



Terms of Reference - Compensation Committee (CC)

1. Membership / Organization

The Board of Directors appoints the CC members from amongst its members for a period of one year. The Compensation Committee comprises at least two members, who shall be independent and non-executive. The Board appoints the Chairman of the CC. The Board may remove and replace individual members at any time. The quorum shall be 2 members. The Company Secretary or the Compensation & Benefits Director shall act as Secretary of the CC.

2. Meetings / Minutes

The CC meets as often as necessary, but at least once a year. The Chairman shall review the agenda in advance of each meeting. Meetings may be held by telephone, videoconference or by circular resolution. The CC may request members of the Executive Committee or any other outside counsel to attend a CC meeting or to make presentations. The minutes taken by the Secretary shall be distributed to the CC members and are available for inspection by all Board members.

3. Duties

The CC has the following duties:

- To review, approve and make recommendations on compensation practices, policies and procedures.
- To review the competitiveness of the Company's executive compensation programs:
 - i. To ensure the attraction and retention of members of the Executive Committee to achieve the Company's business objectives.
 - ii. To align the interests of key management to the long-term interests of the Company.
- To review and approve recommendations from the CEO on compensation packages for members of the Executive Committee.
- To approve and make recommendations to the Board of Directors on total compensation for executive directors, including Chairman and CEO compensation packages.
- To perform such other functions as assigned by the Board of Directors.

4. Reporting

The Chairman of the CC shall report CC activities to the Board on its proceedings after each meeting when and with such recommendations as deemed appropriate or required.

5. Performance evaluation

The CC shall annually review those terms of reference with special focus on compliance with Swiss and international best practice and recommend any proposed changes to the Board for approval. The CC shall also perform an annual self-assessment.