

## Process of selection and appointment of the Board of Directors

### 1. Assessment of the competencies of the Board of Directors

The Board of Directors of Comet Holding AG undertakes a continuous and proactive assessment of the Board of Directors, which covers issues that are important for reasons of good corporate governance and as a contribution to the success of the company:

- Competencies that are important for the management and organization of the Comet Group (see Board Competence Matrix below);
- Independence and the ability to form one's own opinion;
- Terms of office (tenure) and quality of contributions (skills) to the Board of Directors
- Potential conflicts of interest;
- Diversity (age, gender, background, nationality);
- Availability

This process resulted in the competency matrix below, which provides information on what profile can be useful to strengthen governance, board and management oversight and efficiency.

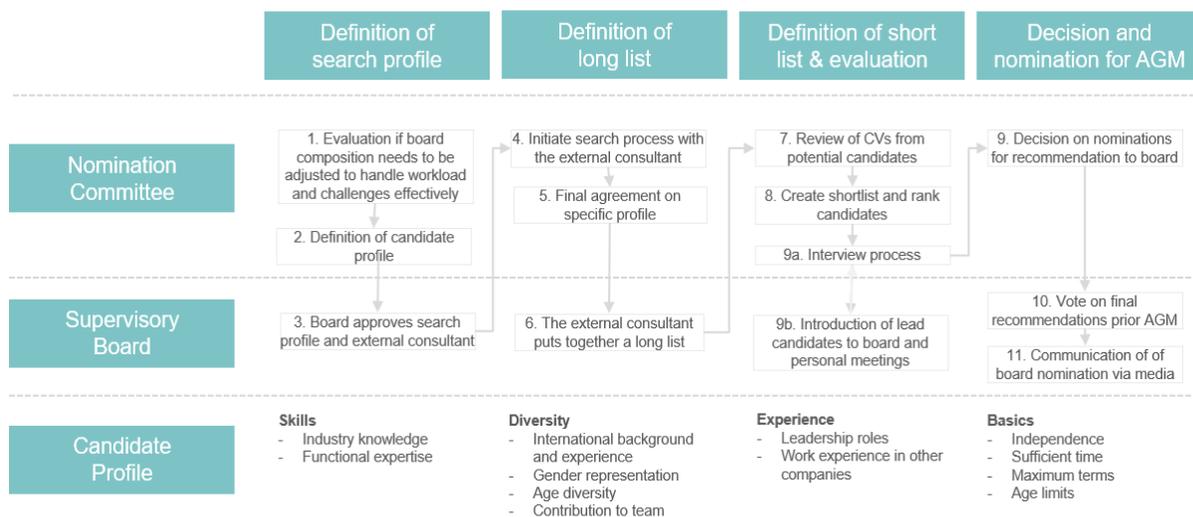
	H. Hess	L Grolimund	R. Huber	M. Hoch	G.-L. Bona	F. Richter	C. Kutter	P. Jany
Age	64	53	54	45	62	64	55	51
Gender	M	M	M	F	M	M	M	M
Nationality	Swiss	Swiss	Swiss	Swiss	Swiss	German	German	German
Board Tenure	14	12	11	3	7	3	0	0
CEO or Board Experience	oo	oo	oo	oo	o	oo	oo	
Industry & Tech Experience	oo	oo	oo		oo	oo	oo	
Semi-bus experience		o			oo	oo	oo	
R&D and innovation exp.	oo		o		oo	oo	oo	
Financial / M&A / CFO exp.		oo	oo	o		o	o	oo
Legal Experience				oo				o
Capital Markets Experience	oo	oo	oo	oo	oo	oo		oo
Corporate Governance				oo				oo
Academics					oo		oo	
	Retiring members of the Board of Directors			o	limited / partly average experience in this field			
	New members of the BoD nominated by the BoD			oo	(was) responsible and worked for several years.			

### 2. Board nomination procedure

Smooth and efficient succession planning is ideally implemented by of a structured board evaluation and nomination process. The Nomination Committee of the Board of Directors - in close consultation with the Chairman - assumes leadership and responsibility for this process. The potential requirement and profile for new members of the Board of Directors is drawn up by the Nomination Committee and

approved by the entire Board of Directors. As a rule, the search process is accompanied by an external search partner. All Board members are given the opportunity to get to know the final candidates personally. As a rule, this possibility is also offered to the CEO. The Board of Directors may also offer the largest shareholders the opportunity to comment on the final candidates (under a stand-still and confidentiality agreement). At the end of the process, the entire Board of Directors decides which person is to be proposed as candidate to the shareholder's meeting. As a rule, retiring members are also involved in this process.

In addition to these principles and values, Comet's Board of Directors maintains a structured nomination process that meets and - in some cases - exceeds market best practice standards as described in the *Swiss Code of Conduct for Corporate Governance* and in particular Principles 9 to 26.



The above 4-phase process allows:

- the selection of Board candidates is based on the assessment of the Board of Directors as described above and on the competencies necessary for the development of the company;
- the creation of a relevant candidate pool from which convincing candidates can be selected;
- the preparation of a professional candidate evaluation based on interviews and references;
- the nomination of the most suitable candidate in terms of personal skills and complementation of the Board of Directors with regard to the needs of the company.

The Board of Directors is convinced that this ongoing and replicable process will ensure a high standard and a further, continuous improvement of the quality of the Board of Directors.

### 3. Adequate nomination process for the General Assembly 2019

In accordance with Comet's above principles for the selection and appointment of Board members, the nomination process for the two candidates proposed by the Board of Directors to the 2019 Annual

General Meeting was proactive, structured and with the assistance of an outside expert. The selection process was thus based on the Best Principles of Corporate Governance.

#### **4. Active dialogue with shareholders**

Comet has taken and continues to take the dialogue with its stakeholders very seriously. In keeping with the principle of equal treatment of shareholders, the Board of Directors maintains regular personal contact with its major shareholders. The company is also in regular contact with Veraison Capital Ltd and had several discussions with its representatives. Accordingly, Veraison's candidate for the Board of Directors, Mr Heinz Kundert, was included in the list of candidates as part of the selection process and examined in detail. After completing this review process, the BoD came to the conclusion that Christoph Kutter and Patrick Jany were the most suitable candidates for Comet's sustainable strategy and long-term corporate success. The professional and personal requirements are best met by these two personalities. At the age of 54, Christoph Kutter will ensure a generation change in the Board of Directors and, on the background of the statutory age limit of 70, will be available for one or, if necessary, several market cycles. With this, a long-term perspective of the corporate strategy will be ensured.