

Corporate Governance

The Zur Rose Group applies the principles and rules of Corporate Governance set out in the “Swiss Code of Best Practice for Corporate Governance” of *economiesuisse*. The content and structure of this section comply with the Directive on Information relating to Corporate Governance issued by the SIX Swiss Exchange. Unless otherwise stated, all information relates to the reporting date of 31 December 2022. The key elements of corporate governance are defined in the Company’s Articles of Association, Organisational Regulations and Terms of Reference of the Committees of the Board of Directors. The Zur Rose Group publishes these [documents](#) online.

1 Group structure and shareholders

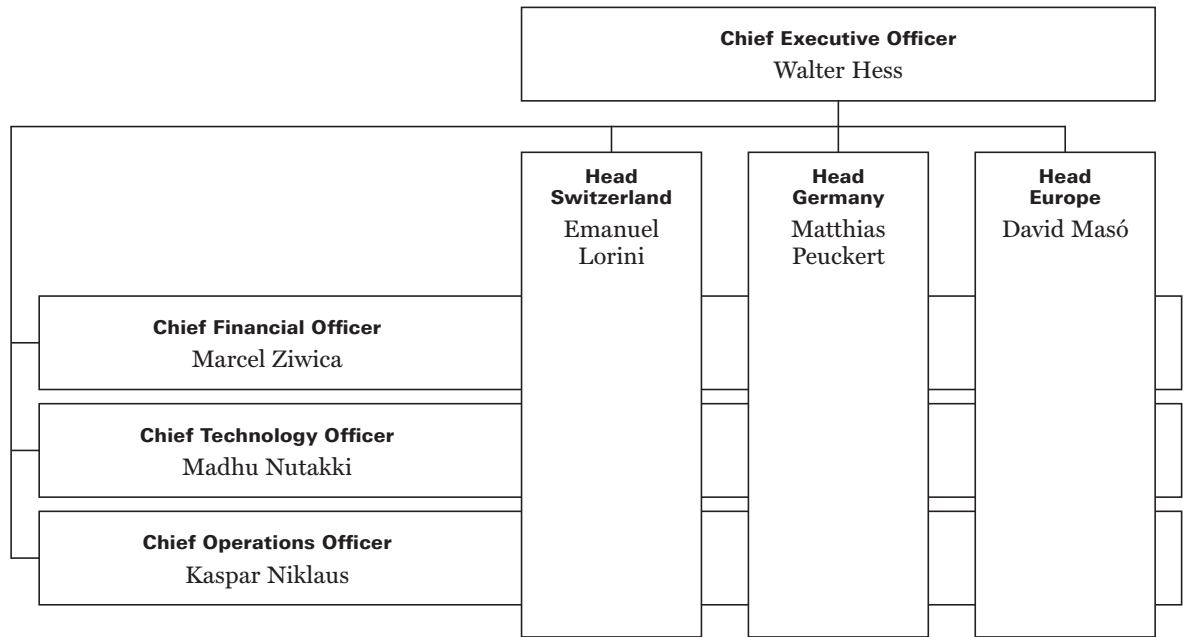
1.1 Group structure

Zur Rose Group AG based in Steckborn is organised as a stock corporation under Swiss law. The registered shares with the security number 4261528 are listed on the SIX Swiss Exchange. The Board of Directors supervises the Zur Rose Group, while the Executive Board is responsible for the operational management. The CEO is responsible for managing the business of the Zur Rose Group. Under his leadership the Executive Board deals with all issues of relevance for the Group, takes decisions within its authority and submits motions to the Board of Directors. The Group structure consists of the segment organisation, responsible for regions and revenue, and the Finance, Technology and Operations functions. The members of the Executive Board are responsible for devising and achieving their entrepreneurial objectives and running their units independently. People, Legal, Communications, Internal Audit and Strategic Initiatives report to the CEO; Finance and Investor Relations & Sustainability report to the CFO. These provide services for the whole Group.

The business model of the Zur Rose Group covers online distribution of prescription and OTC medications, health and care products and digital services (marketplace, ecosystem, technology and telemedicine). In Switzerland, Zur Rose also has a pharmaceutical wholesaling business. Information on segment reporting can be found in the management report starting on page 14.

The subsidiaries included in the Group consolidation, with details of their names and registered offices, share capital and the percentage interest held by Group companies, are listed in the Notes to the Consolidated Financial Statements on page 85. The consolidation does not include any companies whose equity securities are listed on a stock exchange, with the exception of Zur Rose Group AG.

STRUCTURE OF THE ZUR ROSE GROUP



1.2 Significant shareholders

According to the disclosure notices to the SIX Swiss Exchange, the following shareholders held three per cent or more of the share capital on 31 December 2022:

Beneficial owner(s)/Person(s) entitled to exercise voting rights ¹⁾	Direct shareholder	Issued shares Purchase/sale position	Shares on loan Purchase/sale position
Frank M. Sands	Sands Capital Management, LLC	4.931% /	
	Sands Capital Team Fund, L.P.	–	
	Sands Capital International Growth Master Fund, L.P.		
	Sands Capital Global Leaders Funds Plc		
Reade Griffith	Acasta Global Master Fund	3.22% /	
UBS Group AG	UBS AG		19.28% /
	UBS Asset Management (UK) Ltd		0.42%
	UBS Fund Management (Luxembourg) S.A.		
	UBS Switzerland AG		
	UBS Europe SE		
	UBS Asset Management Switzerland AG		
JPMorgan Chase & Co.	J.P. Morgan Securities plc		13.283% /
	J.P. Morgan Securities LLC		5.969%
	J.P. Morgan SE		
Bank of America Corporation	Merrill Lynch International		9.857% /
	BofA Securities Europe SA		0.457%
	Bofa Securites Inc		
	Merrill Lynch Professional Clearing Corporation		

1) Compared to share capital at the time of disclosure (changes in capital see 2.3)

Changes in significant shareholders after the reporting date: LMR Partners 3.02/2.12 per cent, Sculptor Special Funding, LP 3.13/1.86 per cent, UBS (shares on loan) 18.66/0.3 per cent and JPMorgan (shares on loan) 13.322/6.55 per cent of the share capital at the editorial deadline of the Annual Report.

Treasury shares: Zur Rose Group AG holds one treasury share on 31 December 2022. Furthermore, 1,900,000 treasury shares are held by Zur Rose Finance B.V. These shares serve as a share lending facility to support the convertible bonds issued in 2020 and 2022. These are not issued shares and cannot be converted into them. When shares are lent, the shareholding of Zur Rose Finance B.V. remains in place for disclosure purposes.

The disclosure notifications published by Zur Rose Group AG via the electronic publication platform of the SIX Swiss Exchange can be found [here](#). The shareholdings of the members of the Board of Directors and Executive Board are shown in detail in the Notes to the Financial Statements of Zur Rose Group AG on page 139.

Zur Rose Group AG had 15,946 shareholders at 31 December 2022 (10,063 at the end of 2021).

1.3 Cross-shareholdings

There are no cross-shareholdings with other companies.

2 Capital structure

Information on the capital structure can be found in the financial report on page 118.

2.1 Capital

The share capital of Zur Rose Group AG as at 31 December 2022 was CHF 404,728,200.00, divided into 13,490,940 registered shares with a par value of CHF 30.00 each.

2.2 Authorised and conditional capital in particular

Authorised capital

The Board of Directors is authorised to increase the share capital at any time until 28 April 2024 by a maximum amount of CHF 67,167,840.00 by issuing a maximum of 2,238,928 fully paid up shares with a par value of CHF 30.00 each. An increase of the share capital in partial amounts shall be permissible.

Conditional share capital for employee participations

The share capital of the Company may be increased by an amount not to exceed CHF 4,684,770.00 through the issuance of up to 156,159 fully paid up registered shares with a par value of CHF 30.00 each through issuance of shares to employees and members of the Board of Directors of the Company and its subsidiaries.

Conditional share capital for financing, acquisitions and other purposes

The share capital may be increased by an amount not to exceed CHF 37,167,810.00 through the issuance of up to 1,238,927 fully paid up registered shares with a par value of CHF 30.00 each through the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, options, warrants or other securities or contractual obligations of the Company or any of its subsidiaries.

Further provisions on authorised and conditional capital can be found in articles 3a, 3b, 3c and 3d of the [Articles of Association](#).

2.3 Changes in capital

On 31 December 2021, the share capital of Zur Rose Group AG was CHF 335,839,110.00. On 2 September 2022, the share capital increased by CHF 44,710,200.00, with 1,119,463 new shares issued from authorised capital and 370,877 new shares issued from conditional capital. On 16 December 2022, the Company issued a further 805,963 new shares from conditional capital, increasing the share capital by CHF 24,178,890.00. On 31 December 2022, the share capital was CHF 404,728,200.00.

For previous years please refer to the [Annual Report 2021](#), page 39, and the [Annual Report 2020](#), page 43.

2.4 Shares and participation certificates

On 31 December 2022, the share capital was divided into 13,490,940 registered shares with a par value of CHF 30.00 each. The shares are fully paid up. Zur Rose Group AG has not issued any participation certificates.

2.5 Dividend-right certificates

The Company has not issued any dividend-right certificates.

2.6 Limitations on transferability and nominee registrations

Persons acquiring registered shares are registered in the share register as shareholders with voting rights upon their request if they expressly declare to have acquired these registered shares in their own name and for their own account. The Board of Directors may register individual persons who do not expressly declare in their registration application to hold the registered shares for their own account (the Nominees) as shareholders with voting rights with regard to up to three per cent of the share capital recorded in the commercial register if the Nominee has entered into an agreement with the Company regarding his/her status and is subject to recognised bank or financial market supervision. Beyond such registration limit, the Board of Directors may register Nominees as shareholders with voting rights

if such Nominees disclose the first and last names (in the case of legal entities, the company names), addresses and nationality (in the case of legal entities, the registered office) and shareholdings of those persons for whose account they hold 0.5 per cent or more of the share capital recorded in the commercial register. In particular cases, the Board of Directors may grant exceptions from the rules concerning Nominees.

The Nominees recorded in the share register are therefore registered without voting rights. There are no other transfer limitations and no statutory privileges. Any lifting or amendment of the limitations on transferability requires a shareholders' resolution by a voting majority of at least two thirds of the shares represented.

2.7 Convertibles bonds and options

Convertible bond 2022 to 2026

Zur Rose Group AG placed a convertible bond in the amount of CHF 94.972 million through its subsidiary Zur Rose Finance B.V. in 2022 and listed it on the SIX Swiss Exchange. The bond has a term of four years (maturity 15 September 2026), a coupon of 6.875 per cent per annum, which is distributed quarterly, and a conversion price of CHF 49.725. This represents a premium of 27.5 per cent over the reference share price of CHF 39.00, the offer price determined in an accelerated bookbuilding for a simultaneous capital increase. The Bonds will be issued and redeemed at par. The Issuer has the right to redeem the Bonds early. This at any time after the payment date at par, plus accrued interest if less than 15 per cent of the principal amount of the Bonds is outstanding. In the event of a full conversion of the Bonds, a total of 1,909,945 shares would be issued to the owners of the Convertible Bonds, representing a share capital of CHF 57,298,350 and a ratio of 15.06 per cent to the share capital outstanding at the time of issuance (CHF 380,549,310), taking into account the simultaneous capital increase.

Convertible bond 2020 to 2025

Zur Rose Group AG placed a convertible bond in the amount of CHF 175 million through its subsidiary Zur Rose Finance B.V. in 2020 and listed it on the SIX Swiss Exchange. The bond has a term of five years and matures on 31 March 2025, a coupon of 2.75 per cent per annum, payable semi-annually in arrear, and a conversion price of CHF 142.3944 which represents a premium of 20 per cent to the volume weighted average price ("VWAP") of the Zur Rose Shares between launch of the Bonds and close of trading on SIX Swiss Exchange on 26 March 2020. The issue price and the redemption price are set at 100 per cent. The Issuer may call the Bonds at any time on or after the day which falls 21 calendar days after the third anniversary of the Settlement Date at par, plus accrued interest, if any, if the VWAP of the Shares is at least 130 per cent of the conversion price on at least 20 out of 30 consecutive trading days or at any time after the Settlement Date at par, plus accrued interest, if less than 15 per cent in aggregate of the principal amount of the Bonds is outstanding. If the bonds were fully converted, a total of 1,228,981 shares would be issued to the owners of the convertible bonds, representing a share capital of CHF 36,869,430 and a ratio of 14.1 per cent to the share capital outstanding at the time of issuance (CHF 262,199,160).

Further details of the convertible bonds and the public bonds can be found in note 24 to the consolidated financial statements.

Zur Rose Group AG has not issued any options.

3 Board of Directors

3.1 Members of the Board of Directors

The majority of the Board of Directors of Zur Rose Group AG are independent directors. The Board uses the criteria in the Swiss Code of Best Practice for Corporate Governance from *economiesuisse* to determine if its members are independent. This states that non-executive members who either never belonged to the Executive Board or did so more than three years ago and who have no or only relatively minor business relations with the Company are deemed independent. The term of office of members of the Board of Directors is not a criterion for judging their independence. No members of the Board of Directors act as an executive for the Zur Rose Group. Within the past three reporting years only the former CEO Walter Oberhänsli acted as an executive. The members of the Board do not have any significant business relationships with the Zur Rose Group. There are no cross-involvements.

The Board of Directors consists of six members. When members are nominated, the emphasis is on experience in leadership and management roles, e-commerce, technology, digitalisation, law, regulatory issues, healthcare, marketing, finance and accounting, M&A, capital markets, risk management, compensation and sustainability, plus in particular international experience. The Board of Directors strives to make a balanced allowance for the skills and knowledge that reflect the strategic and operational focuses of the Zur Rose Group, the international outlook and the accounting requirements for listed companies. The skills and knowledge needed are broadly covered by the Board. At the Annual General Meeting of Shareholders on 28 April 2022, Rongrong Hu was elected to the Board, making one third of the Board female. Dr. Thomas Schneider and Prof. Dr. Volker E. Amelung did not stand for re-election.

On 31 December 2022, The Board of Directors consisted of the following persons:

MEMBERS OF THE BOARD OF DIRECTORS

	Position	First elected	Term expires
Walter Oberhänsli	Chairman, non-executive	1993	2023
Prof. Stefan Feuerstein	Vice Chairman, non-executive, independent	2010	2023
Prof. Dr. Andréa Belliger	non-executive, independent	2021	2023
Rongrong Hu	non-executive, independent	2022	2023
Dr. Christian Mielsch	non-executive, independent	2019	2023
Florian Seubert	non-executive, independent	2019	2023

EXPERIENCE AND COMPETENCIES OF THE BOARD OF DIRECTORS

	represented proportionally
Capital market	3/6
E-Commerce	3/6
Finance / Accounting	2/6
Healthcare	2/6
International experience	4/6
Leadership	5/6
Legal and Regulatory	1/6
Marketing	2/6
Merger and Acquisition	3/6
Remuneration	2/6
Risk Management	2/6
Sustainability	2/6
Technology and Digitisation	3/6

– **Walter Oberhänsli** (1958, Swiss national)

Chairman of the Board since April 2022 (also from 1996 to 2011). Walter Oberhänsli served as Executive Director and CEO of the Zur Rose Group from 2005 to 2022. He co-founded Zur Rose in 1993 while practising as an independent lawyer. He holds a master's degree in Law from the University of Zurich.

– **Stefan Feuerstein** (1955, German national, Prof.)

Chairman of the Board of Partners of the UNIMO-Gerstner Group in Switzerland and holder of different directorships in various companies. Stefan Feuerstein served as Executive Director and CEO of Markant AG until 2010 and prior to this, he was a member of the Management Board of METRO AG, responsible for strategic group purchasing and food and retail. He holds a degree in Business Administration and has been an honorary professor at Worms University of Applied Sciences since 2001.

– **Andréa Belliger** (1970, Swiss national, Prof. Dr.)

Prorector of the University of Teacher Education Lucerne since 2007 and Director of the Institute for Communication and Leadership IKF since 2003. Andréa Belliger is also Director of and an advisor to various Swiss and German companies in the healthcare, financial, insurance and energy sectors. As well as being an author and international keynote speaker on digital transformation – particularly in healthcare – she also holds a PhD in Theology, Philosophy and History from the universities of Lucerne, Strasbourg and Athens, and has a master's degree in International Business Administration from ZfU International Business School, Switzerland and United States.

– **Rongrong Hu** (1980, Chinese national)

Investor focusing on the technology sector. From 2013 to 2018, Rongrong Hu worked for eBay as Senior Director of Innovation, M&A and Business Development EMEA and earlier as Chief Strategy Officer Greater China. Previously, she worked for McKinsey & Company and CITIC Capital, and founded various businesses. She graduated with a dual bachelor's degree in Telecommunication Engineering and International Economics & Trading from Shanghai Jiao Tong University and holds a master's degree in Business Administration from Harvard Business School.

– **Christian Mielsch** (1962, German national, Dr. rer. nat.)

Currently active in various non-executive functions. Christian Mielsch was a member of the Management Board and CFO of the German REWE Group from 2012 to 2022. He previously held a number of management positions at Bertelsmann AG and METRO Group until 2012, including CFO of METRO Cash & Carry International and ultimately, COO of METRO Cash & Carry Central East Europe. Prior to that, he worked as a Consultant and Engagement Manager at McKinsey & Company. He earned a doctorate degree in Physics from the Technical University Dortmund and studied Business Administration at the University of Hagen.

– **Florian Seubert** (1973, German national)

Partner and private investor at the German Maxburg Capital Partners as well as AB1204 Capital since 2013. Florian Seubert was Co-founder and CFO of Zooplus AG from 1999 to 2013 and prior to this, worked in the Securities Division of JPMorgan. He earned a master's degree in Philosophy, Politics and Economics from Oxford University.

3.2 Other activities and vested interests

– Walter Oberhänsli

President of the Association of Swiss Mail-Order Pharmacies (VSVA), Bern

– Stefan Feuerstein

Chairman of the Board of the Al Faisaliah Group's Electronics & Systems Company, Riyadh (SA)

Chairman of the Board of Electronic Partner Handel SE as well as Vice Chairman of the holding company Haubrich Holding SE, Düsseldorf (DE)

Chairman of the Supervisory Board of Kühnl + Schmidt Architekten AG, Karlsruhe (DE)

Chairman of the Shareholders' Council of the UNIMO-Gerstner Group, Zug (CH), Xanten (DE), including functions on the Executive Board and Board of Directors of various affiliated companies

Chairman of the Advisory Board of SINN GmbH, Hagen (DE)

Member of the Foundation Board of E. et C. Renaud, Neuchâtel (CH)

Member of the Research Advisory Board at Worms University of Applied Sciences (DE)

– Andréa Belliger

Member of the Executive Board of the Lucerne University of Teacher Education

Board Member of Aargauische Kantonalbank, Aarau

Board Member of WAS Wirtschaft Arbeit Soziales of the canton of Lucerne, Lucerne

Board Member of Lernetz AG, Berne

Board Member of Gebert Rüt Foundation, Basel

Member of the Health Policy Advisory Board of ApoBank – Deutsche Apotheker- und Ärztebank, Düsseldorf (DE)

Member of the Digital Advisory Board of allthisfuture AG, Risch-Rotkreuz

Chairwoman Association of the Institute for Communication & Leadership, Lucerne

Managing Director of OES Online Education Solutions GmbH, Geiss

– Rongrong Hu

Board Member of People & Places AG, Horgen

Managing Partner of P&P Investment Management GmbH, Horgen

Board Member of Harvard Club of Switzerland

– Christian Mielsch

Chairman of the Supervisory Board of Wasgau Produktions- und Handels AG, Pirmasens (DE)

Director of Electronic Partner Handel SE as well as Haubrich Holding SE, Düsseldorf (DE)

– Florian Seubert

Board Member of Attikon Finanz AG, Düsseldorf (DE)

Managing Partner of AB1204 Verwaltungs GmbH, Brannenburg (DE)

Chairman of the Board of Econnext AG, Frankfurt (DE)

Board Member of Tion Renewables AG, Grünwald (DE)

Member of the Board of Electronics and Systems Company Al Faisaliah Group, Riad (SA)



1 —



2 —



3 —



4 —



5 —



6 —

- 1 — Walter Oberhänsli
- 2 — Stefan Feuerstein
- 3 — Andréa Belliger
- 4 — Rongrong Hu
- 5 — Christian Mielsch
- 6 — Florian Seubert

3.3 Number of permitted activities

Under the Articles of Association of Zur Rose Group AG, no member of the Board of Directors may hold more than ten additional mandates and, in addition to those, no more than four in listed companies. Each of these mandates is subject to approval by the Chairman of the Board of Directors and, in case of a mandate of the Chairman of the Board of the Directors, by the majority of the other members of the Board of Directors. Any exceptions (e.g. mandates in companies which are held at the request of the Zur Rose Group or companies controlled by it or in charitable organizations) are defined in the Articles of Association.

3.4 Elections and terms of office

The General Meeting of Shareholders elects the members of the Board of Directors and the Chairman of the Board of Directors individually and for a term of office until the end of the next Annual General Meeting of Shareholders. They are eligible for re-election. If the office of the Chairman of the Board of Directors is vacant, the Board of Directors appoints a new Chairman from among its members for a term of office extending until the end of the next Annual General Meeting of Shareholders. The year in which the members of the Board of Directors were first elected to office is shown in the table in chapter 3.1. No restrictions on their terms of office have been set.

3.5 Internal organisational structure

3.5.1 Allocation of tasks within the Board of Directors

Except for the election of the Chairman of the Board of Directors and the members of the Compensation and Nomination Committee by the General Meeting of Shareholders, the Board of Directors constitutes itself. The Board of Directors may elect one or several Vice Chairmen. The Board of Directors also appoints a secretary, who need not be a member of the Board of Directors. Walter Oberhänsli serves as the Chairman of the Board. Prof. Stefan Feuerstein holds the office of Vice Chairman. The allocation of tasks between the Board of Directors and the CEO, as well as the duties and powers of the Chairman of the Board of Directors and the Committees, are set out in the Organisational Regulations and related Committee Terms of Reference.

3.5.2 Committees of the Board of Directors

The Audit Committee and the Compensation and Nomination Committee are standing committees of the Board of Directors. The Board of Directors may resolve to establish (and dissolve) additional committees and entrust them with certain responsibilities and project-related tasks.

AUDIT COMMITTEE

Prof. Stefan Feuerstein, Chairman

Prof. Dr. Andréa Belliger

Dr. Christian Mielsch

The Audit Committee is comprised of three non-executive members of the Board of Directors, who must all have business management skills. The members and the chairman are appointed by a resolution of the Board of Directors. The Audit Committee assists the Board of Directors in overseeing the management of the business, in particular in its non-delegable duties of ultimate supervision and financial control (Art. 716a CO), as well as in the preparation of the annual report and financial statements, by forming its own judgement of the organisation and operation of the internal and external control systems, as well as the financial report. The Audit Committee is established as a standing committee. Its role is exclusively advisory and supervisory, and includes the preparation of resolutions. The decision-making authority of the full Board of Directors remains unaffected. The Audit Committee does not appoint any subcommittees.

COMPENSATION AND NOMINATION COMMITTEE

Walter Oberhänsli, Chairman

Rongrong Hu

Florian Seubert

The Compensation and Nomination Committee comprises three members of the Board of Directors and constitutes itself. It supports the Board of Directors in establishing and reviewing the compensation strategy and guidelines, and in preparing the proposals to the General Meeting of Shareholders regarding the compensation of the Board of Directors and Executive Board. It may submit proposals to the Board of Directors on other compensation issues and assists it in matters relating to the nomination and promotion of members of the Board and Executive Board. The role of the Compensation and Nomination Committee is exclusively advisory and includes the preparation of resolutions. The decision-making authority of the full Board of Directors remains unaffected. The Compensation and Nomination Committee does not appoint any subcommittees.

3.5.3 Working methods of the Board of Directors and its committees

The Board of Directors meets as often as is deemed necessary or if a member requests this in writing. The meetings usually take place about every two months, taking up a full day. Meetings of the Board of Directors are convened by the Chairman or, should he be prevented from doing so, by the Vice Chairman or by the oldest member of the Board of Directors. Meetings of the Board of Directors and its Committees may also be held by telephone or video conference. Meetings are convened in writing, with details of the agenda items. The Board of Directors constitutes a quorum if the majority of its members are present. Participation by telephone or video equates to attendance in person. No quorum is required if solely the completion of a share capital increase is to be ascertained and the subsequent amendment to the Articles of Association is to be resolved. The Chairman's style of leadership and the way meetings are conducted promote an open, transparent and collegiate culture of discussion based on trust and respect. The Board of Directors passes its resolutions by a majority of the votes cast; unanimous decisions are normal. In the event of a tie, the Chairman has the casting vote. Resolutions may be passed by circular letter unless a member requests a verbal consultation. The Board defends its decisions collectively, both internally and externally.

In 2022 the Board came together for four meetings and a two-day strategy workshop. In addition, 13 video conferences of the Board were held. Meetings of the Board of Directors are normally also attended by the CFO and the Group General Counsel (as minute-taker) in an advisory capacity. The other members of the Executive Board are invited to meetings of the Board of Directors where the strategy and budget or market-specific agenda items are to be deliberated.

NUMBER OF BOARD MEETINGS	19
Average length (in hours)	3:11
Attendance	92.2%
Walter Oberhänsli	19 / 19
Prof. Stefan Feuerstein	18 / 19
Prof. Dr. Andréa Belliger	17 / 19
Rongrong Hu ¹⁾	17 / 17
Dr. Christian Mielsch	18 / 19
Florian Seubert	15 / 19
Prof. Dr. Volker E. Amelung ²⁾	1 / 2
Dr. Thomas Schneider ²⁾	2 / 2

1) Rongrong Hu joined the Board on 28 April 2022

2) Prof. Dr. Volker E. Amelung and Dr. Thomas Schneider stepped down from the Board on 28 April 2022

The Committees meet at least twice a year (spring and autumn) and at such other times as required and may be requested by any member of the Committees. The meetings usually last two or three hours. The role of the Committees is restricted to the preparation of decision-making criteria for the attention of the Board of Directors. The composition, organisation, powers and roles of the individual Committees are defined by the Board of Directors in appropriate Committee [Terms of Reference](#), to the extent that they are not prescribed by the Articles of Association or a resolution of the General Meeting of Shareholders. The chairmen of the Committees keep the Board of Directors informed of their activities at the next ordinary meeting of the Board of Directors or, in urgent cases, immediately. The Audit Committee

met twice and the Compensation and Nomination Committee six times during the 2022 financial year. All Committee members attended all the meetings. Members of the Executive Board are also usually represented at the Committee meetings in an advisory capacity, as well as individual specialist departments, when required.

NUMBER OF MEETINGS OF THE AUDIT COMMITTEE	2
Average length (in hours)	2:45
Attendance	100%
Prof. Stefan Feuerstein	2 / 2
Prof. Dr. Andréa Belliger ¹⁾	1 / 1
Dr. Christian Mielsch	2 / 2
Prof. Dr. Volker E. Amelung ³⁾	1 / 1

NUMBER OF MEETINGS OF THE COMPENSATION AND NOMINATION COMMITTEE	6
Average length (in hours)	1:10
Attendance	100%
Walter Oberhänsli ¹⁾	6 / 6
Rongrong Hu ¹⁾	4 / 4
Florian Seubert	6 / 6
Prof. Stefan Feuerstein ²⁾	2 / 2
Dr. Thomas Schneider ³⁾	2 / 2

1) Prof. Dr Andréa Belliger has been member of the Audit Committee and Walter Oberhänsli and Rongrong Hu have been members of the Compensation and Nomination Committee since 28 April 2022.

2) Prof. Stefan Feuerstein stepped down from the Compensation and Nomination Committee on 28 April 2022

3) Prof. Dr. Volker E. Amelung and Dr. Thomas Schneider stepped down from the Board of Directors and thus from the committees on 28 April 2022

3.6 Definition of areas of responsibility

The Board of Directors is responsible for the ultimate management and supervision of the Company and overseeing the management of business. It specifies the sustainable interests of the Company as part of its duties. In its decisions, in addition to the interests of shareholders, it also takes account of the interests of employees, business partners, customers, society and the environment. In doing so, it follows any requirements set out in the articles of association.

In particular, the Board of Directors has the following responsibilities:

- a) Ultimate management of the Company, including the definition of medium- and long-term strategies and core planning priorities together with the guidelines for corporate policy, and the issuance of the necessary instructions;
- b) Establishment of the underlying organisation, in particular the issuance of Organisational Regulations;
- c) Decisions on transactions of key strategic significance;
- d) Appointment and dismissal of the persons entrusted with the management and representation of the Company, in particular the Executive Director and CEO, the members of the Executive Board and the Head of Internal Auditing, as well as establishment of rules on signature powers;
- e) Ultimate supervision of the corporate bodies entrusted with the management of the Company, in particular in terms of compliance with laws, the Articles of Association, regulations and directives;
- f) Preparation of the annual report and the compensation report, as well as preparation of the General Meeting of Shareholders and implementation of its resolutions;
- g) Notification of the judge if liabilities exceed assets;
- h) Adoption of resolutions on the increase of the share capital, to the extent that such power is vested in the Board of Directors (CO 651 IV), as well as the ascertainment of capital increases and the respective amendments to the Articles of Association;
- i) Approval of the annual budget.

The Board of Directors delegates all other areas of management in full to the CEO and to the Executive Board, unless otherwise provided by statutory legal provisions or the Articles of Association. The duties and powers of the Executive Board are set out in the [Organisational Regulations](#).

3.7 Information and control instruments vis-à-vis the Executive Board

Each member of the Board of Directors receives the monthly, half-yearly and annual financial statements. The financial statements provide information such as details of the balance sheet, income statement, cash flow statement and the key financials of the Group and its segments. In addition, the Board of Directors receives the annual sustainability report, which describes the strategy, processes, risks and controls regarding ESG (environmental, social, governance). Furthermore, the CEO and the CFO report on the course of business and all matters of relevance for the Group at every ordinary meeting of the Board of Directors, which receives a forecast of the annual results at least twice a year. At these meetings, the chairmen of the Committees also report on the agenda items dealt with by their Committee, as well as the key findings and assessments, and they present the corresponding proposals. Each year, the Board of Directors discusses and adopts the budget for the following year. It defines the medium-term strategic plan and reviews it annually. The Chairman of the Board of Directors consults regularly with the CEO and other representatives of the Executive Board. In addition, the Board of Directors regularly receives a current status report on investor relations.

The Zur Rose Group has implemented three main information and control tools to support the Executive Board and the Board of Directors in running the Company: a risk management system, an internal control system and an internal audit function. The internal control system (ICS) covers all procedures and actions that ensure business operations run properly, in particular that the financial statements are accurate and reliable. For each process, key risks and controls are defined; these are carried out and checked on a regular basis. The external auditors also check that an adequate internal control system is in place.

The Zur Rose Group has a system in place to monitor and control the risks associated with its business operations. This process includes the identification, analysis, control and reporting of risks, plus risk reporting from the individual organisational units all the way up to the level of the Group. The Board of Directors and CEO are responsible for creating the necessary organizational framework for the operation of the risk management system. The CFO is operationally responsible for risk management control. He may delegate subtasks. The people responsible for these tasks take concrete measures to manage the risks and monitor their implementation.

Based on the [Organisational Regulations](#) and risk management, Internal Auditing conducts risk-based operational, process and systems reviews and assists the Group's organisational units in regulating, improving and assuring the effectiveness of their risk management and internal control processes. To preserve its independence, Internal Auditing reports directly to the CEO and the Audit Committee of the Board of Directors, which also approves the audit plan for Internal Auditing. Internal Auditing coordinates its work as far as possible with the external auditors. The Board of Directors may entrust Internal Auditing with special audits, internal investigations or other tasks extending beyond the regular activities of Internal Auditing.

4 Executive Board

4.1 Members of the Executive Board

Walter Oberhäsli was elected Chairman of the Board of Directors by the Annual General Meeting on 28 April 2022 and stepped down as CEO. Walter Hess, formerly Head Germany, was appointed as his successor, while Matthias Peuckert succeeded Walter Hess as Head Germany. Chief Strategy and Digital Officer Betül Susamis Unaran resigned at the end of May 2022 and Chief Operations Officer Bernd Gschaider at the end of October 2022. Kaspar Niklaus was appointed as the new COO as of 1 November 2022.

On 31 December 2022, the Executive Board consisted of the following members:

– **Walter Hess** (1965, Swiss national), Chief Executive Officer

CEO of the Zur Rose Group since May 2022. Prior to this role, Walter Hess was Head Germany between 2020 and 2022, Head Switzerland from 2015 to 2020, and Managing Director of Zur Rose Pharma GmbH for two years. From 2008 until 2013 he acted as an external consultant, among other roles, for Zur Rose. He was CEO of Praevmedic until 2013. Previously he held a number of management positions within international industrial companies. Following a business education, Walter Hess graduated with a degree in Business Administration from FHS St. Gallen, University of Applied Sciences.

– **Emanuel Lorini** (1977, dual Swiss-Italian national), Head Switzerland

Head Switzerland at the Zur Rose Group since 2020. Emanuel Lorini served as Head of the medical wholesaler business of Zur Rose Suisse AG from 2011 until 2020. Before that, he worked at BlueCare AG in the area of corporate development for managed care system solutions from 2008 to 2010 after serving at Health Info Net AG, ultimately as Head of E-Health Platform. He holds a master's degree in Business Administration from the University of St. Gallen.

– **David Masó** (1971, Spanish national), Head Europe

Head Europe at the Zur Rose Group since 2020 and CEO of PromoFarma by DocMorris since 2012. David Masó has co-founded several start-ups in the e-commerce and digital sectors in Spain, including PromoFarma, Qporama and Futurlink. Before this, he worked as a management consultant for web-based projects on a European level. He earned a degree in Engineering, Telecommunications and Microelectronics from UPC Barcelona, a master's degree in Business Administration from ESADE and completed the Executive Program at Stanford.

– **Kaspar Niklaus** (1968, Swiss national), Chief Operations Officer

COO of the Zur Rose Group since November 2022. Kaspar Niklaus served as Chairman of the Executive Board of the Swiss pharmaceutical retailer Phoenix from 2015 to 2022 and was CEO of the De Sede Group from 2012 to 2014. Previously, he held management positions at Valora and Coop. He earned a degree in Agronomy from ETH Zurich and holds a master's degree in Business Administration and Informatics from the Rotterdam School of Management.

– **Madhu Nutakki** (1971, US national), Chief Technology Officer

CTO of the Zur Rose Group since 2021. Prior to joining the Group, Madhu Nutakki was with the Nissan Motor Corporation in Japan as Chief Digital Officer, Chief Customer Experience Officer and Global Business Head of Connected Cars from 2016 to 2021. He served as CTO and Global Digital Head at American International Group from 2014 to 2016 after spending 12 years at Kaiser Permanente in various management positions, most recently as Vice President Digital Health Applications and Platforms. A graduate with a master's degree in Computer Engineering from Iowa State University, he also completed an Executive Business Management programme at the Wharton School of Management of the University of Pennsylvania.

– **Matthias Peuckert** (1973, German national), Head Germany

Head Germany at the Zur Rose Group since May 2022. Matthias Peuckert was CEO of Windeln.de, a German online retailer of baby and children's articles from 2018 to 2022. Before that, he worked at Amazon from 2003 to 2017, ultimately as Group Director Core Consumables Germany and Pantry Europe.

– **Marcel Ziwica** (1975, Swiss national), Chief Financial Officer

CFO of the Zur Rose Group since 2014. Marcel Ziwica previously held a variety of management positions at Zur Rose from 2001 to 2014, most recently as Head of Group Finance and Controlling for Zur Rose Suisse AG. Prior to joining Zur Rose, he worked as a consultant at Spider Innoventure AG. He holds a master's degree in Business Administration from the University of St. Gallen.

4.2 Other activities and vested interests

– **Walter Hess**

Board member of Sportsemotion AG and Sportsevision AG, Gossau
Board member of Hohlflex AG, Abtwil
Vice President of the European Association of E-Pharmacies (EAEP), Berlin (DE)

– **Emanuel Lorini**

Board Member of swiss health quality associaton (shqa), Zug

– **David Masó**

Associate teacher at ESADE and ISDI school for e-commerce and marketplace strategies in Barcelona (ES)

– **Kaspar Niklaus**

Board Member of Neuroth Schweiz AG, Zug
Board Member of Unternehmergruppe Wettbewerbsfähigkeit (Group of Entrepreneurs Competitiveness), Zurich

– **Madhu Nutakki**

No other activities or vested interests.

– **Matthias Peuckert**

No other activities or vested interests.

– **Marcel Ziwica**

No other activities or vested interests.

4.3 Number of permitted activities

No member of the Executive Board may hold more than four mandates and, in addition to those, no more than two in a listed company. Any exceptions (e.g. for mandates held on behalf of the Zur Rose Group or in charitable organisations) are defined in the Articles of Association.

4.4 Management contracts

There are no management contracts with third parties.

5 Compensation, shareholdings and loans

Information about the compensation and shareholdings of the Board of Directors and Executive Board, and about loans to them, can be found in the Compensation Report starting on page 54 and in the notes to the financial statements of Zur Rose Group AG on page 139.



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7 —

- 1 — Walter Hess
- 2 — Marcel Ziwica
- 3 — Kaspar Niklaus
- 4 — Madhu Nutakki
- 5 — Matthias Peuckert
- 6 — Emanuel Lorini
- 7 — David Masó

6 Shareholders' participation rights

6.1 Voting rights restrictions and representation

Restrictions only exist for Nominees (see 2.6 Limitations on Transferability and Nominee Registrations). No exceptions were granted during the reporting year, and no measures to lift restrictions are planned. A shareholder may only be represented at a General Meeting of Shareholders by the independent proxy, his or her legal representative or by any other proxy authorised in writing, who need not be a shareholder. All shares held by a shareholder may only be represented by one person.

6.2 Quorums required by the Articles of Association

The Company's Articles of Association do not provide for resolutions of the General Meeting of Shareholders that can only be passed by a majority greater than that required by the statutory legal provisions. The one exception is a resolution to convert registered shares into bearer shares, which requires at least two thirds of the votes represented and an absolute majority of the par value of shares represented.

6.3 Convocation of the General Meeting of Shareholders

There are no rules for the convocation of a General Meeting of Shareholders that differ from the statutory legal provisions.

6.4 Inclusion of items on the agenda

Shareholders who, alone or together, either hold shares with a par value of at least CHF 1,000,000 or who represent at least ten per cent of the share capital may request that an item be included on the agenda. Such request must be made in writing at least 45 calendar days prior to the General Meeting of Shareholders, specifying the agenda item and the shareholders' proposals. No resolutions may be passed at a General Meeting of Shareholders on proposals concerning agenda items for which proper notice was not given. This provision does not apply to proposals made during a General Meeting of Shareholders to convene an Extraordinary General Meeting of Shareholders or to initiate a special audit. No prior notice is required to bring motions related to items already on the agenda or for the discussion of matters on which no resolution is to be taken.

6.5 Entries in the share register

No entries can be made in the share register within one week prior to the General Meeting of Shareholders. The date is published in the notice of the General Meeting of Shareholders. Shareholders who sell their shares before the General Meeting of Shareholders are no longer entitled to vote or receive dividends.

7 Changes of control and defence measures

7.1 Duty to make an offer

The Articles of Association make no provision for opting out or opting up.

7.2 Clauses on changes of control

The contracts of the Board of Directors and Executive Board contain no change of control clause.

8 Auditors

8.1 Duration of the mandate

The Auditors are elected annually by the General Meeting of Shareholders. Ernst & Young AG has served as Auditors since 2002. The function of Lead Auditor has held Jolanda Dolente since 2021 (for the first time for the annual report 2021). The term of office of the Lead Auditor is limited to a maximum of seven years.

8.2 Auditing fees

The total cost of the auditing services charged by Ernst & Young during 2022 was CHF 578,940. In addition, the audit firm charged fees of CHF 335,304 for audit-related services.

8.3 Additional fees

Fees amounting to CHF 70,590 were incurred during 2022 for tax advice and people advisory services provided by the audit firm.

8.4 Information instruments pertaining to the external audit

Before each scheduled meeting, the external Auditors report to the Audit Committee in writing on relevant auditing activities and other important issues associated with the Company. Representatives of the external Auditors attend the meetings of the Audit Committee for specific agenda items, and to comment on their activities and answer questions. During 2022, the external Auditors attended two meetings of the Audit Committee. The Audit Committee assesses the performance, remuneration and independence of the auditors annually and submits a proposal to the Board of Directors for the nomination of the Auditors, for the attention of the General Meeting of Shareholders. The Audit Committee also reviews the scope of the external audit, audit plans and relevant procedures annually. The results of the audit are discussed with the external Auditors.

9 Information policy

The most important sources of information are the Annual Report, the Half Year Report, the Sustainability Report, the website (www.zurrosegroup.com), press releases, press conferences, meetings for financial analysts and investors as well as the Annual General Meeting. Zur Rose Group provides information about its annual and half-year results in the form of press releases and by holding analyst and media conferences. Quarterly revenue is announced in press releases. The [annual report](#) can be accessed as a full online version. Furthermore, the [half-year report](#) is available online as a PDF. The Annual General Meeting for the shareholders of record is held in the first half of the year. The Group reports on key events by way of press releases, which are available in the [Newsroom](#). This information can be subscribed to via [News Service](#).

The [financial calendar](#) maps the regular reporting dates. Key dates in 2023 are:

23 March	2022 Full-year results and outlook 2023
20 April	First quarter trading update
4 May	Annual General Meeting of Shareholders
17 August	Half-year results
19 October	Third quarter trading update

The address of the head office and contacts for specific questions are listed at the end of this annual report.

10 Quiet periods

General close periods start each 1 January and 1 July and end after the financial statements have been released. All transactions in the Company's securities are forbidden for people to whom they apply. The general close periods apply to members of the Board of Directors and the Executive Board, members of the segment executive boards and employees with access to material information included in the financial statements. The CFO may order a deviation from the general close periods.