

## **BOBST GROUP SA**

### **ORGANIZATION REGULATIONS OF BOBST GROUP SA**

#### **("Règlement d'organisation")**

##### **INTRODUCTION**

<sup>1</sup> Bobst Group SA (the "Company") is a top holding company of industrial and financial companies and is listed on the SIX Swiss Exchange whose listing rules, as well as other applicable regulations, are mandatory.

<sup>2</sup> Bobst Group SA together with its affiliate companies constitutes the "Bobst Group". The Regulations of Bobst Group SA, the holding company, are at the same time the Regulations of the Bobst Group.

<sup>3</sup> The present Regulations have been adopted by the Board of Directors of Bobst Group SA ("the Board") in a meeting held on 14 December 2009 and replace and supersede the Regulations in force since 14 December 2007.

<sup>4</sup> Any modification of these Regulations must be approved by the Board.

<sup>5</sup> Together with the Articles of Association ("the Articles") of the Company and the Swiss "Code des Obligations", these Regulations define the organization and the attributions of the Board, of the Chief Executive Officer ("CEO"), and of the Group Executive Committee ("GEC").

<sup>6</sup> The Company has the following governing bodies:

- the Board of Directors
- the Chairman of the Board of Directors
- the Committees of the Board
- the Chief Executive Officer
- the Group Executive Committee
- the members of the Group Executive Committee

## I. BOARD OF DIRECTORS

### 1. Organization

- a) During the first meeting after each Annual General Meeting and after each change in its composition, the Board designates its Chairman and its Vice-chairman for a period ending at the close of the immediately following Annual General Meeting. The Board also designates a Secretary from among its members or from outside.
- b) The Board may designate one or more Delegates for a certain period which it determines from case to case. The Delegate, or one of the Delegates, is the CEO. In addition to their attributions as members of the Board, the Delegates assume the responsibilities defined by the Board on their designation.
- c) The Board may constitute from among its members one or several committees whose function is (i) to prepare the decisions to be taken by the Board, (ii) to assume the supervision of certain defined areas and to inform the Board about their findings, or (iii) to adopt certain decisions subject to final approval by the Board. The constitution of such committees, their attributions, and their duration shall be determined in Charters attached to these Regulations. The committees inform the Board periodically about their activities. The Board is competent to dissolve any committee. There shall at all times exist an Audit Committee and a Compensation and Nomination Committee.
- d) The Chairman of the Board coordinates the activities of the committees and their integration with the whole Board. He or she receives the convocations and minutes of the committees and may be present during their meetings.

### 2. Attributions

<sup>1</sup> The Board delegates the management of the Company and the Group to the CEO, pursuant to article 716 b of the "Code des Obligations", article 26 of the Articles, and these Regulations.

<sup>2</sup> The Board has the attributions which are conferred to it by these Regulations, by the Articles or by law, in particular the attributions which cannot be delegated, among which those pursuant to article 716 a of the "Code des Obligations":

- (a) to assume the general supervision of the Company and to adopt the necessary instructions;
- (b) to determine the organization of the Company and the Group;
- (c) to determine the accounting principles and the principles of the financial control and to adopt a financial plan for the management of the Company and the Group;
- (d) to designate and revoke the persons who manage and represent the Company;

- (e) to exercise the general supervision of the persons designated to manage the Company and in particular to ascertain that they obey the law, the Articles, these Regulations, and all specific instructions from the Board;
- (f) to draw up the Annual Report, to prepare the General Meetings, and to execute its decisions;
- (g) to inform the competent judge when the assets do not cover the total debt.

<sup>3</sup> By virtue of the attributions mentioned in the preceding paragraph, the Board reserves the power

- to determine the strategy and the goals of the Company and of the Bobst Group, and to determine the criteria for their financial management;
- to approve the annual budget of the Company and the consolidated budget and to approve modifications of the budgets approved and capital expenditures not budgeted;
- to approve the annual accounts to be brought before the Annual General Meeting for adoption, and to review financial guarantees and other off-balance sheet items on an annual basis;
- to supervise the execution by the CEO of the management duties delegated to him;
- to designate and revoke the members of the Group Executive Committee as proposed by the CEO;
- to designate and revoke the persons authorized to engage the Company with their signature, with or without registering them in the "Registre du Commerce";
- to determine the compensation of the members of the Board pursuant to article 28 of the Articles;
- to determine the compensation system for the members of the Group Executive Committee;
- to verify the Internal Control System and the Risk Evaluation Process;
- supervise the application of sound corporate governance in the Group;
- to bring any issue before the General Meeting;
- to create or dissolve affiliate companies held directly or indirectly by the Company;
- to acquire or dispose of shares in other companies held directly or indirectly;
- to determine the rules applicable to the acquisition or disposal of shares of the Company;
- to periodically amend the present Regulations and its Exhibits.

<sup>4</sup> The Board remains responsible for the selection, the instruction, and the supervision of the persons to whom it delegates any authority. Subject to providing adequate notice, the Board may re-assume responsibility for matters which it has delegated.

<sup>5</sup> Periodically, the Board shall evaluate its own performance, organization, and discharge of its duties.

### 3. Chair

<sup>1</sup> The Chairman of the Board is in charge of the preparation and of the proceedings of the Board Meetings. Together with the CEO, he informs the Board in a timely manner on all aspects of the business of the Company and the Bobst Group that are relevant for the decisions which the Board has to take, and for the discharge of its duty of supervision.

<sup>2</sup> The Chairman is the only member of the Board who may, in co-ordination with the CEO, communicate or authorize other Board members to communicate with third parties about matters concerning the Company or the Group.

### 4. Board Meetings

<sup>1</sup> The Board shall meet whenever necessary. It is convened by the Chairman or the Vice-chairman; each member of the Board may request that a meeting be held, specifying the reasons for convening a meeting.

<sup>2</sup> The meeting is convened by seven days' notice in writing.

<sup>3</sup> Unless the Board decides otherwise, the CEO attends the meetings of the Board. The CEO proposes to the Chairman which members of the GEC should also attend.

<sup>4</sup> As far as possible, the Members of the Board shall receive prior to their Meetings all documents necessary in order to reach a decision. The persons in charge of the issues on the agenda shall attend the Board Meeting, or be available on demand.

<sup>5</sup> A majority of the members of the Board must be present for any meeting to be validly constituted. The presence of one sole member is sufficient for a meeting which is convened for the modification of the Articles as regards the amount of the share capital mentioned therein after a modification of the share capital pursuant to the Articles and the applicable law, or which is convened to ratify the measures required in order to perfect an increase of the share capital.

<sup>6</sup> A simple majority of the votes of the members present at the Board meeting is required for the adoption of a decision. In case of a draw, the vote of the Chairman or in his absence, the vote of the member in the chair of the meeting counts double.

<sup>7</sup> The Board can adopt decisions in writing (by letter, fax, e-mail or any other form) if a majority of the members approves a proposal in writing, except if at least one member requests to hold a meeting proper to discuss the matter. Decisions may also be adopted by approval of a proposal given by phone by a majority of the members of the Board, except if at least one member requests to hold a meeting proper to discuss the matter. Any decision adopted in such

manners shall be recorded in minutes to be put before the following Board meeting.

<sup>8</sup> All members of the Board must be present in a meeting, or must have been able to express their opinion pursuant to the preceding paragraph, for the adoption of a decision on a subject which does not figure on the agenda of a regularly convened Board meeting.

<sup>9</sup> The proceedings of the Board and the decisions adopted by it are recorded in minutes of the meeting signed by the Chairman and the Secretary.

<sup>10</sup> The minutes shall be sent to the members of the Board prior to the following meeting and be approved during this meeting.

## 5. Information

<sup>1</sup> Each member of the Board is entitled to obtain information about the Company and its business, within the limits of article 715 a of the "Code des obligations".

<sup>2</sup> During each Board meeting, the CEO and where necessary, members of the GEC shall inform about the activities of the Company, of the Bobst Group, and of the affiliated companies. Important or exceptional events shall be brought to the attention of the Chairman and, depending on the circumstances, of the other members of the Board without delay, by means of a circular letter or otherwise.

<sup>3</sup> The Board shall determine the scope and nature of reports to be sent regularly to its members.

<sup>4</sup> All persons attending a Board meeting or a meeting of any of its Committees shall keep the proceedings strictly secret and confidential.

## 6. Power of Representation

<sup>1</sup> The Chairman and the Vice-chairman as well as the Delegates or any other member of the Board as decided from time to time are each granted the authority to represent the Company and to bind it by their joint signature together with any other person authorized to sign on behalf of the Company.

<sup>2</sup> The Company is also represented by other persons to whom it has conferred the authority to represent it.

## 7. Conflict of Interest

<sup>1</sup> Each member shall inform the Board when he or she encounters a conflict of interest with regard to an item on the agenda of a meeting. The member shall at all times act in the best interest of the Company. He or she shall abstain from taking part in the discussion and decision on a subject where there is a personal

interest or on a contract between the Company and himself or herself or a close relative.

<sup>2</sup> The member of the Board abstaining from the discussion and vote because of a conflict of interest shall not be considered present for the purpose of the quorum, and the quorum shall be reduced by the number of Board members so abstaining, but may never be less than three members.

## 8. Disclosure and Trading in Shares

<sup>1</sup> The Board shall ensure that the Company does not buy or sell its own shares, nor listed shares or other financial instruments about which the Company has insider information related to its own plans, during a Close Period nor on the first day after the end of a Close Period, nor in general at times when it has not or not yet published potentially price-sensitive facts in the meaning of the Listing Rules of the SIX Swiss Exchange. The same ban on selling or buying shares of the Company or of other financial instruments as above defined, shall apply to the members of the Board and of the GEC, to the Secretary of the Board, and to any other person to be considered as insider.

<sup>2</sup> The Company shall not be restricted by Close Periods to the extent that it buys its own shares required for the attribution to members of the management pursuant to the Long Term Incentive remuneration program.

<sup>3</sup> The CEO is in charge of the ad hoc publicity. He shall put in place the appropriate organization. The decision to make an ad hoc announcement and the content thereof are adopted, so far as time permits, after discussion with the Chairman of the Board and the CFO.

<sup>4</sup> The Board shall adopt measures in order to limit the number of people to be considered as insiders, and shall adopt measures in order to ensure that insiders do not make any illicit use of the confidential information.

## 9. Limit of Age

Irrespective of the duration of the mandate for which a member of the Board has been elected, he or she shall give his or her resignation from the Board effective at the close of the Annual General Meeting held in the year in which he or she attains 70 completed years of age. In exceptional circumstances, the Board may fix the limit at 73 completed years of age.

The Board proposes to the General Meeting to elect the members of the Board for duration of their mandate, which coincides with the regular or exceptional limit of age, but at most for three years.

## II. CEO

### 1. Organization

<sup>1</sup> The management of the Company is delegated to the CEO. The CEO reports to the Board of Directors and receives his instructions from the Chairman of the Board.

<sup>2</sup> The CEO shall brief the Board during the Board Meetings, and whenever it is warranted by exceptional events of a certain importance.

### 2. Attributions

<sup>1</sup> The CEO has in particular the following attributions:

- to convene and chair the meetings of the GEC;
- to prepare the budget of the Group;
- to reach the goals and budget objectives of the Group;
- decisions concerning the strategy of the product lines of the various Business Units of the Bobst Group, based on the propositions of the Heads of the Business Units ("BU"), within the limits of the strategy of the Bobst Group defined by the Board of Directors;
- decisions concerning the development of new products;
- decisions concerning the policy for information technology of the Company and the affiliated companies;
- decisions concerning the purchasing policy of the affiliated companies and their means of production;
- decisions concerning the modification of the capital of affiliated companies;
- management of the relations with investors and financial analysts, with the authorities and with the media;
- management of the communication with the various industry segments served by and with the customers of the companies of the Bobst Group;
- decisions regarding the human resources policy of the companies of the Bobst Group;
- designation and revocation of the members of the boards of affiliate companies;
- directives concerning the designation and revocation of the members of the senior management of affiliate companies;
- remuneration policy of the members of the management and of the senior management (other than members of the GEC) of the Group;
- nomination, revocation and remuneration of the members of the management and of the senior management (other than the members of the GEC) of the Company; decisions on their remuneration subject to proposals made by the member of the GEC to whom these members of the management or senior management report;
- propositions to the Compensation and Nomination Committee of the Board concerning the remuneration of the members of the GEC.

<sup>2</sup> The CEO can delegate part of the above attributions to members of the GEC.

<sup>3</sup> The organization and the attributions of the boards of directors of the affiliated companies of the Bobst Group are subject to the laws, the articles of association, and the regulations of each company.

### III. GROUP EXECUTIVE COMMITTEE

#### 1. Composition

The GEC is composed of

- the Chief Executive Officer CEO,
- the Chief Financial Officer (CFO),
- the managers of the Business Units and of Group Supply, Production, and Logistics.

#### 2. Organization

<sup>1</sup> The GEC is chaired by the CEO or, in his absence, by another member designated by the CEO. The members of the GEC report to the CEO and receive their instructions from the CEO.

<sup>2</sup> Each member of the GEC is entitled to ask for a hearing with the Board of Directors, after discussion with the CEO and with the Chairman of the Board.

#### 3. Attributions

<sup>1</sup> Each member of the GEC manages his or her particular area or activity, and is responsible for

- preparing the budget;
- reaching the goals and budget objectives;
- putting in place and supervising a structure of organization and competences commensurate with the objectives;
- the remuneration subject to the approval by the CEO;
- supervising the commercial and industrial activity and the compliance with rules and regulations.

<sup>2</sup> In addition, the Chief Financial Officer as member of the GEC in charge of Group Finances is responsible for

- implementing the accounting principles approved by the Board;
- organizing and supervising the financial control of the Group;
- monitoring the treasury of the Group and providing for adequate financial means for the Group and the affiliates.

<sup>3</sup> Each member of the GEC manages the additional special tasks assigned to him or her by the CEO. He or she keeps the CEO and other members of the GEC informed about all of his or her activities, and informs the CEO without delay about important particular events.

<sup>4</sup> The GEC has the following attributions:

- execution of the decisions by and instructions received from the CEO;
- application of the strategy adopted by the Board of Directors;
- decisions on issues concerning two or more areas or activities;
- decision on reference parameters concerning the remuneration of Group personnel;
- preparation of the consolidated budget of the Group;
- preparation of all issues which have to be brought before the Board of Directors for decision.

#### 4. Meetings of the GEC

<sup>1</sup> The GEC meets as often as necessary to perform its duties, but at least eight times each year as called by the CEO, or at the request of one of its members by indicating the reasons for convening a meeting. The yearly schedule of meetings is to be considered as convocation to the meetings. A meeting can only be held if duly called.

<sup>2</sup> In addition to the members of the GEC, other persons may be asked to attend a meeting.

<sup>3</sup> The decisions adopted by the GEC are recorded in minutes. Except where a decision cannot be put off due to the urgency of the matter, the GEC shall not take any decision unless a majority of its members including the CEO is present. If a decision has to be taken by a meeting of a majority of the members, but in the absence of the CEO, he shall be duly informed at the earliest possible moment. As a rule and as often as possible, decisions shall be taken by unanimous consent of the members present. If the GEC is unable to adopt a decision by unanimous consent, the CEO decides.

<sup>4</sup> If it is unavoidable due to pressing operational needs to take a decision without the presence of a majority of the members of the GEC, even by conference call, the member or members of the GEC shall adopt a decision which is best suited to safeguard the interest of the Company, of the Bobst Group, and of its affiliated companies. Every effort shall be made to inform the other members of the GEC as soon as possible.

#### IV. MANAGEMENT OF THE AFFILIATED COMPANIES

<sup>1</sup> The GEC manages the business of the affiliated companies which the Company controls by virtue of majority control over the capital or by virtue of a contract.

<sup>2</sup> The members of the GEC perform their duties by adhering to the rules contained in this section, as representatives of the Company as a shareholder, or as members of the board of directors of an affiliated company.

1. Composition of the Senior Management of the Affiliates

The senior managers of the affiliated companies are designated and revoked by the CEO of the Company in consultation with the chairman of the board of directors of the affiliated company and the member or members of the GEC to whom this company reports. Their remuneration is determined by the CEO of the Company in consultation with the chairman of the board of directors of the affiliated company and the member or members of the GEC to whom it reports.

2. Organization and Attributions

- a) The senior managers of an affiliated company are in charge of the management of their company pursuant to the delegation of authority to them by the board of directors of the affiliated company.
- b) The senior managers report to the CEO of their company, or to the chairman of the board of directors of their company if the function of CEO is not existing or vacant, except where the board is of a purely formal nature, in which case they report to the member or the members of the GEC responsible for the activity of the affiliated company.
- c) The senior managers bring before their board of directors all issues to be decided by it by virtue of the law, the articles of association, or the regulations of the company.
- d) The senior managers of the affiliated companies coordinate their activities with the GEC. They shall keep it informed about all important or unusual events. The following issues in particular require the prior approval of the member or members of the GEC to whom the company reports:
  - modification of the organization of the affiliate company;
  - designation of members of the management;
  - modifications concerning the authority to sign on behalf of the company;
  - remuneration of the managers;
  - modification of the employee regulations;
  - applications for patents;
  - implementation of retirement plans and approval of the regulations for new or existing plans (including retirement funds, social insurance and other types of insurance);
  - commencement of law suits;
  - decisions pertaining to the corporate identity (logos, trademarks, etc.).

The member or members of the GEC shall take their decisions in such matters pursuant to Article III, section 3 above.

- e) The GEC shall be informed about issues that cannot be resolved by virtue of the fact that a company belongs to more than one field of activities. If the GEC is unable to reach a decision by unanimous consent, the CEO shall decide.
- f) The persons who have been designated as members of the board of directors of an affiliated company shall assume the responsibility that all laws, articles of association, and regulations are adhered to at all times. In discharging this duty, they shall act in the best interest of the Bobst Group, and shall when necessary obtain instructions from the GEC.
- g) To the extent that the board of directors of an affiliated company is composed of employees of the Bobst Group, its members shall not be paid any particular remuneration. Where the board of directors comprises persons from outside the Bobst Group, the board of directors of the affiliated company in consultation with the Group CEO, shall determine the remuneration of this member of the board.

Prilly,

The Chairman of the Board of Directors of Bobst Group SA:

A member of the Board of Directors of Bobst Group SA: