002 – 2005 | Emmi Group, Head of Corporate Development   |
| 1999 – 2002 | Bon Appetit Group, Member of Group Management, responsible for supply chain management and e-services         |
| 1988 – 1999 | Coop, various roles   |
| 1977 – 1988 | Suter & Suter, Nestlé and Organisation Zoller, various roles  |

#### Other mandates

|             |   |
|-------------|---|
| since 2017  | VIAC AG, Member of the Board of Directors         |
| 2009 – 2017 | Foundation "Schweizer Sporthilfe", President      |
| 2008 – 2017 | GS1 Switzerland, Member of the Board of Directors |

## Markus Willimann

### Head of Industrial Business Switzerland, Member of the Executive Board Switzerland and of the extended Group Management since 2014

#### Professional background

|             |  |
|-------------|--|
| seit 2004   | Emmi Group, Head of Industrial Business and responsible for development coordination and agricultural policy |
| 1998 – 2004 | Emmi Group, Member of Group Management with responsibility for the Dairy Products Division                   |
| 1990 – 1998 | UFAG AG, Division Head, Member of the Executive Board  |
| 1987 – 1990 | Jacobs Suchard AG, latterly Senior Project Manager Research & Development                                    |
| 1982 – 1987 | Testing station, Schweizerische Brauereien, research assistant and doctoral student                          |

#### Other mandates

|            |  |
|------------|--|
| since 2011 | Advisory Committee for Agriculture and the Agriculture Research Council of the Swiss Confederation, Member |
| since 2009 | Swiss Milk Sector Organisation (BOM), Vice president   |
| since 2007 | Federal Agriculture Research Council, Member   |
| since 2004 | Swiss Dairy Industry Association (VMI), Chairman   |
| since 2004 | Federation of Swiss Food Industries (fial), Member of the Board  |
| since 1998 | Swiss Butter Sector Organisation (BOB), Member   |

## 4.3 Permitted number of activities

The members of Group Management may hold a maximum of two mandates in listed and ten mandates in non-listed legal entities.

## 4.4 Management contracts

No management contracts exist.



## 5. Compensation, participations and loans

Information on remuneration, the definition process for compensation, statutory rules, participations, and loans and credits to members of the Board of Directors, Agricultural Council and Group Management can be found in the Compensation report (see Compensation report).

## 6. Shareholders' rights of co-determination

### 6.1 Restrictions on voting rights and proxies

Emmi's Articles of Association contain no restrictions on voting rights. A shareholder who has voting rights may only be represented at the General Meeting by a legal representative, another shareholder attending the General Meeting who has voting rights or the independent proxy. Power of attorney and instructions to the independent proxy may be issued electronically.

### 6.2 Statutory quorum

Unless the law stipulates otherwise, the General Meeting passes its resolutions and performs its elections by an absolute majority of the voting rights represented, not taking into account blank and invalid votes. In addition to the legal exceptions, the resolution concerning the amendment of the provision of the Articles of Association relating to the restrictions on registration (see section 2.6 Restrictions on transferability and nominee registration) also requires at least two-thirds of voting rights represented and the absolute majority of shares represented.

### 6.3 Convening of the General Meeting

The Ordinary General Meeting takes place annually, at the latest six months after the end of the financial year. It is convened by the Board of Directors. The procedure for convening Extraordinary General Meetings is governed by the applicable legal provisions.

### 6.4 Agenda

Shareholders who represent shares with a par value of CHF 1 million and above can request that an item be placed on the agenda at the General Meeting. Such requests must be submitted to the Board of Directors in writing at least 45 days before the General Meeting, citing the motions concerned.

### 6.5 Entries in the share register

The share register is usually closed ten days prior to the General Meeting. The Board of Directors may approve exceptional subsequent entries on request. The effective closing date is published in the invitation to the General Meeting and in good time in the financial calendar on the Emmi website at:

[www.emmi.com](http://www.emmi.com) > Media & IR > Dates

## 7. Change of control/defensive measures

### 7.1 Obligatory offer

Emmi's Articles of Association include neither an "opting up" clause pursuant to Art. 135(1) FinfraG nor an "opting out" clause pursuant to Art. 125(4) FinfraG regarding the legal obligation to make a takeover bid.

### 7.2 Change-of-control clauses

No contractual agreements exist either for members of the Board of Directors, members of Group Management or other management members in the event of a change in the controlling majority stake.

## 8. Auditors

### 8.1 Duration of the mandate and term of the Auditor in Charge

At the 2014 General Meeting, KPMG, Lucerne, were appointed as the new statutory auditors for the financial year. They have been reappointed annually since that time. According to the Articles of Association, their term ends with the approval of the financial statements for the relevant financial year. The Auditor in Charge, Thomas Affolter, has been in office since 2014. According to the provisions of the Swiss Code of Obligations, he may execute this mandate for a maximum of seven years. Thomas Affolter will therefore be responsible for the audit of the Emmi Group until the end of the 2020 financial year at the latest.

### 8.2 Audit fees

For the 2018 reporting year, the agreed audit fee for the performance of their mandate as statutory auditors (including the audit of the consolidated financial statements) amounted to KCHF 1,240.

### 8.3 Additional fees

During the year under review, KPMG charged a total of KCHF 133 for additional services beyond the scope of their statutory mandate. This fee includes KCHF 95 for tax advice and KCHF 38 for other consulting and audit-related services.

### 8.4 Information tools used by the external auditors

The supervision and monitoring of the auditors is exercised by the full Board of Directors. The Board of Directors' Audit Committee assesses the performance, invoicing and independence of the external auditors and provides the Board of Directors with corresponding recommendations. It also annually reviews the scope of the audit, the audit plans and the relevant procedures, and discusses the audit reports with the Auditor in Charge. Details of the term of the Auditor in Charge can be found in section 8.1. The report on the final audit of the annual accounts is also sent to all members of the Board of Directors for the final approval of the Annual Report. The Auditor in Charge attended three meetings of the Audit Committee in 2018. Details on Internal Audit are provided in section 3.7 Information and control instruments vis-à-vis Group Management.

## 9. Information policy

**Investor Relations guidelines:** Emmi strives to maintain open and ongoing communication with shareholders, existing and potential investors, and other stakeholder groups. Emmi's aim is to provide rapid, real-time and transparent information about the company, its strategy and business developments, and to offer a truthful picture of Emmi's performance in the past and the present, as well as its future prospects. This picture is intended to reflect the assessment of the current situation of the company by Group Management and the Board of Directors.

**Methodology:** Emmi publishes an extensive Annual Report every year that presents operating activities, corporate governance and financial reporting for the current year, drafted and audited in accordance with Swiss GAAP FER. A half-year report is also published.

Furthermore, media releases are published about events relevant to the share price, such as acquisitions, minority or majority shareholdings, joint ventures and alliances in accordance with guidelines relating to ad-hoc publicity. Important announcements, in particular half- and full-year results, are accompanied by presentations together with press and analyst conferences or analyst calls.

Emmi meets during the course of the year with institutional investors both in Switzerland and abroad, presents its published results on a regular basis, organises road shows and holds meetings with individual institutional investors and groups. The main point of contact for these meetings and presentations is the CFO. The meetings and presentations focus on Emmi's financial results, its strategic orientation and the current initiatives of the Group.

Emmi uses the Internet in order to ensure rapid, real-time and consistent distribution of information. The company's website features an electronic information tool that enables shareholders and other interested parties to add their names to an electronic distribution list:

[www.emmi.com](http://www.emmi.com) > Media & IR > News service

Media releases and investor information can be accessed via the following link:

[www.emmi.com](http://www.emmi.com) > Media & IR > Media releases

Notifications to SIX Exchange Regulation of participations that exceed the level at which notification becomes obligatory can be found via the following link:

[www.six-swiss-exchange.com](http://www.six-swiss-exchange.com) > Market data > Shares > Quotes > Company: Emmi AG

Contact for Investor Relations:

Emmi Management AG, Corporate Communications & IR, Landenbergstrasse 1, P.O. Box 2570, CH-6002 Lucerne, Phone +41 58 227 50 69, E-mail [ir@emmi.com](mailto:ir@emmi.com), [www.emmi.com](http://www.emmi.com)

The General Meeting will take place on 11 April 2019. All registered shareholders will receive an invitation to the General Meeting by post.

The next business results (2019 half-year results) will be published on 28 August 2019.