



To the Shareholders of Tamedia AG

Zurich, 13 March 2014

Ladies and Gentlemen

It is with pleasure that we invite you to the

## **Ordinary General Shareholders' Meeting of Tamedia AG**

on Friday, 11 April 2014 at 9:30 hrs. at the new Tamedia AG Medienhaus [Media House],  
Werdstrasse 21, 8004 Zurich.

This means we will be conducting our shareholders' meeting at our headquarters for the first time since we were listed in the stock exchange in the year 2000. Our new Media House offers this possibility, and we wish to avail ourselves thereof in order to bring the general shareholders' meeting closer to the company. Nevertheless, the logistical preconditions at Werdstrasse are not naturally predisposed to conducting a general shareholders' meeting. For this reason, we view the carrying out of the general shareholders' meeting at our headquarters as an experiment.

Registration will be possible after 08:30 hrs., with entry to the room permitted after 09:00 hrs. Please take note that, depending on the number of participants, the room will be divided into two sections. In one section there will be a live broadcast via a television screen. We will be using voting devices here for the first time. A picture of these devices will be sent to you after the invitation, together with the other documents. For the first time, you will find enclosed a form that allows you to access an electronic platform by means of which you can issue a proxy and voting instructions to the independent voting proxy.

## **Agenda Items and Motions by the Board of Directors**

### **1. Annual Report, Consolidated Financial Statement and Annual Account Statement 2013 (as of 31 December 2013), Auditor's Reports**

#### **A Proposal**

The Board of Directors proposes to acknowledge the audit reports and to approve the annual report, the consolidated financial statements and the annual account statement for 2013.

#### **B Comments**

Turnover (operating income) of Tamedia rose by 5.0 percent, or CHF 51.1 million, to CHF 1069.1 million. The increase in turnover caused by changes to the circle of group companies amounted to CHF 86.9 million, whereas a reduction in turnover amounting to CHF 35.8 million came from existing assets.

Operating income before depreciation and amortisation (EBITDA) decreased by CHF 1.4 million, or 0.7 percent, to CHF 191.7 million. The EBITDA margin sank from 19.5 percent in the previous year to 18.4 percent this year. Operating income (EBIT) declined by 8.1 percent, or CHF 11.2 million, and now stands at CHF 127.7 million. The EBIT margin went down from 13.6 percent in the previous year to 11.9 percent this year. At CHF 119.1 million, the 2013 results are 14.4 percent or CHF 20.0 million below the figure achieved last year of CHF 139.1 million.

For the 2013 financial year, the parent company Tamedia AG showed, with turnover of CHF 352.3 million (previous year CHF 375.1 million), operating income before depreciation and amortization (EBITDA) of CHF 39.3 million (previous year CHF 54.6 million). Operating income (EBIT) added up to CHF 29.6 million (previous year: CHF 40.7 million). In light of high financial costs that coincided with reduced financial earnings, Tamedia AG's earnings were down 42.7 percent to CHF 82.7 million (previous year CHF 144.2).

In its reports to the attention of the General Shareholders' Meeting, the Auditors Ernst & Young AG, Zurich, recommend approval of the 2013 consolidated financial statement and the 2013 annual account statement of the parent, Tamedia AG.

## **2. Application of the Balance-Sheet Profit and Setting of Dividend Payments**

### **A Proposal**

The Board of Directors proposes to allocate Tamedia AG's balance-sheet profit of CHF 81.7 million for the financial year to the free reserves and to pay out as dividends the amount of CHF 42.4 million or CHF 4.00 per share.

### **B Comments**

If the General Shareholders' Meeting approves this proposal, dividends will be paid on 22 April 2014, subject to a 35 percent withholding tax.

## **3. Discharge of the Members of the Board of Directors and the Executive Management**

The Board of Directors proposes to discharge the members of the Board of Directors and the members of the Executive Management for their financial year 2013 activities.

## **4. Elections**

(Elections shall be carried out individually)

### **4.1. Re-election of the Board of Directors**

#### **4.1.1. Re-election of Pietro Supino as Member and Chairman of the Board of Directors**

The Board of Directors proposes to re-elect Dr Pietro Supino as member and Chairman of the Board of Directors until the conclusion of the next ordinary general shareholders' meeting.

#### **4.1.2. Re-election of Claudia Coninx-Kaczynski as Member of the Board of Directors**

The Board of Directors proposes to re-elect Ms Claudia Coninx-Kaczynski as member of the Board of Directors until the conclusion of the next ordinary general shareholders' meeting.

#### **4.1.3. Re-election of Martin Kall as Member of the Board of Directors**

The Board of Directors proposes to re-elect Mr Martin Kall as member of the Board of Directors until the conclusion of the next ordinary general shareholders' meeting.

#### **4.1.4. Re-election of Pierre Lamunière as Member of the Board of Directors**

The Board of Directors proposes to re-elect Mr Pierre Lamunière as member of the Board of Directors until the conclusion of the next ordinary general shareholders' meeting.

#### **4.1.5. Re-election of Konstantin Richter as Member of the Board of Directors**

The Board of Directors proposes to re-elect Mr Konstantin Richter as member of the Board of Directors until the conclusion of the next ordinary general shareholders' meeting.

#### **4.1.6. Re-election of Iwan Rickenbacher as Member of the Board of Directors**

The Board of Directors proposes to re-elect Prof. Dr Iwan Rickenbacher as member of the Board of Directors until the conclusion of the next ordinary general shareholders' meeting.

## **4.2. New Elections to the Board of Directors**

### **A Proposal**

The Board of Directors moves to elect Ms Marina de Planta as member of the Board of Directors until the conclusion of the next ordinary general shareholders' meeting.

### **B Personal Information**

Born in Paris in 1965, Ms Marina de Planta worked for 17 years at Ernst & Young in Geneva, Zurich, and Hong Kong after completing a degree in economics at the University of Geneva. In 1992 she was accredited as a tax expert by the Swiss Chamber of Financial Auditors and Tax Experts in Zurich. In 2003, she moved to the law firm Borel & Barbey. Since 2010, Marina de Planta has been working as a tax expert and partner at the law firm Ducrest Heggli Avocats LLC in Geneva. In addition, Marina de Planta is an independent member on the boards of various Swiss companies in the financial sector, as well as a member of the Geneva committee of Human Rights Watch.

## **4.3. Elections of Members of the Appointment and Remuneration Committee**

### **4.3.1. Election of Pietro Supino as Member of the Appointments and Remuneration Committee**

The Board of Directors moves to elect Dr Pietro Supino as member of the Appointments and Remuneration Committee until the conclusion of the next ordinary general shareholders' meeting. The Board of Directors intends to appoint Dr Pietro Supino as chairman of the Appointments and Remuneration Committee.

### **4.3.2. Election of Claudia Coninx-Kaczynski as Member of the Appointments and Remuneration Committee**

The Board of Directors proposes to elect Ms Claudia Coninx-Kaczynski as member of the Appointments and Remuneration Committee until the conclusion of the next ordinary general shareholders' meeting.

### **4.3.3. Election of Martin Kall as Member of the Appointments and Remuneration Committee**

The Board of Directors proposes to elect Mr Martin Kall as member of the Appointments and Remuneration Committee until the conclusion of the next ordinary general shareholders' meeting.

## **4.4. Election of the Independent Voting Proxy.**

### **A Proposal**

The Board of Directors proposes to elect Dr Gabriela Wyss, Wyss & Häfeli Attorneys at Law, Zurich, as independent voting proxy until the conclusion of the next ordinary general shareholders' meeting.

### **B Personal Information**

Dr Gabriela Wyss is an attorney at law and has been practising since 1991 at Wyss & Häfeli Attorneys at law in Zurich. Neither she nor Wyss & Häfeli Attorneys at Law maintain any kind of business relations with Tamedia AG.

## **4.5. Election of the Representative of the Independent Voting Proxy.**

### **A Proposal**

The Board of Directors proposes to elect Mr Martin Basler as representative of the independent voting proxy until the conclusion of the next ordinary general shareholders' meeting.

### **B Personal Information**

Mr Martin Basler has been an attorney at law since 1992 and is partner at the Law and Notarial Office of Basler Brunner in Zofingen. Neither he nor the Law and Notarial Office of Basler Brunner maintain any business relations with Tamedia AG.

#### **4.6. Re-election of the Auditors**

The Board of Directors proposes to re-elect Ernst & Young Ltd., Zurich, as Auditors for the 2014 financial year.

### **5. 2013 Remuneration Report as well as Principles of Remuneration**

#### **5.1. 2013 Remuneration Report**

##### **A Proposal**

The Board of Directors proposes to take note of the Remuneration Report including the audit performed by the auditors.

##### **B Comments**

See 2013 Company Report, pages 124 – 131. You will find details on the 2013 Company Report under the organisational remarks.

#### **5.2. Principles of Remuneration**

##### **A Proposal**

The Board of Directors proposes to approve the following principles with regard to remuneration.

##### **B Comments**

##### **Principles for Remuneration of the Board of Directors, the Advisory Board for Digital Development and the Executive Management**

With regard to the amount of remuneration of the Board of Directors, the Advisory Board for Digital Development, and the Executive Management for 2014, the General Shareholders' Meeting of Tamedia AG will first decide in 2015 in accordance with the statutory requirements set forth in the Ordinance against Excessive Remuneration at Publicly Listed Companies (VegüV).

##### **Content and Procedure for Determining Compensation and Stock Ownership Programmes**

Remuneration to the Board of Directors, the Advisory Board for Digital Development, and the Executive Management is determined by the Board of Directors subject to the consent of the General Shareholders' Meeting. In order to determine remuneration, comparisons can be made with competitors and other sectors. In order to be able to attract and retain people with the necessary skills and character traits, care is taken to offer them market- and performance-based compensation. The Appointments and Remuneration Committee will make preparations to determine the remuneration system for the Board of Directors. Compensation packages for members of the Executive Management will be set by the Board of Directors within the remuneration system established by the Board of Directors on the basis of the proposals of the Chairman of the Executive Management.

##### **Members of the Board of Directors**

Remuneration for Members of the Board of Directors (including the Chairman) is exclusively composed of fixed remuneration, unlike that paid to members of the Executive Management. Dispensation with a variable salary component is intended to ensure that the members of the Board of Directors make decisions on the remuneration system and the profit-sharing model of the Executive Management without their own interests playing a role.

### **Chairmanship of the Board of Directors**

The chairmanship of the Board of Directors includes the executive activities as publisher. In addition to the Board of Directors of Tamedia AG, the Chairman of the Board of Directors also presides as a rule in the boards of directors of those subsidiaries that also perform publication services. By structuring this function as a full-time position, this also helps avoid conflicts of interest with respect to other activities. The Chairman may accept external mandates exclusively in the interest of the undertaking, and any remuneration received therefrom will flow to the undertaking.

### **Advisory Board for Digital Development**

The Board of Directors pays members of the Advisory Board for Digital Development a fixed annual honorarium. Expenses are reimbursed as incurred.

### **Members of the Executive Management**

Remuneration to the Executive Management consists of a fixed component and comprises in addition a variable component composed of a share in profits.

For members of the Executive Management, the share in profits comprises a maximum of 30 percent and for the Chairman of the Executive Management, a maximum of 60 percent of the fixed remuneration component. It is determined on the basis of the results of the Tamedia Group and the objectives of the individual company units, as well as on the basis of quantitative and qualitative targets to be set in advance. The share of earnings of the Tamedia Group can in this context comprise up to 25 percent, the component based on quantitative targets of the company units up to 65 percent, and the component based on personal objectives up to 25 percent of a total of 100 percent. For the Chairman of the Executive Management, the share in the earnings of the Tamedia Group comprises 60 percent, the share of the quantitative targets of the individual company units 20 percent and the share of personal targets also 20 percent.

The goals for the Chairman of the Executive Management are set by the Board of Directors annually. The goals of the individual company units as well as the personal goals of members of the Executive Management are set annually by the Board of Directors on the basis of a proposal by the Chairman of the Appointments and Remuneration Committee. The quantitative goals of the company units can comprise, for example, attaining a certain turnover or earnings targets.

In order to support the strategic goal of expanding the digital portion of the company's overall results, the Board of Directors has, in addition, come to an agreement with the Head of Digital with regard to a long-term bonus plan. The long-term bonus plan stipulates a one-time pay-out if the EBITDA results of the company unit Digital, adjusted for acquisitions and disinvestment effects, as well as reasonable consideration of shareholdings, exceeds a predetermined EBITDA threshold over several years. If the threshold is exceeded, two percent of the exceeding amount will be paid out, albeit up to a maximum of CHF 1.5 million.

The Board of Directors can pay out a share of the profits to members of the Executive Management. The payout for the 2014 business year, as a rule, takes place following the second year of service, subject to the condition that the earnings margin (earnings in proportion to turnover) of the Tamedia Group exceed 8.0 percent. The amount in excess of the 8.0 percent earnings margin is calculated for the share in profits on the basis of the amount in excess. The share in profits will be paid out 50 percent in cash and 50 percent in shares. Where an earnings margin of 8.0 percent is reached, a base amount of CHF 17,750 will be paid out (CHF 83,250 for the Chairman of the Executive Management). Where the amount in excess of the 8.0 percent earnings margin is between CHF 0 and CHF 4.0 million, the additional amount to be paid out will be 0.13 percent (0.7 percent for the chairman of the Executive Management). Where the amount in excess of the 8.0 percent earnings margin is between CHF 4.0 million and CHF 36.0 million, the share to be paid out will increase in intervals of CHF 4.0 million each from 0.13 percent to 0.4 percent (from 0.7 to 1.6 percent for the Chairman of the Executive Management). In this context, for every interval increment of CHF 4.0 million, the relevant applicable percentage rate applies. Starting from the amount of CHF 36.0 million, for each additional interval of CHF 4.0 million, an additional share to be paid out will remain constant at 0.4 percent (1.6 percent for the Chairman of the

Executive Management). Payment in cash of the share in profits will take place after publication of the Tamedia consolidated annual earnings statement. The shares will be allocated in the accounting year in which they were acquired. The number of shares allocated will be determined on the basis of an average share price over the last 30 days prior to 31 December of the accounting year in question. The shares will be transferred under the condition that the employment relationship of the employee in question was not terminated by said employee before 31 December of the third year after the accounting year in which the entitlement to have the shares allocated arose.

### **Expenses and In-Kind Performance**

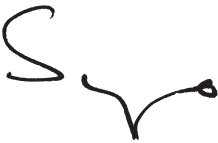
Members of the Board of Directors and the Executive Management each month receive a lump-sum amount that covers all expenses up to CHF 50. In addition, the applicable expense regulations to which all employees are subject also apply. Tamedia does not make company cars available. For voluntarily contributed payments in kind provided by the undertaking such as free newspapers or newspaper subscriptions or gifts for length of service, the same rules apply as for all other employees.

### **Social Insurance**

The Chairman of the Board of Directors and the Chairman and members of the Executive Management will be insured against old-age, death and invalidity in accordance with the usual social insurance legislation.

## **6. Miscellaneous**

On behalf of the Board of Directors



Dr Pietro Supino  
Chairman

Annexes:

- Return envelope
- Registration card and proxy form with possibility to order the 2013 summary report.



## **Organisational Information**

### **Company report, auditor's report, and report of the consolidated financial statement auditor**

The Company report, comprising the annual report, the annual financial statement and the consolidated financial statement as of 31 December 2013, as well as the auditor's reports, will be available for review by shareholders as of 13 March 2014 at the reception of our corporate headquarters (Tamedia AG, Werdstrasse 21, 8004 Zurich), and will be sent to shareholders upon request. The complete Company report is moreover available for download on Tamedia AG's website.

### **Entry card, voting documents, and representation**

Shareholders registered in the share register as being entitled to vote will obtain a registration card together with the invitation to the general shareholders' meeting (with proxy form, see below). We kindly ask that you return the registration card as early as possible before 4 April 2014. This makes it easier for us to prepare the general shareholders' meeting. The entry cards and voting documents will be sent by the SIX SAG share register upon receipt of the registration card.

### **Authorisation to vote at the general shareholders' meeting**

Those shareholders entered in the share register with voting rights as of 4 April 2014 will be entitled to vote at the general shareholders' meeting on 11 April 2014. The share register will be closed on 4 April 2014 at 17:00 hrs. Non-shareholders may participate in the general shareholders' meeting without voting rights by means of a visitor card.

### **Personal participation at the general shareholders' meeting**

In order to enter the general shareholders' meeting, the entry card, together with the voting cards or the visitor card, must be shown before 9:30 hrs. Counters open at 08.30 hrs. Please note that the entry card may not be separated from the voting cards and must be shown together with the latter at the entry counters for validation.

### **Early departure from the general shareholders' meeting**

In the event that you should leave the general shareholders' meeting early, we kindly ask that you show any unused voting material at the exit, so that we can correctly determine the number of shareholders present.

### **Representation at the general shareholders' meeting / granting of proxies**

Shareholders who do not intend to participate in the general shareholders' meeting can allow themselves to be represented by a third party (proxy), who does not need to be a shareholder. Sole proprietorships, partnerships and legal persons can be represented by authorized signatories, minors or wards by their statutory representative or such representative as appointed by the guardianship authority. The same applies for other forms of statutory representation or representation ordained by the guardianship authority.

In addition, each shareholder has the possibility of having his shares represented by Dr iur. Gabriela Wyss, Wyss & Häfeli Attorneys-at-law, Dufourstrasse 95, 8008 Zurich, in their capacities as independent shareholder representatives. In order to grant a proxy, the proxy form is to be used, which can be found on the registration or entry card.

Dr Gabriela Wyss will vote in accordance with the instructions you provide to her. Where no written instructions have been provided, she will vote in accordance with the proposals of the Board of Directors. In the event that Dr Gabriela Wyss is prevented from attending the general shareholders' meeting, Mr Martin Basler, Law and Notarial Office of Basler Brunner, Weiherstrasse 1, 4800 Zofingen will act as her representative.

### **Electronic distance voting by means of proxies and instructions to the independent voting proxy**

Shareholders can now participate in voting and elections by way of electronic distance voting through proxies and instructions to the independent voting proxies. You will find the necessary information and login-in details in the enclosure. Electronic participation or any changes of instructions provided electronically are possible until 8:00 hrs. on 10 April 2014 at the latest. The shareholder's basic

decision on whether or not to participate electronically can, for practical reasons, be reversed one time in favour of personal participation or participation by a third party by the latest four days prior to the general shareholders' meeting. If electronic proxies or instructions are issued, it is no longer possible for a shareholder to exercise voting rights at the general shareholders' meeting.

#### Additional information

Parking spaces around Tamedia and in the nearby parking garages City, Gessnerallee, and Stauffacher-tor are heavily occupied. We therefore recommend that you use public transport. You can reach Tamedia from Zurich main station using tram lines 3 or 14 (until Stauffacher) or with the SZU train (until the Zurich Selnau station).

#### Situation map

