

**Dufry Ltd**

**Board Regulations**

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## 1. Legal and Statutory Basis

Based on Art. 716b of the Swiss Code of Obligations (**CO**) and Art. 16 of the Articles of Incorporation, the Board of Directors adopts these Board Regulations (the **Regulations**).

The Regulations define the organization, operation and powers and responsibilities of the corporate bodies of Dufry Ltd (the **Company**), as well as the principles for the governance of the Dufry Group (the **Group**).

## 2. Corporate Bodies

The corporate bodies of the Company are:

- the Board of Directors (the **Board**)
- the Audit Committee (the **AC**)
- the Remuneration Committee (the **RC**)
- the Nomination Committee (the **NC**)
- the Group Chief Executive Officer (**Group CEO**)
- the Global Executive Committee (**GEC**)

## 3. The Board of Directors

### 3.1 Constitution

The Chairman and the members of the RC are elected each year by the annual meeting of shareholders.

If the office of the Chairman of the Board is vacant, the Board shall appoint a Chairman from among its members for a term of office extending until completion of the next annual general meeting of Shareholders.

The Board elects from its members each year at its first meeting after the annual meeting of shareholders:

- the Vice-Chairman; and
- the members of the AC.

The Board further appoints a Secretary who does not need to be a member of the Board. The committees may designate their own secretaries.

### **3.2 Powers and Duties**

The Board is the ultimate corporate body of the Company. It is further responsible for the ultimate supervision of the Group. The Board attends to all matters which are not reserved to the meeting of shareholders by law, the Articles of Incorporation or these Regulations.

The Board has the following non-transferable and inalienable powers and duties (Art. 716a CO):

1. to ultimately manage the Company and issue the necessary directives;
2. to determine the organization of the Company, including the adoption and amendment of these Regulations;
3. to organize the accounting system, the financial control, as well as the financial planning;
4. to appoint and remove the members of the committees installed by itself as well as the persons entrusted with the management and representation of the Company, as well as the determination of their signatory power;
5. to exercise the ultimate supervision over the persons entrusted with the management, in particular with respect to compliance with the law, the Articles of Incorporation, these Regulations and directives given from time to time by the Board;
6. to prepare the business report, which includes the management report, the annual financial statements and the consolidated financial statements, and the compensation report, as well as the meeting of shareholders and to implement the latter's resolutions;
7. to notify the judge if liabilities exceed assets;
8. to pass resolutions regarding the subsequent payment of capital with respect to non-fully paid-in shares (art. 634a CO);
9. to pass resolutions confirming increases in share capital and amending the Articles of Incorporation in that respect (art. 651 al. 4, 651a, 652g, 652h, 653g and 653h CO);

10. the non-delegable and inalienable duties and powers of the Board pursuant to the Swiss Merger Act.

In addition, the Board has the following exclusive power and duties:

11. to approve any non-operational or non-recurring transaction not included in the annual budget and exceeding the amount of CHF 10,000,000;
12. to issue convertible debentures, debentures with option rights or other financial market instruments;
13. to approve the annual investment and operating budgets of the Company and the Group;
14. to approve the executive regulations promulgated in accordance with these Regulations;
15. to propose an independent voting rights representative for election to the meeting of shareholders, and to appoint an independent voting rights representative in the event of a vacancy pursuant to the Articles of Incorporation.

The Board may entrust some or several of its members, as individuals or as members of a committee, with the duty to prepare and carry out its resolutions or to supervise certain matters. The Board keeps its members duly informed on these matters.

### **3.3 Powers and Duties of the Chairman**

The Chairman has the following powers and duties:

1. to organize and prepare the agenda for the meetings of the shareholders and of the Board;
2. to convene the meetings of the shareholders and of the Board;
3. to preside over the meetings of the shareholders and of the Board;
4. to cast the decisive vote in case of a tie in a Board meeting;
5. to sign the Company's application for registration in the Commercial Register along with any other Board member.

### **3.4 Delegation of Powers**

The Board herewith delegates to the Group CEO all other duties, including the preparation and implementation of the Board resolutions as well as the supervision of particular aspects of the business in the sense of Art. 716a para. 2 CO and the management of the Company and the Group in the sense of Art. 716b CO.

The Board may, upon giving appropriate notice to the corporate body to whom it has delegated any of its powers and duties, re-assume responsibility for such powers and duties. Similarly, the Board may, upon giving appropriate notice, delegate such powers and duties to any other corporate body or persons as it may from time to time deem appropriate.

### **3.5 Meetings and Minutes**

The Board meets as often as required, but at least 3 times each year.

The Chairman or, if he is not in a position to do so, the Vice-Chairman or the Secretary on their behalf convenes the meeting. Each member of the Board can, by stating the reasons and the items to be placed on the agenda, request the Chairman in writing, with a copy to the Secretary, to convene a meeting.

Notice of meetings shall be given at least 10 days in advance in writing by any suitable means (e.g., email, telefax). In urgent cases, the meeting can also be convened upon shorter notice by any other suitable means.

The notice shall set forth the agenda. Each member of the Board may demand that items be placed on the agenda. The relevant request shall be submitted in writing to the Chairman, with a copy to the Secretary, at least 5 days before the meeting. Resolutions on matters which are not on the agenda, however, can only be passed if all Board members, whether attending or not attending the meeting, agree.

The Chairman or, if he is not in a position to do so, the Vice-Chairman or any other member of the Board shall preside the meeting.

Meetings of the Board may be held by telephone-conference or other means of direct communication.

Minutes shall be kept of the deliberations and resolutions of the Board. The minutes shall contain a summary of the deliberations and the resolutions with the result of the vote.

The minutes are signed by the acting chairman and the Secretary. They shall be approved by the Board at the next meeting.

### **3.6 Quorum of Attendance**

The Board may pass resolutions when the majority of its members are present. Absent members cannot be represented.

No quorum is required if the meeting is called to

- certify an increase of capital that has already been resolved, and to effect the amendment of the Articles of Incorporation related thereto pursuant to Art. 652g CO;
- approve the execution of a merger agreement in case of a simplified merger pursuant to Art. 23 of the Swiss Merger Act;
- approve the execution of a transfer agreement pursuant to Art. 70 of the Swiss Merger Act in case that the transferred assets do not exceed 10% of the total assets of the Company.

### **3.7 Vote, Majority Required**

Resolutions of the Board shall be adopted by a majority of the votes cast by the members present. Abstentions have the effect of "no" votes. In case of a tie, the acting chairman has the casting vote.

### **3.8 Circular Resolutions**

The Board may also pass resolutions by way of circular, which is by letter, telex, telefax, e-mail or telephone, subject to the conditions that all members of the Board have received the proposed resolutions and that none of the members requests in writing that oral deliberations be held. To be valid, resolutions by way of circular shall have been approved by a majority of the members of the Board.

Circular resolutions shall be annexed to the minutes of the next meeting.

### **3.9 Urgent Procedure**

In urgent cases, the Chairman and the Vice-Chairman together shall take all necessary decisions on behalf of the Board, if such resolution cannot be delayed, any prior deliberation and resolution is not possible and the matter may not be addressed by a pre-arranged decision of the Board. The Chairman is to notify the Board

immediately of such decisions. These shall be ratified by the Board at its subsequent meeting or by circular resolution.

### **3.10 Right of Information**

During Board meetings, each member of the Board may request information from the other members of the Board, as well as from the members of the management present on all affairs of the Company and the Group.

Outside of Board meetings, each member of the Board may request from the Group CEO information concerning the course of business of the Company and the Group and, with the authorization of the Chairman, about specific matters. In such case, he/she shall address a written request to the Chairman indicating the reasons for his/her request. To the extent necessary for the fulfillment of his/her duties, each member of the Board may also request the Chairman to be shown specific documents related to the Company's business.

If the Chairman rejects a request for information, e.g. because the request would lead to a conflict of interest or is not in the best interest of the Company, the Board shall decide at its next meeting.

### **3.11 Remuneration**

Subject to approval by the annual general meeting of shareholders of the Company of the maximum aggregate amount of compensation for the Board, the Board determines the amount of the fixed remuneration of its members, taking into account their respective responsibilities, experience and the time which they invest in their activity as members of the Board. Extraordinary assignments or work which a member of the Board accomplishes outside of his/her activity as a Board member shall be specifically remunerated. Such remuneration shall be approved by the Board, and is subject to approval by the annual general meeting of shareholders of the Company of the maximum aggregate amount of compensation for the Board.

In addition, the Board members shall be reimbursed all reasonable cash expenses properly incurred by them in the discharge of their duties, including their reasonable expenses of traveling to and from the meetings of the Board, committee meetings and meetings of shareholders.

## 4. The Audit Committee

### 4.1 Composition and Constitution

The AC consists of three non-executive and independent members of the Board. At least two members have to be financially literate.

For the purpose of these Regulations, a "non-executive" member shall be a member who does not perform any line management function within the Company; an "independent" member shall be a non-executive member and a member who never was or was more than three years ago a member of the executive management and who have no or comparatively minor business relations with the Company.

The members of the AC shall be appointed, as a rule, for the entire duration of their mandate as Board members and shall be re-eligible.

The AC constitutes itself, including shall appoint a chairman, each year at its first meeting after the annual general meeting of shareholders.

### 4.2 Powers and Duties

The AC has following powers and duties:

- (a) with respect to the statutory auditors and group auditors:
  - to review and assess the effectiveness of the statutory auditors and the group auditors (**Auditors**), in particular their independence from the Company. In connection therewith, it reviews in particular additional assignments given to the Auditors;
  - to review and assess the scope and plan of the audit, the examination process and the results of the audit and to examine whether the recommendations issued by the Auditors have been implemented by management;
  - to review the Auditors' reports, to discuss their contents with the Auditors and with the management.
- (b) with respect to internal audit and risk management:
  - to review the effectiveness of the internal audit function, its professional qualifications, resources and independence and its cooperation with external audit;

- to approve the annual internal audit concept and the annual internal audit report, including the responses of the management thereto;
  - to assess the risk assessment established by the management and the proposed measures to reduce risks;
  - to assess the state of compliance with norms within the Company.
- (c) with respect to financial statements:
- to make a proposal to the Board with respect to these annual and interim statutory and consolidated financial statements; the responsibility for approving the annual financial statements remains with the Board.

The AC shall regularly report to the Board on its proposals, assessments, findings and propose appropriate actions.

### **4.3 Meetings and Minutes**

The AC shall meet as often as necessary.

It shall keep its own minutes.

### **4.4 Quorum of Attendance, Vote, Majority Required**

The AC shall pass resolutions when the majority of its members are present. Resolutions of the AC shall be adopted by a majority of the votes cast by the members present. Abstentions have the effect of "no" votes. In case of a tie, the acting chairman has the casting vote.

## **5. The Remuneration Committee**

### **5.1 Composition and Constitution**

The RC consists of three members of the Board, which shall be non-executive and the majority of which shall be independent, as defined above under Section 4.1.

The members of the RC are elected each year by the annual general meeting of shareholders of the Company, and are re-eligible.

If there are vacancies on the RC, the Board shall appoint the missing members from among its members for a term of office extending until completion of the next annual general meeting of shareholders of the Company.

The RC constitutes itself, including shall appoint a chairman, each year at its first meeting after the annual meeting of shareholders. The chairman shall be non-executive and independent, as defined above under Section 4.1.

## **5.2 Powers and Duties**

The RC has the following powers and duties

- to review and assess on a regular basis the remuneration system of the Company and the Group (including the management incentive plans) and to make proposal in connection thereto to the Board;
- to make recommendations regarding the proposals of the Board for the maximum aggregate amount of compensation of the Board and of the GEC to be submitted to the general meeting of shareholders of the Company for approval;
- to make proposals in relation to the remuneration package of the Group CEO and the members of the Board;
- to make proposals on the grant of options or other securities under any management incentive plan of the Company;
- to review and recommend to the Board the compensation report.

The RC shall regularly report to the Board on its proposals, assessments, findings and propose appropriate actions.

## **5.3 Meetings and Minutes**

The RC shall meet as often as necessary.

It shall keep its own minutes.

## **5.4 Quorum of Attendance, Vote, Majority Required**

The RC shall pass resolutions when the majority of its members are present. Resolutions of the RC shall be adopted by a majority of the votes cast by the members

present. Abstentions have the effect of "no" votes. In case of a tie, the acting chairman has the casting vote.

## **6. The Nomination Committee**

### **6.1 Composition and Constitution**

The NC consists of three members of the Board, the majority of which shall be non-executive and independent, as defined above under Section 4.1.

The members of the NC shall be appointed, as a rule, for the entire duration of their mandate as Board members and shall be re-eligible

The NC constitutes itself, including shall appoint a chairman, each year at its first meeting after the annual meeting of shareholders.

### **6.2 Powers and Duties**

The NC has the following powers and duties

- to assure a long-term planning of appropriate appointments to the position of Group CEO and to the Board;
- to review the curriculum vitae, credentials and experience of the candidates proposed by the Board to fill vacancies on the Board or for the position of Group CEO;
- to make recommendations on board composition and balance;
- to present to the Board a proposal of succession plan for the position of the Group CEO at least once a year;
- to present to the Board a proposal of succession plan for the position of Chairman of the Board;
- to review the adequacy of the selection system and criteria used for the appointment of the members of the GEC ("n-1 positions").

The NC shall regularly report to the Board on its proposals, assessments, findings and propose appropriate actions.

### **6.3 Meetings and Minutes**

The NC shall meet as often as necessary.

It shall keep its own minutes.

### **6.4 Quorum of Attendance, Vote, Majority Required**

The NC shall pass resolutions when the majority of its members are present. Resolutions of the NC shall be adopted by a majority of the votes cast by the members present. Abstentions have the effect of "no" votes. In case of a tie, the acting chairman has the casting vote.

## **7. The Chief Executive Officer**

### **7.1 Appointment and Responsibility**

The Group CEO shall be appointed by the Board and shall have the primary responsibility for the management of the Company and the Group.

### **7.2 Powers and Duties**

The Group CEO shall have all the powers and duties that are not explicitly reserved to the Board or a Board committee by these Regulations.

In particular, he/she shall have the following powers and duties:

- the providing of all information and documents necessary to the Board;
- the implementation of the resolutions passed by the Board;
- the organisation, management and control of the day-to-day business of the Company;
- the appointment, remuneration (including the yearly increases within the budget approved by the Board) and removal of members of the GEC;
- the proposal to the board for the approval of transactions to be resolved by the Board;
- the organisation of the GEC and the preparation, calling and presiding of the meetings of the GEC;

- the presentation to the NC of a succession plan for each member of the GEC at least once a year.

### **7.3 Duty to Report**

The Group CEO shall at each meeting of the Board report to the Board on the course of business of the Company and the Group in a manner agreed upon from time to time between the Board and the Group CEO.

Apart from the meetings, the Group CEO reports immediately any extraordinary event and any change within the Company and within the Group to the Chairman.

## **8. The Global Executive Committee**

### **8.1 Composition and Constitution**

The GEC consists of the Group CEO, the Deputy Group CEO, the Chief Financial Officer, the Group General Counsel, the Chief Corporate Officer, the CEO Operations and Strategy, the Global Marketing and Digital Innovation Director, as well as any other officer duly appointed by the Group CEO. All of them are appointed by the Group CEO.

The Group CEO shall constitute and organize the GEC.

### **8.2 Powers and Duties**

The members of the GEC attend to the day-to-day business of the Company and the Group under the supervision of the Group CEO.

Each member of the GEC informs the Group CEO in the GEC meetings about the evolution of the business and the most important events regarding the Company and the Group. Apart from the meetings, each member of the GEC reports immediately any extraordinary event and any change within the Company and within the Group to the Group CEO.

The Group CEO shall inform the members of the GEC on all relevant new developments, events, policies etc. regarding the Company and the Group.

### **8.3 Meeting and Minutes**

Meetings of the GEC are convened by the Group CEO whenever necessary. The Group CEO sets the agenda. The Group CEO further appoints a secretary of the meeting.

Minutes shall be kept of the deliberations of the GEC.

The minutes are signed by the Group CEO and the secretary.

## **9. Signatory Power**

The Board appoints those of its members who shall have the power to represent the Company. Those members shall have the power to sign collectively by two, except the Chairman who shall have the sole signatory power. The Board has further the authority to determine and confer the power to sign; he shall only confer the collective signature by two.

The collective signature by two shall be registered with the Commercial Register.

## **10. Confidentiality**

The members of the Board and of the GEC shall keep confidential all information and documents obtained in connection with the exercise of their function for the Company and the Group, including these Regulations. Persons who have received confidential information shall not disclose its content to third parties, and shall take all measures to prevent third parties from having access to its content. This obligation and duty shall continue even after the term of office of the member has expired.

Upon termination of their function they shall return to the Company all documents obtained in connection therewith.

## **11. Conflict of Interest**

Members of the Board and of the GEC shall abstain from dealing or exercising their voting rights (if applicable) in matters involving their personal interests or the interests of individuals or entities related to them.

A Board member or a GEC member who has a conflicting interest which involves the Company shall disclose the nature of his/her interest to the Chairman or the Group CEO respectively. The Chairman should request a decision by the Board which reflects the seriousness of the conflict of interest. The Board shall decide without the

participation of the person concerned or constitute a committee of non-conflicted Board members, as appropriate.

A conflicting interest shall mean the special interest the Board member, or GEC member, has with respect to a transaction or matter due to the fact he/she or a related person has a financial or non-financial interest in, or is otherwise closely linked to, the transaction or matter. A related person of a Board member, or GEC member, means

- (i) the spouse (or a parent or sibling thereof) of the such member, or a child, grandchild, sibling, parent (or spouse of any thereof) of such member, or an individual having the same home as the Board member, or trust or estate of which an individual specified in this clause (i) is a substantial beneficiary;
- (ii) a trust, estate, incompetent or minor of which such member is a trustee, administrator or guardian; or
- (iii) one of the following persons or entities: (A) an entity of which such member is a director, general partner, agent, major shareholder or employee; (B) a person or entity that controls one or more of the entities specified in subclause (A) or an entity that is controlled by, or is under common control with, one or more of the entities specified in subclause (A); or (C) an individual who is a general partner, principal or employer of such member.

If a Board member is required to abstain from voting in a transaction or matter, he/she shall not be counted in the quorum of the meeting in question. Also, such Board member shall not receive any confidential information with respect to such transaction or matter and shall use best efforts to ensure that he/she does not receive such information. Neither shall such Board member participate in meetings to the extent such transaction or matter is discussed and/or resolved. This provision shall act as a limitation of information rights a Board member may have pursuant to Section 3.10 or otherwise pursuant to this Regulations or under applicable law.

A Board member who is in a permanent conflict of interest shall no longer fulfill his/her function.

Any transaction between the Company or a Group company and a Board member or a GEC member shall be carried out "at arm's length" and shall be approved without participation of the party concerned. If appropriate, a neutral opinion shall be obtained.

If a committee of non-conflicted Board members is constituted, such committee shall constitute itself, including shall appoint an ad hoc chairman. It shall keep its own minutes.

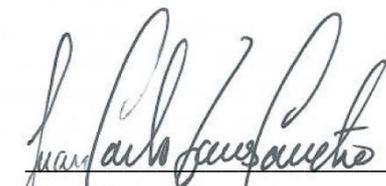
## 12. Final Provisions

These Regulations shall take effect on May 3, 2018.

These Regulations and its appendices shall be reviewed when necessary, but at least every 2 years at the first meeting of the Board following the annual general shareholders' meeting.

May 3, 2018

**Dufry Ltd**



Juan Carlos Torres  
Chairman of the Board



Pascal C. Duclos  
Secretary to the Board