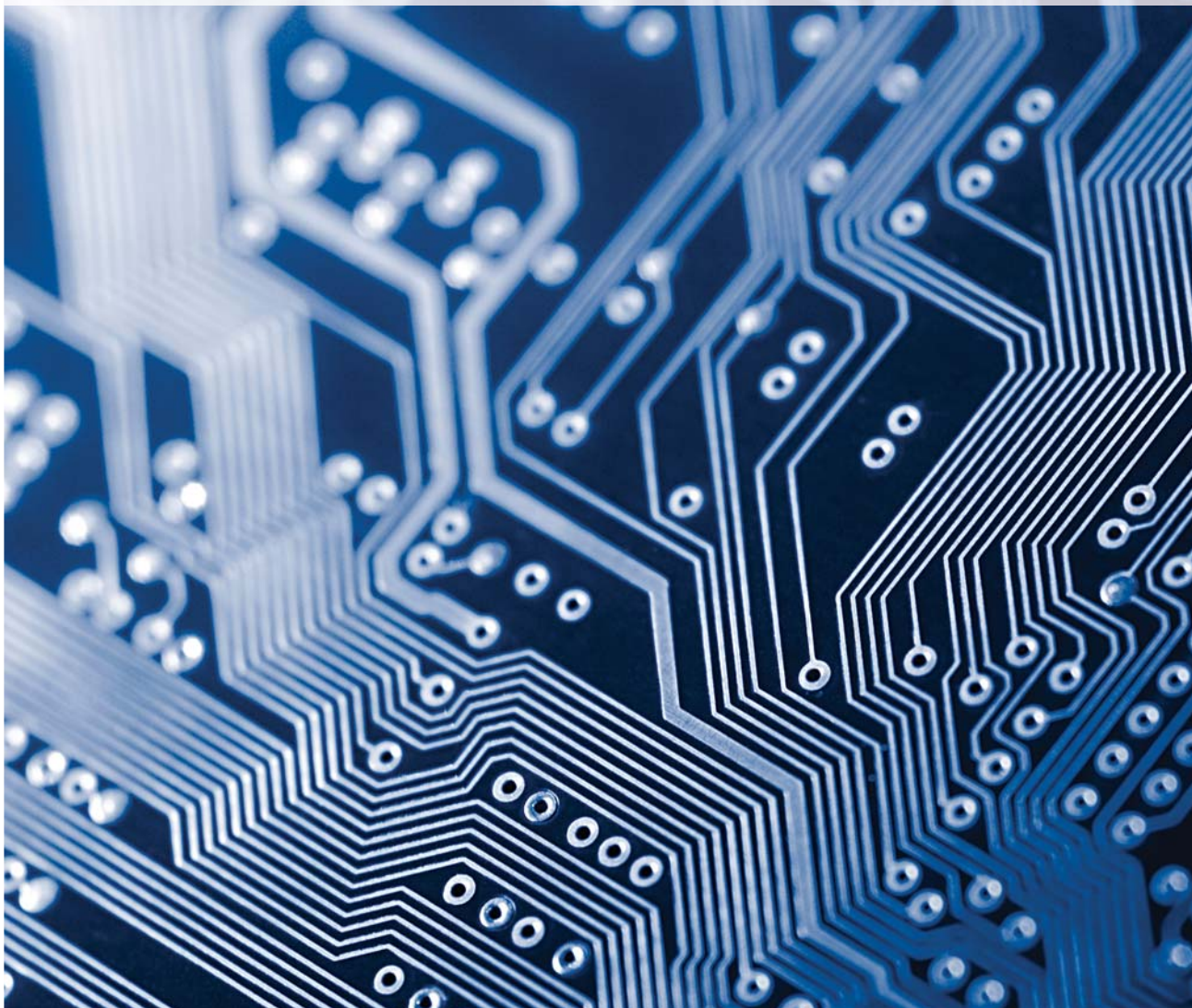


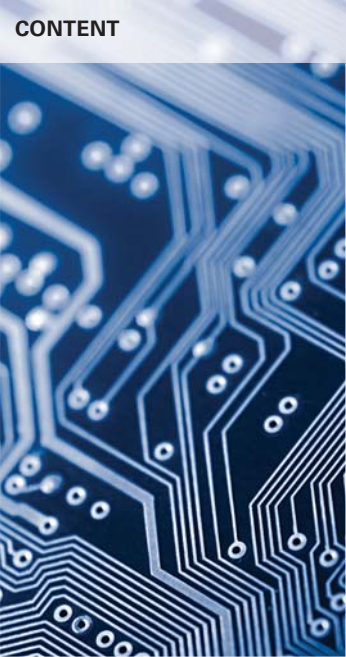
ZURICH, 26 MARCH 2014 | TO THE SHAREHOLDERS OF LEONTEQ AG

# NOTICE OF THE ORDINARY GENERAL MEETING 2014

**Date** Thursday 17 April 2014, 09.30 am (doors open 09.00 am)

**Location** SIX ConventionPoint, Selnaustrasse 30, 8002 Zurich





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The board of directors of Leonteq AG is looking forward to inviting you to the ordinary general meeting with the following agenda items.

(Translation: The original German text prevails)

## AGENDA

### 1. Annual report, annual financial statements and consolidated financial statements for 2013

The board of directors proposes to approve the annual report, annual financial statements and consolidated financial statements for 2013.

### 2. Appropriation of the available earnings for 2013 of Leonteq AG, allocations and appropriation of reserves from capital contribution

The board of directors would like to use the possibility to make a distribution out of reserves from capital contributions, which would not be subject to the 35% Swiss Withholding Tax, instead of distributing a dividend from the available earnings.

#### 2.1 Appropriation of the available earnings for 2013 of Leonteq AG

The board of directors proposes to appropriate the available earnings 2013 as follows:

	In CHF 1'000
Net loss <sup>1</sup>	(5'844)
Balance brought forward from 2012	47'114
<b>Available earnings</b>	<b>41'270</b>
Distribution of profit	
Allocation to general legal reserves	–
Allocation to other reserves	–
<b>Profit to be carried forward</b>	<b>41'270</b>

#### 2.2 Distribution out of reserves from capital contributions

The board of directors proposes the distribution of CHF 2.00 per dividend-paying registered share<sup>2</sup> from reserves from capital contributions, whereby the necessary amount for the distribution shall first be allocated to the free reserves and then paid out accordingly.

	In CHF 1'000
Reserves from capital contributions	
Balance before distribution <sup>3</sup>	65'000
Distribution against reserves from capital contributions	(13'333)
<b>Balance after distribution</b>	<b>51'667</b>

If this proposal is approved, a distribution will be paid on (or about) 28 April 2014. The last trading day with entitlement to receive the distribution, is 22 April 2014. The shares will be traded ex-dividend as of 23 April 2014. The amount to be allocated and to be distributed will be calculated according to the numbers of shares entitled to the distribution as of 25 April 2014.

### 3. Discharge of the board of directors and of the management

The board of directors proposes to grant discharge to the members of the board of directors and of the management for their services in the business year 2013.

<sup>1</sup> The net loss of CHF 5'844 thousand results mainly from amortization for share increase costs of CHF 7'611 thousand. According to the new accounting rules capital increase costs shall no longer be capitalized.

<sup>2</sup> Any treasury shares of Leonteq AG and any shares held by other group companies are not entitled to dividends and will not be taken into account.

<sup>3</sup> CHF 59'057 thousand have been approved by the Swiss federal tax authority as withholding tax-exempt distribution.

4. **4. Re-elections to the board of directors, election to chairman**

By implementing articles 3, 4 and 29 of the Swiss Ordinance on Excessive Compensation, the general meeting elects the members of the board of directors and the chairman each year individually.

The board of directors proposes – by shortening the current term of office of the independent members of the board of directors – to re-elect Prof. Dr. iur. Peter Forstmoser (also to elect as chairman in the same vote), Dr. Jörg Behrens, Vince Chandler, Patrick de Figueiredo, Hans Isler, Dr. Adrian Künzi, Lukas Ruffin and Dr. Pierin Vincenz each for a term of office of one year, until the completion of the ordinary general meeting following their election. The elections are effected on an individual base.

- 4.1 Re-election of Mr. Prof. Dr. Peter Forstmoser (and election as chairman in the same vote)
- 4.2 Re-election of Mr. Dr. Jörg Behrens
- 4.3 Re-election of Mr. Vince Chandler
- 4.4 Re-election of Mr. Patrick de Figueiredo
- 4.5 Re-election of Mr. Hans Isler
- 4.6 Re-election of Mr. Dr. Adrian Künzi
- 4.7 Re-election of Mr. Lukas Ruffin
- 4.8 Re-election of Mr. Dr. Pierin Vincenz

5. **5. Election to the remuneration committee**

By implementing articles 7 and 29 of the Swiss Ordinance on Excessive Compensation, the general meeting elects each year the members of the remuneration committee individually. The board of directors proposes the election of Prof. Dr. Peter Forstmoser, Vince Chandler, Dr. Pierin Vincenz and Lukas Ruffin each for a term of office of one year, until the completion of the ordinary general meeting following their election. It is foreseen that Mr. Prof. Dr. Peter Forstmoser is taking the chair of the remuneration committee.

- 5.1 Election of Mr. Prof. Dr. Peter Forstmoser
- 5.2 Election of Mr. Vince Chandler
- 5.3 Election of Mr. Dr. Pierin Vincenz
- 5.4 Election of Mr. Lukas Ruffin

6. **6. Re-election of the statutory auditors**

The board of directors proposes to re-elect PricewaterhouseCoopers AG, for a one year term of office as statutory auditors.

7. **7. Election of the independent proxy**

By implementing articles 8 and 30 of the Swiss Ordinance on Excessive Compensation, the general meeting elects the independent proxy for a term of office of one year, until the completion of the ordinary general meeting following its election.

The board of directors proposes the election of Proxy Voting Services GmbH, Grossmünsterplatz 1, 8001 Zurich, as independent proxy for a term of office of one year, until the completion of the ordinary general meeting following their election.

8. **Consultative vote on the remuneration of the members of the board of directors and management**

The board of directors proposes a non-binding vote on the remuneration of the members of the board of directors and management at the ordinary general meeting 2014.

8.1 **Consultative vote on the total remuneration of the members of the board of directors from the ordinary general meeting 2014 until the ordinary general meeting 2015**

The Board of directors proposes to approve the maximum amount of CHF 1.1 Mio. for the total remuneration of the board of directors for the period from the ordinary general meeting 2014 until the ordinary general meeting 2015 (non-binding vote).

8.2 **Consultative vote on the total remuneration of the members of management for the business year 2014**

The board of directors proposes to approve the maximum amount of CHF 6.6 Mio. for the total remuneration of the management (fix and variable remuneration) for the period of the business year 2014 (non-binding vote).

9. **Amendment of the articles of association to align to the Swiss Ordinance against Excessive Compensation**

The board of directors proposes to amend the articles of associations as follows:

9.1 Change of article 10 number 2 and 5, article 15 and article 16 regarding the organization of the company

9.2 Change of article 19, article 20, article 21 number 6 and article 22 regarding the board of directors

9.3 Inclusion of article 23, article 24, article 25 and article 26 regarding the remuneration of the board of directors and management

9.4 **Final vote**

Approval of all amendments of the articles of association including respective changes, respectively adaptations, of article- and clause numeration, cross-references and headlines, and provided that the amendments of the articles of association only enter into forces with the registration with the commercial registry.

10. **Creation of authorized capital**

The board of directors proposes to introduce article 3b of the articles of association to obtain authorization to increase the share capital, at any time until the 16 April 2016 up to a maximum amount of CHF 2'600'000 by issuing up to 1'300'000 fully paid in registered shares with a par value of CHF 2.00 each.

On behalf of the board of directors

**The chairman**

**Prof. Dr. Peter Forstmoser**

**Appendices**

- Sharepany manual and login details
- Application form, two reply envelopes

## HOUSEKEEPING

### **Annual Report**

The annual report including the reports of the auditors is available at the company's head office at Brandschenkestrasse 90, 8002 Zurich. Shareholders may also consult the annual report including the reports of the auditors on our website on <http://www.leonteq.com/investorrelations>, or order a printed copy via e-mail to [investorrelations@leonteq.com](mailto:investorrelations@leonteq.com) indicating your address. Please note that the full annual report is only available in English.

### **Registration and Admission Ticket**

Shareholders entered into the share register, with the right to vote by **10 April 2014, 5.00 pm** are entitled to participate in the ordinary general meeting. Shareholders who intend to personally attend the ordinary general meeting are kindly asked to return the enclosed application form for the admission ticket and voting material. Admission ticket and voting material will be mailed as from 7 April 2014.

### **Appointment of proxies**

Shareholders who will not be attending the ordinary general meeting in person may appoint a proxy to represent them. To do this, shareholders must sign their admission cards and deliver them to the persons they wish to appoint. In particular, shareholders may elect to have a third party represent them or they may be represented by the designated independent proxy. Proxy Voting Services GmbH, Grossmünsterplatz 1, 8001 Zurich, serves as the designated independent proxy as defined in Art. 689c of the Swiss Code of Obligations. Shareholders wishing to be represented by the independent proxy should send their proxy authorisations and instructions with the enclosed reply envelope directly to Proxy Services GmbH.

### **Electronic authorizations and instructions to the independent proxy**

Shareholders may now cast their votes remotely at <http://www.sherpany.com/leonteq> by issuing electronic authorisations and instructions to the independent proxy. The requisite login data is enclosed with the meeting materials supplied to shareholders. Shareholders may vote by remote electronic ballot, or change any instructions they may have communicated electronically, up to but no later than 15 April 2014, 11.59 pm.

### **Deadline for filled application form and power of attorney**

Please note that application form and power of attorney together with any special instructions must be in the hands of SIX SAG AG, Postfach, 4609 Olten, respectively Proxy Voting Services GmbH, Grossmünsterplatz 1, 8001 Zürich, by 14 April 2014, 5.00 pm.

### **Language**

The general meeting will be held in German.

## INFORMATION ON AGENDA ITEM 8

Compulsory votes on the remuneration shall be held only as of 2015; the board of directors proposes you nonetheless already for the upcoming general meeting a non-binding vote.

## INFORMATION ON AGENDA ITEM 9

### **Amendment of the articles of association to align to the Swiss Ordinance against Excessive Compensation (VegüV)**

Please compare above regarding the text of this agenda item as well as the proposal of the board of directors (Page 5 of this invitation).

With the proposed amendments the present articles of association dated 25 April 2013 shall be aligned to the VegüV (German: "Verordnung gegen übermässige Vergütung bei börsenkotierten Aktiengesellschaften), as explained in particular hereinafter under in lit. a) to c).

As outlined in the following tabular comparison you find in the left column the present wording of the articles of association. In the right column you find the revised respectively amended highlighted new wording of the articles of association, as proposed for adoption by the board of directors.

- a) **Amendment of the articles of association to align to VegüV regarding the organization of the company**
- Empowering the general meeting to elect and dismiss the chairman, members of the remuneration committee and the independent proxy as well as to approve the remuneration of the members of the board of directors and the members of the management (compare article 10 number 2 and 5);
  - New provisions regarding the independent proxy (compare article 15 and 16).
- b) **Amendment of the articles of association to align to VegüV regarding the board of directors**
- Annual individual election of chairman and members of the board of directors (compare article 19) as well as constitution of the board of directors (compare article 20);
  - Entrustment of management and representation of the company to individuals only (compare article 22);
  - Duty to draw up the remuneration report (compare article 21 number 6).
- c) **Amendment of the articles of association to align to VegüV regarding the remuneration of the board of directors and management**

The proposed amendments are listed in the new articles 23 et seq. of section V, VI, VII and VIII of the articles of association and comprise essentially the following:

- the duties of the remuneration committee (compare article 23);
- the remuneration of members of the management as a fixed remuneration in cash and profit-and performance-based variable remuneration, which can be paid in cash and/or by allotment of equity securities or warrants (compare article 24 paragraph 2 and 3), whereby the alignment of the available remuneration may be wholly or partly suspended and subject to conditions (compare article 24 paragraph 4);
- the limitation of the maximum period of one year for fixed term or twelve months for notice period for an indefinite period of employment contracts with the members of the management (compare article 25 paragraph 1);
- the limitation of possible loans and credits (compare article 25 paragraph 4);
- the allowed numbers of additional activities in the executive or administrative bodies of other legal entities (compare article 25 paragraph 5);
- the prospective, binding approval by the general meeting at the request of the board of directors on the maximum amount of remuneration of the board of directors for the period until the next ordinary general meeting and of the members of the management for the business year following the ordinary general meeting (compare article 26 paragraph 1);
- the provided additional amount for potential new members of the management in virtue of article 19 paragraph 1 VegüV (compare article 26 paragraph 2);
- the calling of a new general meeting within three months in case the general meeting refuses to approve a requested maximum total amount of remuneration by the board of directors (compare article 26 paragraph 3).

## INFORMATION ON AGENDA ITEM 10

The board of directors shall receive the authorization to increase the share capital of Leonteq AG within two years by issuing up to 1'300'000 registered shares. Additional capital shall facilitate continuous growth of the Leonteq Group and enhances liquidity of the shares of Leonteq AG. A use for corporate acquisitions is not intended.

## OVERVIEW OF THE CHANGES TO THE ARTICLES OF ASSOCIATION

PRESENT ARTICLES OF ASSOCIATION DATED 25 APRIL 2013	REVISED RESPECTIVELY NEW WORDING OF THE ARTICLES OF ASSOCIATION (alignments, deletions and amendments highlighted in color)
[Article 1 to 3a remain unchanged]	[Article 1 to 3a remain unchanged]
Article 3b	<a href="#">Article 3b</a> The board of directors is authorized to increase the company's share capital by a maximum amount of CHF 2'600'000 by the issuance of a maximum of 1'300'000 registered shares, to be fully paid up, with a nominal value of CHF 2 each at any point in time until 16 April 2016. Increases by way of firm underwriting as well as partial increases are permitted. The board of directors determines the issue price, the dividend entitlement and the manner of contribution for the shares. The new registered shares are subject to the transfer restrictions according to Article 6 of the Articles of Association.
	The shareholders' pre-emptive rights are granted in principle. In order to enable price stabilization measures in the context of a capital increase, the board of directors may exclude the pre-emptive rights for the purpose of granting an over-allotment option to the underwriting banks for up to 15% of the base size of the capital increase, provided that the offer price of the shares is determined by way of a book-building procedure at market conditions.
	Shares for which the subscription right has not been exercised shall be used in the interest of the company.
[Article 4 to 9 remain unchanged]	[Article 4 to 9 remain unchanged]
Article 10	Article 10
The general meeting has the following inalienable powers:	The general meeting has the following inalienable powers:
1. drawing up and amending the articles of association;	1. drawing up and amending the articles of association;
2. electing and dismissing the members of the board of directors and the auditors;	2. electing and dismissing the members of the board of directors, <a href="#">the Chairman, the members of the remuneration committee, the independent proxy</a> and the auditors;
3. approving the annual report;	3. approving the annual report;
4. approving the annual accounts and deciding on the appropriation of net income, particularly fixing the dividend and directors' shares of profits;	4. approving the annual accounts and deciding on the appropriation of net income, particularly fixing the dividend and directors' shares of profits;
5. granting discharge to the members of the board of directors;	<a href="#">5. approving the remuneration of the members of the board of directors and the management in accordance with article 26 of these articles of association.</a>
6. taking decisions on all other matters that come within the remit of the general meeting by law or under the articles of association or which are referred to it by the board of directors for a decision.	<del>5:</del> <a href="#">6. granting discharge to the members of the board of directors;</a> <del>6:</del> <a href="#">7. taking decisions on all other matters that come within the remit of the general meeting by law or under the articles of association or which are referred to it by the board of directors for a decision.</a>
[Article 11 remains unchanged]	[Article 11 remains unchanged]
Article 12	Article 12
The general meeting shall be called at least 20 days before the date thereof in the manner laid down in Article 26 for notifications to the shareholders. The notice of meeting shall announce the items of business to be discussed and the motions of the board of directors and of the shareholders who have requested that such a general meeting be held or that an item of business be placed on the agenda.	The general meeting shall be called at least 20 days before the date thereof in the manner laid down in Article <del>26</del> <a href="#">30</a> for notifications to the shareholders. The notice of meeting shall announce the items of business to be discussed and the motions of the board of directors and of the shareholders who have requested that such a general meeting be held or that an item of business be placed on the agenda.
[Article 13 and 14 remain unchanged]	[Article 13 and 14 remain unchanged]



PRESENT ARTICLES OF ASSOCIATION DATED 25 APRIL 2013	REVISED RESPECTIVELY NEW WORDING OF THE ARTICLES OF ASSOCIATION (alignments, deletions and amendments highlighted in color)
	<p>Article 15</p> <p>Each shareholder may be represented <del>at the general meeting. The</del> <u>by a representative, who</u> shall identify himself by means of a written power of attorney: <del>, or by the independent proxy at the general meeting.</del></p>
	<p>Article 16</p> <p><u>The general meeting shall elect the independent proxy. Eligible are individuals, legal entities or partnerships.</u></p> <p><u>The term of office of the independent proxy is one year. It ends with the completion of the general meeting following his election. Re-election is possible.</u></p> <p><u>In case the company has no independent proxy, the board of directors shall appoint such for the next general meeting.</u></p> <p><u>The board of directors makes sure that shareholders may give their proxies and instructions to the independent proxy electronically.</u></p> <p><u>The independent proxy is obliged to vote according to the voting instructions received by the shareholders. Without instructions, he shall abstain from voting.</u></p>
<p>Article 16</p> <p>The general meeting shall be chaired by the chairman of the board of directors or, should he be unable to do so, by another member of the board of directors who has been elected by the meeting.</p> <p>Should no member of the board of directors be present, the meeting shall elect a chairman for the day.</p>	<p>Article <del>16</del> <u>17</u></p> <p>The general meeting shall be chaired by the chairman of the board of directors or, should he be unable to do so, by another member of the board of directors who has been elected by the meeting.</p> <p>Should no member of the board of directors be present, the meeting shall elect a chairman for the day.</p>
<p>Article 17</p> <p>The general meeting shall take its decisions and conduct its elections by an absolute majority of the share votes represented, subject to different binding provisions laid down by law, in particular article 704 CO.</p>	<p>Article <del>17</del> <u>18</u></p> <p>The general meeting shall take its decisions and conduct its elections by an absolute majority of the share votes represented, subject to different binding provisions laid down by law, in particular article 704 CO.</p>
<b>B. The board of directors</b>	
<p>Artikel 18</p> <p>The board of directors consists of three or more members, who are elected by the general meeting of shareholders for a one-year term; independent board members may be elected for a longer term of office of up to three years. Members of the board of directors may be re-elected.</p> <p>The term of office ends on the day of the ordinary general meeting.</p> <p>In the event of by-elections, the new members shall complete their predecessors' term of office.</p>	<p>Artikel <del>18</del> <u>19</u></p> <p>The board of directors consists of three or more members, <del>who are elected by the general meeting of shareholders for a one-year term; independent board members may be elected for a longer term of office of up to three years.</del></p> <p>The term of office <del>ends on the day of the members of the board of directors as well as of the chairman is one year. It ends with completion</del> of the ordinary general meeting: <u>following their election. Re-election is possible.</u></p> <p><u>In The general meeting shall elect the event of by-elections, the new members shall complete their predecessors' term of office members of the board of directors individually.</u></p>
	<p><u>The general meeting shall elect a member of the board of directors to be the chairman of the board of directors. In case the office of chairman is vacant the board of directors shall appoint for the remaining term a new chairman.</u></p>

PRESENT ARTICLES OF ASSOCIATION DATED 25 APRIL 2013	REVISED RESPECTIVELY NEW WORDING OF THE ARTICLES OF ASSOCIATION (alignments, deletions and amendments highlighted in color)
Article 19	Article <del>19</del> <u>20</u>
<p>The board of directors forms itself by electing its chairman and secretary. The secretary does not need to be a member of the board of directors.</p>	<p>The board of directors forms itself <del>by electing its</del> <u>subject to the elections by the general meeting. It will appoints amongst its members a</u> vice-chairman and secretary. <del>The secretary, who</del> does not need to be a member of the board of directors.</p>
	<p><u>Besides the remuneration committee the board of directors may create one or more additional committees to be formed out of its members.</u></p>
<p>Minutes shall be kept of the board of directors' deliberations and decisions. These minutes shall be signed by the chairman of the meeting and the keeper of minutes.</p>	<p>Minutes shall be kept of the board of directors' deliberations and decisions. These minutes shall be signed by the chairman of the meeting and the keeper of minutes.</p>
<p>The organization of the meetings, the presence quorum and the passing of resolutions of the board of directors shall be in accordance with the organizational regulations. The chairman shall have the casting vote.</p>	<p>The organization of the meetings, the presence quorum and the passing of resolutions of the board of directors shall be in accordance with the organizational regulations. The chairman shall have the casting vote.</p>
<p>A quorum is not required if the sole purpose of the meeting of the board of directors is to record the implementation of a capital increase and approve the respective amendments to the articles of association.</p>	<p>A quorum is not required if the sole purpose of the meeting of the board of directors is to record the implementation of a capital increase and approve the respective amendments to the articles of association.</p>
Article 20	Article <del>20</del> <u>21</u>
<p>The board of directors has responsibility for overall direction, supervision and monitoring of business. The board of directors may take decisions in all matters which do not come within the remit of the general meeting or the auditor by law or by virtue of the articles of association.</p>	<p>The board of directors has responsibility for overall direction, supervision and monitoring of business. The board of directors may take decisions in all matters which do not come within the remit of the general meeting or the auditor by law or by virtue of the articles of association.</p>
<p>The board of directors has the following duties in particular:</p>	<p>The board of directors has the following duties in particular:</p>
<p>1. overall direction of the company and issuing the necessary directives;</p>	<p>1. overall direction of the company and issuing the necessary directives;</p>
<p>2. determining the way the company is organized;</p>	<p>2. determining the way the company is organized;</p>
<p>3. appointing and dismissing the persons entrusted with management and representation and determining the method of signature;</p>	<p>3. appointing and dismissing the persons entrusted with management and representation and determining the method of signature;</p>
<p>4. ultimate supervision of the persons entrusted with company management;</p>	<p>4. ultimate supervision of the persons entrusted with company management;.</p>
<p>5. organization of accounting, financial control and financial planning, to the extent that the latter is necessary for management of the company;</p>	<p>5. organization of accounting, financial control and financial planning, to the extent that the latter is necessary for management of the company;</p>
<p>6. drawing up the annual report;</p>	<p>6. drawing up the annual report <u>and the remuneration report</u>;</p>
<p>7. preparing for the general meeting and executing its decisions;</p>	<p>7. preparing for the general meeting and executing its decisions;</p>
<p>8. notifying the judiciary should the company become over-indebted.</p>	<p>8. notifying the judiciary should the company become over-indebted.</p>
Article 21	Article <del>21</del> <u>22</u>
<p>The board of directors may entrust the management and the representation of the company wholly or in part to one or several persons, members of the board of directors or third parties who need not be shareholders of the company. The board of directors shall enact the organizational regulations and arrange for the appropriate contractual relationships.</p>	<p>The board of directors may entrust the management and the representation of the company wholly or in part to one or several persons, members of the board of directors or <del>third parties</del> <u>other individuals</u> who need not be shareholders of the company. The board of directors shall enact the organizational regulations and arrange for the appropriate contractual relationships.</p>

PRESENT ARTICLES OF ASSOCIATION DATED 25 APRIL 2013	REVISED RESPECTIVELY NEW WORDING OF THE ARTICLES OF ASSOCIATION (alignments, deletions and amendments highlighted in color)
<b>C. The auditors</b>	<b>G. V. The auditors Remuneration Committee</b>
Article 22	Article 23
Each year the general meeting elects auditors.	<p>The general meeting shall elect a remuneration committee consisting at least of two members. The members of the remuneration committee are elected individually. Eligible to be elected are members of the board of directors only. The term of office of the members of the remuneration committee ends with the completion of the ordinary general meeting following their election. Re-election is possible.</p>
	<p>The remuneration committee shall constitute itself.</p>
	<p>In case the number of members drops under the minimum number as provided for these articles of association the board of directors shall appoint the missing members for the remaining term of office.</p>
	<p>The remuneration committee prepares the decisions of the board of directors on the remuneration of the members of the board of directors and management. He submits to the board of directors in particular proposals for:</p>
	<ul style="list-style-type: none"> <li>- the remuneration principles, particularly in relation to achievement and performance-related compensation and allotment of equity securities or warrants and the audit and compliance thereof;</li> </ul>
	<ul style="list-style-type: none"> <li>- the individual remuneration of the members of the board of directors and members of management and the structure of the corresponding agreements;</li> </ul>
	<ul style="list-style-type: none"> <li>- the request to the general meeting for approval of the maximum total amounts of remuneration of the board of directors and management within the meaning of article 27 of these articles of association;</li> </ul>
	<ul style="list-style-type: none"> <li>- the remuneration report.</li> </ul>
	<b>VI. Remuneration principles, principles of success- and performance-based compensation and allotment of equity securities and warrants</b>
	Article 24
	<p>The remuneration of members of the board of directors and members of the management shall be appropriate and in line with market conditions.</p>
	<p>The members of the board of directors shall receive a fixed remuneration in cash and/or equity securities.</p>
	<p>The members of management shall receive a fixed remuneration in cash and a profit-and performance-based variable remuneration. The amount of variable remuneration depends on the overall economic success of the company and on the meeting of personal objectives of the member of management. The personal objectives of the members of the management are approved at the beginning of the year by the board of directors. The meeting of personal objectives is assessed by the board of directors.</p>
	<p>The variable remuneration may be paid in cash and/or by allotment of equity securities or warrants. The alignment of the variable remuneration may be wholly or partly suspended and subject to conditions.</p>

PRESENT ARTICLES OF ASSOCIATION DATED 25 APRIL 2013

REVISED RESPECTIVELY NEW WORDING  
OF THE ARTICLES OF ASSOCIATION  
(alignments, deletions and amendments highlighted in color)

At the allotment of equity securities or warrants the amount of remuneration is equal to the value of the allocated securities respectively warrants at the time of allocation. The valuation is based on the average price of the last 20 trading days. Apart from that, the board of directors shall determine the allocation conditions, vesting conditions and - deadlines as well as any retention periods and expiration conditions.

## **VII. Employment contracts, loans and other mandates**

### Article 25

Employment contracts with the members of the management and possible contracts with the members of the board of directors shall be concluded for a fixed period not exceeding one year or for an indefinite period with a notice period of maximum twelve months.

Members of the management are affiliated to the occupational pension institution and receive benefits under their pension plans and by-laws, including non-mandatory services. The members of the board of directors can affiliate to the occupational pension institutions as well, insofar as permitted by the relevant regulations. The company (or a group company, i.e. a company which is controlled directly or indirectly by the company) provides the employer contributions as provided for by its by-laws to the occupational pension institutions. In case of illness or accident of a member of the management or the board of directors, the company may continue to pay his wage as part of a plan enacted by the board of directors respectively as part of insurance benefits. In connection with early retirement, the company may provide bridging services to the insured or additional contributions of maximum 50% of the fixed remuneration of each member of the board of directors or management to the occupational pension institutions according to an early retirement plans issued by the board of directors.

Reimbursement of expenses is not considered as remuneration. The company may pay an allowance expense to the members of the management and the board of directors as reimbursement of expenses within the scope of the amount accepted by the tax authorities.

Loans and credits from the company to members of the board of directors and the management are granted at market conditions. They may not exceed 50% of the annual fixed remuneration of the persons concerned. The advancement of legal-, court- and other similar costs for the defense of potential professional liability claims does constitute neither a loans nor a credit.

The members of the board of directors are not allowed to hold or exercise more than the following number of additional activities in the executive- or administrative bodies of other legal units, which are required to be registered in the commercial register or a comparable foreign registry, and which are not controlled directly or indirectly by the company or the company does not directly or indirectly hold, respectively control:

- 5 mandates in companies which are listed on a stock exchange in Switzerland or abroad, whereby multiple mandates in various companies which belong to the same group of companies count as one mandate;

- 6 mandates in other legal entities against remuneration, whereby multiple mandates in various companies which belong to the same group of companies count as one mandate; and

- 10 unpaid mandates, whereby reimbursement of expenses is

PRESENT ARTICLES OF ASSOCIATION DATED 25 APRIL 2013

REVISED RESPECTIVELY NEW WORDING  
OF THE ARTICLES OF ASSOCIATION  
(alignments, deletions and amendments highlighted in color)

The members of the management are not allowed to hold or exercise more than the following number of additional activities in the executive- or administrative bodies of other legal entities, which are required to be registered in the commercial register or a comparable foreign registry, and which are not controlled directly or indirectly by the company or the company does not directly or indirectly hold, respectively control:

- 2 mandates in companies which are listed on a stock exchange in Switzerland or abroad, whereby multiple mandates in various companies which belong to the same group of companies count as one mandate;

- 4 mandates in other legal entities against remuneration, whereby multiple mandates in various companies which belong to the same group of companies count as one mandate; and

- 5 unpaid mandates, whereby reimbursement of expenses is not considered as remuneration.

The acceptance of mandates by members of the management outside of the company or group companies is subject to the prior approval of the board of directors.

Mandates which are exercised by a member of the board of directors or member of the management at the request of the company are not subject of these restrictions.

### **VIII. Approval of remuneration by the general meeting**

#### Article 26

The general meeting approves yearly at the request of the board of directors separately and binding the maximum total amount of remuneration of the board of directors for the period until the next ordinary general meeting and of the members of the management for the business year following the ordinary general meeting. Within the frame of the approved maximum total amount of remuneration the company and/or one or more group companies may align remuneration.

Insofar as the approved maximum total amount of remuneration of the members of management is not sufficient to compensate members appointed since the resolution of the general meeting until the next vote of the general meeting on the remuneration, an additional amount up to 30% of the approved maximum total amount of remuneration of the management shall be at the company's disposal until to the next vote of the general meeting on remuneration. The general meeting does not vote on the additional amount used.

In case the general meeting refuses to approve a requested maximum total amount of remuneration, the board of directors shall convene another general meeting within three months.

Members of the board of directors and the management may receive remuneration related to activities in legal entities that are controlled directly or indirectly by the company, provided that the remuneration were permitted if it would have been aligned directly by the company and provided that it is within the maximal total amount of remuneration approved by the general meeting. The amounts approved in accordance with the present articles of association by the general meeting may be paid out by the company and/or one or more other group companies.

PRESENT ARTICLES OF ASSOCIATION DATED 25 APRIL 2013

REVISED RESPECTIVELY NEW WORDING  
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Remuneration included in a decision on approval by the general meeting for a certain period of time may be fully or partially paid after conclusion of the this period of time, provided that it is paid for the period of time which the approval refers to.

The board of directors reports to the general meeting in the following year in the remuneration report about the use of the approved remuneration.

**V. Annual accounts and appropriation of net income****V. IX. Annual accounts and appropriation of net income**

Article 23

Article 23 27

The board of directors determines the start and end date of the company's fiscal year.

The board of directors determines the start and end date of the company's fiscal year.

The presentation of the annual accounts and the calculation and appropriation of net income for the year shall be carried out in accordance with the provisions of the Swiss Code of Obligations.

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Article 24

Article 24 28

The formation of reserves is governed by articles 671 et seq. CO. The general meeting shall use its discretion to decide how to distribute any net income remaining after payment of the contribution to the statutory reserve fund, within the framework of the appropriate legal regulations.

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**VI. Winding up and liquidation****VI. X. Winding up and liquidation**

Article 25

Article 25 29

The general meeting may decide at any time to wind up the company within the framework of the provisions of the law and the articles of association.

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Liquidation is carried out by the board of directors unless decided otherwise by the general meeting.

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**VII. Notices****VII. XI. Notices**

Article 26

Article 26 30

Any notice given by the company is published in the Swiss Commercial Gazette. The board of directors may name additional publications.

Any notice given by the company is published in the Swiss Commercial Gazette. The board of directors may name additional publications.

The company's notices to shareholders shall be made by letter sent to the addresses of the shareholders entered in the register of shares.

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PRESENT ARTICLES OF ASSOCIATION DATED 25 APRIL 2013

REVISED RESPECTIVELY NEW WORDING  
OF THE ARTICLES OF ASSOCIATION  
(alignments, deletions and amendments highlighted in color)**VIII. Contribution in Kind**

As of its incorporation, the company takes over (1) from EFG International, with registered offices in Zurich, 4'998 registered shares, with a face value of CHF 1'000 each, of EFG Financial Products AG, in Zurich, for a price and valuing CHF 4'998'000 against 499'800 registered shares of the company; (2) from EFG International, with registered offices in Zurich, 5'000'000 shares, with a face value of CHF 1.00 each, of EFG Financial Products (Guernsey) Limited, in Guernsey, for a price and valuing CHF 5'000'000 against 500'000 registered shares of the company; (3) from Jan Schoch, citizen of Fischenthal, resident in Wollerau 1 registered share, with a face value of CHF 1'000, of EFG Financial Products AG, in Zurich, for a price and valuing CHF 1'000 against 100 registered shares of the company, as well as from Sandro Dorigo, citizen of Freienbach SZ, resident in Wettswil, 1 registered share, with a face value of CHF 1'000, of EFG Financial Products AG, in Zurich, for a price and valuing CHF 1'000 against 100 registered shares of the company.

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 Zurich, 25 April 2013
**VIII: XII. Contribution in Kind**

As of its incorporation, the company takes over (1) from EFG International, with registered offices in Zurich, 4'998 registered shares, with a face value of CHF 1'000 each, of EFG Financial Products AG, in Zurich, for a price and valuing CHF 4'998'000 against 499'800 registered shares of the company; (2) from EFG International, with registered offices in Zurich, 5'000'000 shares, with a face value of CHF 1.00 each, of EFG Financial Products (Guernsey) Limited, in Guernsey, for a price and valuing CHF 5'000'000 against 500'000 registered shares of the company; (3) from Jan Schoch, citizen of Fischenthal, resident in Wollerau 1 registered share, with a face value of CHF 1'000, of EFG Financial Products AG, in Zurich, for a price and valuing CHF 1'000 against 100 registered shares of the company, as well as from Sandro Dorigo, citizen of Freienbach SZ, resident in Wettswil, 1 registered share, with a face value of CHF 1'000, of EFG Financial Products AG, in Zurich, for a price and valuing CHF 1'000 against 100 registered shares of the company.

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 Zurich, 25 17 April 2013 2014

