

# **ORGANISATION BYLAWS**

## **OF**

## **TEMENOS AG**

### **1. FORMAL BASIS**

- 1.1 The Board of Directors (hereinafter "the Board") of Temenos AG (the "Company") issues the following Organisation Bylaws based on the Swiss Code of Obligations (hereinafter "CO") as well as the applicable provisions in the Company's Articles of Association.
- 1.2 The Company is the ultimate holding company of the Temenos Group (the "Group") with numerous subsidiaries in different countries (the "Subsidiaries") directly or indirectly owned by the Company.

### **2. AREA OF APPLICATION**

- 2.1 These Organisation Bylaws specify the duties, responsibilities and contain the rules of organisation of the executive bodies of the Company, which are:
  - the Board of Directors
  - the Chairman of the Board of Directors
  - the role of the Executive Chairman of the Board of Directors
  - the Vice-Chairman of the Board of Directors
  - the CEO
  - the Audit Committee
  - the Compensation Committee
  - the Nomination Committee
- 2.2 Any changes of these Organisation Bylaws are legally binding as soon as the Board has approved such changes by formal resolution. In the event of a conflict between these Organisation Bylaws and the Articles of Association of the Company, the Articles of Association shall prevail.

### **3. THE BOARD OF DIRECTORS**

#### **Organisation and Elections**

- 3.1 As a rule the Board of Directors shall be composed by a majority of independent Board members.  
The criteria of non-independent director are as follows:
  - Any director who is attested by the Board to be a non-independent;

- Any director specifically designated as a representative of a significant shareholder of the company;
- Any director who is also an employee or executive of a significant shareholder of the company;
- Any director who is nominated by a dissenting significant shareholder, unless there is a clear lack of material connection with the dissident, either currently or historically;
- Beneficial owner (direct or indirect) of at least 10% of the company stock;
- Government representative;
- Currently provides professional services to the company, to an affiliate of the company, or to an individual officer of the company or one of its affiliate in excess of USD 10,000 per year;
- Represents customer, supplier, creditor, banker, or other entity with which company maintains transactional/commercial relationship (unless company discloses information to apply a materiality test);
- Any director who has conflicting or cross-directorships with executive directors or the Chairman of the company;
- Relative of a current employee of the company or its affiliates;
- Relative of a former executive of the company or its affiliates;
- Founder/co-founder/member of founding family but not currently an employee;
- Former executive (5 year cooling off period);
- Any additional relationship or principle considered to compromise independence under local corporate governance best practice guidance;
- 12 years of tenure.

3.2 According to the Company's Articles of Association the term of office of the members of the Board of Directors shall be one year.

The Board elects from among its members annually at its first session after the ordinary General Meeting of Shareholders, its Vice-Chairman and such other positions as the Board deems appropriate from time to time.

3.3 The Board elects annually at its first session after the ordinary General Meeting of Shareholders the members of the Audit Committee (AC) and of the Nomination Committee (NC) in accordance with section 5.1 below. As per Swiss regulations the members of the Compensation Committee are elected annually by the shareholders. The Board may from time to time elect other committees and specify their duties and powers. In line with the *Swiss Code of Best Practice for Corporate Governance* the Board shall appoint the Chairman of each of its Committees.

3.4 The Board may further designate from time to time a Secretary who does not need to be a member of the Board. The Secretary shall keep the minutes of meetings of the Board and of its Committees; the minutes shall contain all resolutions adopted at the meeting.

3.5 At least once a year and as often as required, independent directors should meet without the presence of non-independent directors, such meeting should be chaired by the Vice-Chairman. The Vice-Chairman should inform the Chairman of the agenda items to be discussed and the outcome of those discussions.

#### **Duties and Powers**

3.6 The Board of Directors holds the ultimate decision-making authority of the Company for all matters except those reserved by law to the shareholders. The Board of Directors shall manage the business of the Company insofar as it has not been

delegated to the CEO, who chairs the Executive Committee of the Company or to the Executive Chairman.

The Board of Directors exercises inalienable and non-transferable functions as provided by the law, by the Company's Articles of Association and by these bylaws.

### **Swiss Code of Obligations**

1. The ultimate management of the company and the issuance of necessary directives;
2. The establishment of the organization;
3. To structure the accounting system, financial planning and ensure that the necessary financials controls are put in place;
4. The appointment and removal of senior management (CEO and CFO);
5. The ultimate supervision of senior management in regards to compliance with the law and internal directives;
6. The preparation of business report and the General Meeting of Shareholders
7. The notification of a judge in case of insolvency.

### **Articles of Association**

1. To pass resolutions regarding the subsequent payment of capital with respect to not fully paid-in shares.
2. To pass resolutions confirming increases in share capital and regarding the amendments to the Articles of Association entailed thereby.
3. To examine the professional qualifications of the specially qualified auditors in those cases in which the law provides for the use of such auditors.

Moreover, the Board of Directors resolves in particular on the following aspects:

- **Strategy**
  1. to review and approve the medium term strategic plan of the company
- **Acquisition/Disposal/Alliance**
  2. to review and approve significant acquisitions (above 1% of revenues);
  3. to review and approve strategic alliances;
  4. to review and approve significant disposal, divestiture, disinvestment, merger, sale/MBO/spin-off of any business segment (above 1% of revenues);
  5. approval of share buyback program.
- **Operations/Finance**
  6. approval of annual budget, including Capital expenditures;
  7. approval of annual statutory and consolidated financial statements;
  8. approval of new bond issues, loans and mortgages;
  9. approval of dividend payment;
  10. to review and approve significant changes in the Group's structure and organization.
- **Governance**
  11. appointment and dismissal of CEO and CFO;
  12. election of Vice-Chairman and Board committee members (AC/NC);
  13. consider the business report from the CEO;
  14. to annually review conformity to corporate governance rules;
  15. adopt or amend any short or long-term incentive compensation plans.

The Board and each member shall keep itself regularly informed of the course of business pursuant to clause 3.16 below.

### **Meetings**

- 3.7 The Board shall meet as often as required by the business of the Company, but at least four times each year.
- 3.8 Any calling of a meeting shall specify the agenda and shall be made at least ten days in advance, except for urgent matters. Each member of the Board shall be entitled to request the immediate calling of a meeting specifying at the same time the purpose thereof. The invitation shall be made by the Chairman, or in the case of his absence, by the Vice-Chairman or another member of the Board.
- 3.9 Although not present physically, a member shall be deemed present if he or she participates in any meeting by phone or videoconference.  
No representation of Board member by another member or by any other person is possible.  
Persons who are not members of the Board may participate in meetings if their expertise is required and they have been invited by the Chairman of the Board.

### **Passing of Resolutions**

- 3.10 The Board may pass resolutions if at least one-third and a minimum of three Board members, including either the Chairman or the CEO, are present. No quorum is required if the board meeting is called to validate/certify a capital increase and to effect the registration of the respective amendments of the Articles of Association.
- 3.11 The Board passes all resolutions by the majority of the votes present. In the case of a tie, the Chairman shall have the casting vote.
- 3.12 Resolutions can also be passed by way of the written approval of a proposal made (circular resolution to be signed by all members of the Board), unless a member requests in writing within three calendar days from receipt of the corresponding proposal a discussion in a meeting.

### **Minutes**

- 3.13 All resolutions and the main issues of the deliberations and discussion shall be minuted. Circular resolutions are to be entered into the minutes of the next meeting.
- 3.14 The minutes are to be signed by the Chairman and the Secretary of the meeting upon approval by the Board at its next meeting.

### **Reporting**

- 3.15 At each meeting, the Board shall be informed by the CEO or the Chairman on the current course of business of the Company and the Group and all relevant business matters.

### **Information and Inspection Rights**

- 3.16 Each member of the Board may, without any restriction, demand information on all business of the Company/Group and may inspect all books, business files and corporate documents. All Board members shall, without restriction, provide any information and produce all documents on the Company or the Group requested by any other member of the Board to the extent available to them.

- 3.17 If a Board member exercises his or her right to information and inspection improperly or in a way disruptive to the orderly course of business of the Company or the Group, the Board may decide to grant this member only restricted information in accordance with the legal requirements.

### **Compensation**

- 3.18 In compliance with the law, the Board shall determine and propose each year to the shareholders the maximum compensation amounts for each of the Board of Directors and of the executive management for the next financial year (i.e. prospective approach); the shareholders shall then have the power to approve such amounts in a binding vote.
- 3.19 Compensation of the non-executive members of the Board is limited to fixed compensation i.e. Board fees.

## **4. THE CHAIRMAN OF THE BOARD**

- 4.1 The Chairman of the Board shall:

- call the Board meetings in accordance with section 3.9 above;
- set forth the agenda for the Board meetings;
- inform the Board in accordance with section 3.16 above.

- 4.2 The Chairman is responsible for the preparation of all matters falling within the responsibility of the Board, and for the implementation of the resolutions of the Board. Specifically, the Chairman is responsible for the timely preparation of the business report (annual report, profit and loss account, balance sheet including related notes and disclosures) and for the preparation of the General Meetings of Shareholders.

- 4.3 Together with the CEO, the Chairman sets the fundamental principles on overall corporate strategy. The Chairman shall ensure there is a good co-operation between the Board and its committees.

### **4.4 EXECUTIVE ROLE OF THE CHAIRMAN OF THE BOARD**

The Executive Chairman shall:

- support, advise and provide guidance to the Executive Committee on all strategic matters as well as on operating matters of high significance;
- provide guidance and support directly to the CEO and CFO on a regular basis;
- attend the monthly Product Board where product strategy and funding are decided and execution is monitored;
- be very heavily involved in acquisitions and in key client/prospect relationships that often require the CEO and/or Chairman's participation to bring key deals to fruition;
- work full time in an executive capacity and be jointly responsible together with the CEO and CFO to the Board of Directors for the development and delivery of the strategic plan and the annual business and financial plan.

### **4.5 THE VICE-CHAIRMAN OF THE BOARD**

- As per article 3.8 in case the Chairman is unavailable or absent, the Vice-Chairman calls meetings of the Board of Directors; also, in case the Chairman is unavailable or

absent, the Vice-Chairman or any other Board member if the Vice-Chairman is unavailable or absent, chairs meetings of the Board of Directors;

- As per article 3.5 the Vice-Chairman has the authority to call the annual meeting reserved exclusively for independent directors to allow them to discuss certain issues outside full Board meetings. The agenda of such meeting is set by the Vice-Chairman;
- The Vice-Chairman serves as liaison between the independent directors and the Chairman and CEO;
- The Vice-Chairman acts as the preferred contact for the other independent directors;
- The Vice-Chairman makes himself available to hear the shareholders' comments and suggestions and, where possible, answers their questions after consulting with the Chairman.

## **5. THE CHIEF EXECUTIVE OFFICER (CEO)**

5.1 The chief executive officer chairs the Executive Committee

5.2 Under the direction of the CEO the Executive Committee has the following duties:

- Responsible for managing, coordinating and executing the Company's business operations;
- Developing Group strategy and monitoring performance against it;
- Setting targets for Group organic and acquisitions growth on a three years basis;
- Approving all products Capex investments as well as acquisitions to be proposed to the Board of Directors.

5.3 The CEO reports to the Chairman and the Board of Directors.

## **6. AUDIT COMMITTEE**

6.1 The Board appoints, from among its members, the members of the Audit Committee of the Company. The Audit Committee shall consist of not less than three and not more than five members, all of whom shall be independent members of the Board

6.2 The terms of reference of the Audit Committee are available on the Company's website.

6.3 The Audit Committee shall periodically report to the Board on the matters which fall within its jurisdiction and, in particular, on any concerns the Audit Committee may have in relation to corporate governance, regulatory compliance, the internal control systems, CSR & Ethics matters and the internal and external auditors of the Group.

6.4 If any issue identified by the Audit Committee is such that it is deemed necessary or appropriate by its members to involve in the discussions held the external auditors of the Group, the Audit Committee shall have the right and is hereby explicitly authorised by the Board, to request such an involvement and instruct the external auditors accordingly, irrespective of any objections other members of the Board may have in this connection.

## **7. COMPENSATION COMMITTEE**

Please refer to the Terms of Reference of the Compensation Committee available on the Company's website.

## **8. NOMINATION COMMITTEE**

Please refer to the Terms of Reference of the Nomination Committee available on the Company's website.

## **9. SIGNATORY POWERS**

The Board determines and assigns the signatory powers for the Company.

## **10. CONFIDENTIALITY**

10.1 No member of the Board of Directors nor of its committees nor of TEMENOS senior management shall divulge to third parties any information, which they obtain in connection with the performance of their activities for such bodies. As per Swiss law, this obligation and duty shall continue after the end of the directorship function of the Board member.

TEMENOS Insider Information Policy and Business Code of Conduct apply to Board members (<https://www.temenos.com/en/about-temenos/investor-relations/corporate-governance/>)

10.2 The members of the Board shall abstain from voting or exercising an activity, if any business is involved, which affects their own personal interests or the interests of persons or entities affiliated with them.

10.3 As per Swiss law, each member of the Board is under the duty to safeguard and further the interests of the Company and its shareholders.

## **11. FINAL PROVISIONS**

11.1 Any and all notices from the Board to its members or between its members shall be made in writing and sent by mail to the addresses notified by each member upon his election. Each member shall be responsible to up-date such information from time to time and to ensure that he may be reached in cases of urgency by the Chairman, the Vice-Chairman or any other member of the Board.

11.2 These Organisation Bylaws have been approved by the Board on 18 June 2001 and further amended on 12 October 2006, 15 February 2012, 21 February 2013, 25 July 2014, 19 November 2015, 29 November 2016 and 12 February 2020.

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