



Extraordinary Shareholders'  
General Meeting of Tamedia Ltd  
Invitation with agenda items and  
motions by the Board of Directors

Friday, 20 December 2019, 9.00 hours  
Headquartes of Tamedia Ltd, Werdstrasse 21, 8004 Zürich

**To the shareholders of Tamedia Ltd**

**Zurich, 26 November 2019**

Dear Sir/Madam,

We hereby invite you to attend the

**extraordinary General Shareholders' Meeting of Tamedia Ltd**

**on Friday, 20 December 2019 at 09.00 hours at the headquarters of Tamedia Ltd at Werdstrasse 21, 8004 Zurich.**

The company name and purpose of Tamedia Ltd are to be changed in relation to the previously announced creation of a new organisational structure. At the same time, the Board of Directors will be proposing various other amendments to the Articles of Association.

Attendees may register and gain entry from 08.15 hours onwards. Please find enclosed the details of the organisational arrangements along with an information sheet containing instructions on how to access an electronic platform through which you can issue a proxy and instructions to the independent representative of voting rights. Votes will be cast in the ordinary manner, i.e. using coded coupons marked "yes", "no" or "abstain". "No" votes and abstentions will be recorded for each vote by employees of Computershare Switzerland Ltd using hand scanners.

**Agenda and motions of the Board of Directors**

**1. Change of the company name**

**A Motion**

The Board of Directors proposes to the General Shareholders' Meeting that the company name be changed and accordingly that Article 1 of the Articles of Association be amended as follows (changes marked):

(Unofficial translation of German original; only German text is binding)

	Article 1
Company name, registered office	<p>Under the company name</p> <p style="text-align: center;"><del>Tamedia</del><b>TX Group</b> AG (<del>Tamedia</del><b>TX Group</b> SA; <del>Tamedia</del><b>TX Group</b> Ltd)</p> <p>a company limited by shares has been incorporated with registered office in Zurich.</p>

## B Comments

The Group is consolidating its operations under the company name TX Group Ltd in order to emphasise the autonomy of the four lines of business of Paid Media (Tamedia), Free Media (20 Minuten), Advertising Marketing (Goldbach) and Classifieds & Marketplaces (TX Markets).

## 2. Changes to the purpose

### A Motion

The Board of Directors proposes to the General Shareholders' Meeting that the purpose be changed and accordingly that Article 2 of the Articles of Association be amended as follows (changes marked):

(Unofficial translation of German original; only German text is binding)

	Article 2
Purpose	<p>The purpose of the Company is <del>to conduct all activities</del> <b>the manufacture and distribution of products in particular</b> in the field of media and information procurement, <b>in the area of media marketing and digital marketplaces and in similar lines of business</b> and to be active particularly in the publishing, electronic media and graphic industries.</p> <p>The Company may in addition buy, hold and sell equity interests, <del>in particular in the field of media and information procurement</del> <b>of all types</b>.</p> <p>The Company may carry out all transactions directly or indirectly related to the corporate purposes mentioned above, including the acquisition and the sale of real estate.</p>

## B Comments

The amended purpose of TX Group Ltd reflects the variety of offers and services within the Group.

## 3. Changes to provisions governing remuneration

### A Motion

The Board of Directors proposes to the General Shareholders' Meeting that the arrangements for approving remuneration and the principles of remuneration be simplified and accordingly that Article 26(1)(c) and (d) and Article 28 of the Articles of Association be amended as follows (changes marked). Further changes, which also affect *inter alia* Article 26(1) and Article 28, including in particular the renaming of the Executive Board as the Management Board, are covered by the general changes to the Articles of Association proposed under agenda item 4):

(Unofficial translation of German original; only German text is binding)

	Article 26(1)(c) and (d)
Approval of remuneration	The General Shareholders' Meeting shall hold a separate vote

	<p>each year to approve the total amounts resolved upon by the Board of Directors either in advance or retrospectively for the period of time designated by it in the motion concerning</p> <p>a) ...;</p> <p>b) ...;</p> <p>c) the <del>fixed</del> remuneration of the members of the Executive Board, <b><u>whereby the Board of Directors may also subdivide this total amount into an amount for fixed remuneration and an amount for variable remuneration and present motions to this effect to the General Shareholders' Meeting separately for approval.</u></b></p> <p>d) <del>the variable remuneration of the members of the Executive Board.</del></p>
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	Article 28
Remuneration of the Executive Board	<p>The members of the Executive Board shall receive fixed and variable remuneration. The fixed remuneration shall be comprised of basic compensation (salary) and additional remuneration elements. The variable remuneration <del>may be comprised of a participation in the result and/or a share of profits and/or a long-term bonus plan</del> <b><u>shall be conditional upon the fulfilment of quantitative and/or qualitative targets of a short- and/or long-term nature. Quantitative targets may relate to the group and/or to individual areas of business, whilst qualitative targets shall constitute personal targets.</u></b> The total remuneration for each member shall take account of the function and level of responsibility of the recipient and comparisons with competitors and other sectors.</p> <p><del>The participation in the result shall be determined with reference to quantitative and qualitative targets which take account of (i) the result of the Tamedia Group and/or (ii) the result of individual areas of business and/or (iii) personal targets. As a rule, the participation in the result shall be comprised of cash remuneration elements.</del> <b><u>The variable remuneration may comprise a cash element and/or a share element that shall be subject to appropriate conditions governing vesting, exercise, forfeiture and/or performance.</u></b></p> <p><del>Shares of profits shall be determined with reference to the result of the Tamedia Group. As a rule, shares of profits shall be comprised entirely or partially of shares, which shall be associated with reasonable conditions governing vesting, exercise, forfeiture and/or performance.</del></p> <p><del>The long-term bonus plan is intended to support the achievement of a long-term goal. The long-term bonus plan involves a lump-sum payment which is dependent upon the achievement of a defined threshold value or values, determined with reference to one or more benchmarks for individual areas of the</del></p>

	<p><del>business or for the Tamedia Group.</del></p> <p>The Board of Directors shall determine the relevant quantitative and/or qualitative targets, their weighting and their fulfilment in consultation with the appointments and remuneration committee, and, if appropriate, upon the proposal of the chairperson of the Executive Board.</p>
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**B Comments**

The Articles of Association currently provide for a separate vote by the General Shareholders' Meeting concerning the fixed and variable remuneration of the Executive Board. The Board of Directors proposes that it be granted competence to submit these two components of remuneration for a vote either separately or as a whole. The Board of Directors therefore proposes that Article 26(1)(c) of the Articles of Association be amended accordingly and that Article 26(1)(d) be removed.

The principles applicable to the remuneration of the Executive Board should also be streamlined in relation to the introduction of a new Group organisational structure. As a result, there should no longer be any provision for a participation in the result, a share of profits or a long-term bonus plan. The Board of Directors therefore proposes that Article 28 of the Articles of Association be amended accordingly.

**4. General changes to the Articles of Association**

**A Motion**

The Board of Directors proposes that the General Meeting approve the amendments to the Articles of Association described in the **annexed "Amended Articles of Association of Tamedia Ltd"** (unofficial translation of German original; only German text is binding), insofar as not already covered by the motions referred to in agenda items 1 to 3.

**B Comments**

The Board of Directors proposes that general changes be made to the Articles of Association in order to **simplify the organisation and to make terminological adjustments in the course of the structural changes within the Group** (concentration of the Appointments and Compensation Committee on issues relating to remuneration, and the corresponding renaming of the committee, see in particular Articles 22 and 23; abolition of the permanent substitute of the independent representative of voting rights and of the Advisory Board for Media Technology and Innovation; renaming the Executive Board as the Management Board). In addition, the general amendments to the Articles of Association are intended **to take account of legal changes in relation to bearer shares, to ensure adjustments in line with best practice and to make one purely formal alteration** (removal of the possibility to convert registered shares into bearer shares, see the cancellation of Article 3(2); the Board of Directors should normally meet at least four times a year rather than six times, see Article 19(1); revocation of the provision concerning contributions in kind/acquisitions in kind, which is more than 10 years old, see the cancellation of Article 38).

**5. Any other business**

For the Board of Directors

A handwritten signature in blue ink, consisting of a large, stylized 'S' followed by a smaller 'v' and a dot.

Dr Pietro Supino  
Chairman

Enclosures:

- Return envelope
- Registration card with proxy form
- Login information for electronic grant of voting rights

## **Organisational Information**

### **Tamedia Ltd Headquarters**

Attendees may register and gain entry from 08.15 hours onwards. Please note that the hall will be divided into two parts according to participant number.

### **Admission Ticket, Voting Documents and Representation**

Shareholders entered in the share register as being eligible to vote will receive a registration card (with proxy form, see below) together with the invitation to the extraordinary General Shareholders' Meeting. We kindly ask you to return the registration card by Friday, 13 December 2019. The admission tickets and voting documents will be mailed by the Computershare Switzerland Ltd share registry upon receipt of the registration.

### **Eligibility to Attend and Vote at the General Shareholders' Meeting**

The shareholders entered in the share register as being eligible to vote by Thursday, 12 December 2019 are entitled to attend the extraordinary General Shareholders' Meeting on Friday, 20 December 2019. The share register will be closed on Thursday, 12 December 2019 at 13.00 hours. Any unregistered shareholders and accompanying persons may attend the General Shareholders' Meeting, without voting rights, using a guest card.

### **Personal Attendance at the General Shareholders' Meeting**

To be admitted to the extraordinary General Shareholders' Meeting, the admission ticket must be presented together with the voting cards or visitor's card. The admission desks will open at 8.15 hours. Please note that the admission ticket must not be separated from the voting cards. They must be shown together at the admission desk for validation.

### **Early Departure from the General Shareholders' Meeting**

In the event that you should leave the extraordinary General Shareholders' Meeting early, we kindly ask you to present your unused voting materials at the exit so that we may correctly determine shareholder attendance.

### **Representation**

Shareholders may be represented at the extraordinary General Shareholders' Meeting by their legal representative, a third party who does not need to be a shareholder, or by the independent representative of voting rights, *Dr. iur. Gabriela Wyss* (of *Wyss Häfeli Rechtsanwälte*, Freigutstrasse 22, 8002 Zurich).

The independent representative of voting rights will vote in accordance with your instructions. If no instructions have been provided, she will vote in favour of the Board of Directors' proposals. If *Dr. iur. Gabriela Wyss* is unable to attend the General Shareholders' Meeting, Mr Martin Basler (of *Basler Brunner Advokatur Notariat*, Weiherstrasse 1, 4800 Zofingen) will act as her substitute.

The proxy may be granted in writing using the proxy form on the registration card or admission ticket, or electronically in accordance with the enclosed information and log-in details. Shareholders who grant proxies can no longer personally exercise their voting rights at the General Shareholders' Meeting. Electronic participation or any changes to instructions provided electronically will not be accepted after Tuesday, 17 December 2019 at 23.59 hours. For practical reasons, the shareholder's basic decision to participate electronically can be changed one time only to select personal attendance or third-party attendance by no later than 4 days prior to the General Shareholders' Meeting.

### Additional Information

Parking spaces close to Tamedia and in the nearby City, Gessnerallee and Stauffachertor car parks are heavily used. We therefore recommend that you use public transportation. You can reach Tamedia from Zurich Hauptbahnhof by tram lines 3 or 14 (alight at Stauffacher) or by SZU-Bahn (alight at Bahnhof Zürich Selnau).



**Annex to the invitation**

**Amendment of the Articles of Association of Tamedia Ltd**

(Unofficial translation of German original; only German text is binding)

**ARTICLES OF ASSOCIATION**

of

**Tamedia-TX Group AG**

**I. Company Name, Registered Office and Purpose of the Company**

**Article 1**

**Company name,  
registered office**

Under the company name

**Tamedia-TX Group AG**

(Tamedia-TX Group SA; Tamedia-TX Group Ltd.)

a company limited by shares has been incorporated with registered office in Zurich.

**Article 2**

**Purpose**

The purpose of the Company is ~~to conduct all activities~~ the manufacture and distribution of products in particular in the field of media and information procurement, in the area of media marketing and digital marketplace and in similar lines of business and ~~to be active particularly in the publishing, electronic media and graphical industries.~~

The Company may in addition buy, hold and sell equity interests, ~~in particular in the field of media and information procurement~~ of all types.

The Company may carry out all transactions directly or indirectly related to the corporate purposes mentioned above, including the acquisition and the sale of real estate.

## **II. Share Capital and Shares**

### **Article 3**

#### **Share capital**

The Company's share capital amounts to CHF 106,000,000.00 and is divided into 10,600,000 fully paid-in registered shares with a nominal value of CHF 10.00 per share.

~~By resolution of the General Shareholders' Meeting the registered shares may be converted at any time into bearer shares and bearer shares into registered shares.~~

### **Article 4**

#### **Shares**

The Company issues its shares in the form of individual certificates, share certificates, global certificates or uncertificated securities. The Company may, subject to compliance with the requirements laid down by law, convert shares issued in one of these forms into another form at any time without the approval of the shareholders.

Shareholders shall have no entitlement for shares issued in one particular form to be converted into another form. However, each shareholder may request at any time that the Company issue an attestation relating to the registered shares held by him or her, as stated in the share register.

The transfer of intermediated securities the underlying assets of which are shares of the Company and any posting of collateral against such intermediated securities shall occur in accordance with the provisions of the Swiss Intermediated Securities Act. Intermediated securities may not be assigned.

## Article 5

**Share register, restriction on entry, nominees** The Company shall keep a share register in which the owners and usufructuaries of registered shares are registered along with their full name, place of residence, address and nationality (registered office for legal entities). Statutory usufructuaries, legal representatives of minors etc. who are not shareholders, but who are vested with voting rights in relation to a share according to law shall, upon application, be noted in the share register. Upon request, the Company shall issue to registered shareholders a confirmation of their shareholding in accordance with the share register.

The voting rights associated with the shares and related rights may only be exercised by persons who have been entered into the share register as shareholders, usufructuaries or nominees with voting rights and by persons vested with statutory voting rights in relation to a share. The foregoing shall be without prejudice to Article 12 paragraph 2.

Shares shall be indivisible. The Company shall recognise only one representative per share.

Upon request, the transferees of registered shares shall be entered into the share register as shareholders with voting rights, provided that they expressly declare that they have acquired the shares in their own name and on their own account.

The Board of Directors may refuse to register the transferee as a shareholder or usufructuary with voting rights if the number of shares held by him or her exceeds 5% of the total number of shares indicated in the Commercial Register. Legal entities and partnerships that are associated with or related to one another by virtue of capital ownership or voting rights, common management or in any other manner, and natural persons, legal entities and partnerships that act jointly or in a coordinated manner by common agreement or for the purpose of circumventing this provision shall be regarded as one single (1) person.

Shareholders who were entered in the share register on 14 September 2000 or transferees related to such shareholders shall be exempt from this restriction on entry.

The Board of Directors may enter nominees into the share register with voting rights in respect of up to a maximum of 3% of the share capital recorded in the Commercial Register. Nominees are persons who do not explicitly declare in the application for entry that they are holding the shares on their own account. The Board of Directors may register nominees in the share register with voting rights in respect of more than 3% of the share capital recorded in the Commercial Register, provided that the respective nominee informs the Company of the names, addresses and shareholdings of the persons on whose account he or she holds 0.5% or more of the registered share capital recorded in the Commercial Register. The Board of Directors shall conclude agreements with such nominees to determine, *inter alia*, the representation of the shareholders and the voting rights.

After hearing the registered shareholder or nominee, the Board of Directors may cancel entries in the share register retroactively to the date on which they were made if they were made using false information. The person concerned must be informed of the cancellation immediately.

## Article 6

### **Subscription right**

In the event that the share capital is increased and new shares are issued, the previous shareholders shall have a subscription right in proportion to the nominal value of their previous equity interest.

If the share capital is increased, the General Shareholders' Meeting may resolve to adopt other rules concerning entitlement to subscription rights if there is good reason to do so, and may in particular allocate all or part of the newly issued shares to non-shareholders. A good reason shall be deemed to include in particular the taking over of undertakings, parts of undertakings or equity interests and employee participation and the expansion of the shareholder base by way of national or international share placements. No person may be unduly advantaged or disadvantaged through the revocation of the subscription right.

### **III. Governing bodies of the Company**

#### **A. The General Shareholders' Meeting**

##### **Article 7**

#### **Competence**

The General Shareholders' Meeting shall be the supreme governing body of the Company.

##### **Article 8**

#### **Calling and agenda**

##### **1. Right and duty**

The ordinary General Shareholders' Meeting shall be held annually within months of the end of the financial year. Extraordinary General Shareholders' Meetings shall be called as required. In addition to the external auditors, any shareholder or shareholders representing at least one tenth of the share capital may request in writing that a meeting be called, stating the agenda items and the motions.

##### **Article 9**

#### **2. Form**

The General Shareholders' Meeting shall be called by the Board of Directors by publication of a notice in the Company's publication organs at least 20 days prior to the date of the meeting. Shareholders entered into the share register may also be informed thereof in writing.

The invitation shall state the date, time and location of the meeting, the agenda items and the motions of the Board of Directors and of the shareholders who requested that a General Shareholders' Meeting be held or that certain matters be placed on the agenda.

The annual report, the remuneration report and the external auditor's reports shall be made available to the shareholders for consultation at the Company's registered office at least 20 days prior to the ordinary meeting. Shareholders entered into the share register shall be informed thereof by a notice in a publication organ of the Company.

## Article 10

### 3. Agenda

Shareholders cumulatively representing shares with a nominal value of CHF 1,000,000.00 may request that a particular matter be included on the agenda for discussion. The inclusion of an item on the agenda must be requested in writing at least 60 days prior to the meeting, indicating the agenda item and the motions proposed by the shareholders.

No resolutions may be passed in relation to agenda items that have not been duly announced, with the exception of proposals to call an extraordinary General Shareholders' Meeting or conduct a special audit.

## Article 11

### Inalienable powers

The General Shareholders' Meeting shall have the following inalienable powers:

1. to determine and amend the Articles of Association;
2. to appoint the members of the Board of Directors and its chairperson and the members of the ~~appointments and compensation re-~~  
~~muneration~~ committee;
3. to elect the external auditor;
4. to elect the independent representative of voting rights ~~and his or~~  
~~her substitute~~;
5. to approve the management report and the consolidated accounts;
6. to approve the annual accounts and resolutions concerning the use of the balance sheet profit;
7. to approve the remuneration of the Board of Directors, ~~the Advisory Board~~, and the ~~Executive Board~~ Management Board in accordance with these Articles of Association;
8. to discharge the members of the Board of Directors;
9. to resolve on the motions of the Board of Directors, the external auditor and individual shareholders;
10. to pass resolutions concerning the matters reserved to the General Shareholders' Meeting by law or the Articles of Association or those submitted to it by the Board of Directors.

## Article 12

### Voting rights and representation

Subject to paragraph 3 of this Article, each share entitles its holder one vote at the General Shareholders' Meeting.

Each shareholder may arrange by written power of attorney to be represented at the General Shareholders' Meeting by a third party, who need not be a shareholder, or pursuant to a written or electronic power of attorney by the independent representative of voting rights. The chairperson shall decide whether to recognise such powers of attorney.

A shareholder may exercise voting rights directly or indirectly for his or her own shares and for other shares represented, up to a maximum of 5% of the total number of shares indicated in the Commercial Register, or make arrangements to this effect. In this respect, legal entities and partnerships that are related to one another by virtue of capital ownership or voting rights, common management or in any other manner, and natural persons, legal entities or partnerships that act jointly or in a coordinated manner by common agreement or for the purpose of circumventing this provision shall be regarded as one single (1) person.

The following persons shall be exempted from this restriction on voting rights

1. the independent representative of voting rights ~~and his or her substitute~~ and
2. shareholders entered into the share register as holding more than 5% of the voting rights.

## Article 13

### Independent representative of voting rights

The General Shareholders' Meeting shall elect the independent representative of voting rights ~~and his or her substitute~~ for a term in office which shall expire upon conclusion of the next ordinary General Shareholders' Meeting. Re-election is permitted.

## Article 14

### **Resolutions and elections**

The General Shareholders' Meeting shall pass resolutions and conduct elections by an absolute majority of the voting shares represented.

If an election cannot be completed on the first ballot and more than one candidate is up for election, a second ballot shall be conducted, at which the relative majority shall decide.

Elections and votes shall be conducted by a show of hands or electronically, unless the General Shareholders' Meeting decides to hold a written ballot or if so ordered by the chairperson.

A resolution by the General Shareholders' Meeting shall require at least two-thirds of the votes represented and an absolute majority of the nominal value of shares represented for:

1. any amendment of the Company's purpose;
2. the introduction of shares with preferential voting rights;
3. any restriction on the transferability of registered shares;
4. an authorised or conditional capital increase;
5. a capital increase funded by equity capital, against contributions in kind or to fund acquisitions in kind and the granting of special privileges;
6. any restriction or cancellation of the subscription right;
7. the relocation of the Company's registered office;
8. the dissolution of the Company.

## Article 15

### **Meeting location**

The General Shareholders' Meeting shall normally be held at the Company's registered office. The Board of Directors is entitled to designate an alternative location for the meeting.

## Article 16

### Chair, minutes

The General Shareholders' Meeting shall be chaired by the chairperson or, if he or she is unavailable, by another member of the Board of Directors.

The chairperson shall designate the teller or tellers and the secretary, who need not be shareholders.

Minutes shall be kept of the General Shareholders' Meeting, which must be signed by the chairperson and the secretary and shall contain in particular the following information:

1. the quantity, type, nominal value and class of shares represented by the shareholders and the independent representative of voting rights;
2. resolutions and the results of elections;
3. requests for information and the answers provided in response;
4. declarations made by shareholders for the record.

### B. The Board of Directors

## Article 17

### Composition, election, term in office

The Board of Directors shall be comprised of at least 5 members, each of whom - including the chairperson - shall be elected to a term in office expiring upon the conclusion of the next ordinary General Shareholders' Meeting. Re-election is permitted. If replacement elections are held during the term in office, the newly elected officials shall serve out their predecessors' term in office. If the office of the chairperson is vacant, the Board of Directors shall appoint one of its members as chairperson until the conclusion of the next ordinary General Shareholders' Meeting.

## Article 18

### Constitution

Subject to the election of the chairperson and the members of the ~~ap-  
pointments and compensation remuneration~~ committee by the General

Shareholders' Meeting, the Board of Directors shall organise its own internal affairs. It shall appoint a secretary, who need not be a member of the Board of Directors.

### Article 19

#### Calling, chair

The Board of Directors shall meet upon invitation by the chairperson or, if he or she is unavailable, by another Board member whenever business requires this or whenever requested by a member, but as a rule at least ~~six~~four times a year.

The Board of Directors shall be chaired by the chairperson or, if he or she is unavailable, by another member of the Board of Directors.

### Article 20

#### Resolutions, minutes

The Board of Directors shall be quorate if attended by a majority of its members. No quorum for attendance shall be required if a capital increase that has already been implemented is to be documented and the resulting amendments to the Articles of Association are to be resolved upon.

The Board of Directors shall pass resolutions and conduct elections by a majority of the votes cast. In the event of a tie, the chairperson shall have a casting vote.

Resolutions may also be adopted by telephone or video conference and, unless a member requests an oral discussion, either in writing or by fax / electronic data transmission, as applicable.

Minutes shall be kept of discussions and resolutions and must be signed by the chairperson and the secretary.

### Article 21

#### Non-transferable duties

The Board of Directors shall have the following non-transferable and inalienable duties:

1. the Company's overall management and the issuing of all necessary directives;
2. the determination of the Company's organisation;
3. the organisation of the accounting, financial control and financial planning systems;
4. the appointment or removal of persons entrusted with business management and representation and the determination of their authority to sign;
5. overall supervision of the persons entrusted with managing the Company, also with regard to compliance with the law, Articles of Association, operational regulations and directives;
6. compilation of the annual report and the remuneration report and preparation for the General Shareholders' Meeting and implementation of its resolutions;
7. notification of the courts in the event that the Company is over-indebted;
8. the adoption of resolutions concerning an increase in the share capital, insofar as this falls within the competence of the Board of Directors, as well as the documentation of capital increases and the corresponding changes of the Articles of Association.

The Board of Directors shall moreover be empowered to resolve in relation to all matters save for those that have been transferred or reserved to the General Shareholders' Meeting.

The Board of Directors may appoint committees comprised of individual Board members to attend to certain duties. The foregoing shall be without prejudice to Article 22 and Article 23 concerning the ~~appointments and compensation remuneration~~ committee.

~~The Board of Directors may appoint Advisory Boards and determine their duties and competences.~~

## Article 22

### Organisation of the

The ~~appointments and compensation remuneration~~ committee shall be comprised of at least three members of the Board of Directors, each of

**appointments and compensation remuneration committee**

whom shall elected to a term in office expiring upon conclusion of the office expiring upon conclusion of the next ordinary General Shareholders' Meeting. Re-election is permitted. If replacement elections are held during the term in office, the newly elected officials shall serve out the term in office of their predecessors. If the number of members of the ~~appointments and compensation remuneration~~ committee falls below the minimum number of three members, the chairperson shall replace the missing member or members with a member of the Board of Directors until the conclusion of the next ordinary General Shareholders' Meeting.

The ~~appointments and compensation remuneration~~ committee shall organise its own business, insofar as permitted by law and the Articles of Association. The chairperson of the Board shall designate the committee chairperson.

With regard to other matters, the Board of Directors shall direct the organisation of the ~~appointments and~~ remuneration committee through regulations.

### Article 23

**Principles governing the tasks and competences of the appointments and compensation remuneration committee**

The ~~appointments and compensation remuneration~~ committee shall support the Board of Directors in relation to ~~appointments,~~ the determination and review of the compensation systems and targets, ~~successsion planning and the promotion of new talent~~ as well as the preparation of motions for the General Shareholders' Meeting concerning the remuneration of the members of the Board of Directors, ~~the Advisory Board~~ and the Executive Board Management Board.

The ~~appointments and compensation remuneration~~ committee may present proposals to the Board of Directors concerning additional issues relating to compensation.

The Board of Directors may allocate further tasks and competencies to the ~~appointments and compensation remuneration~~ committee ~~in the area of appointments and compensation~~ and may clarify the asks and competences under the Articles of Association.

## Article 24

### **Transfer of management and organisational regulations, signatory power**

The Board of Directors shall be entitled, acting in accordance with organisational regulations, to transfer the management or certain areas thereof to individual members of the Board of Directors or to other natural persons. These regulations shall govern business management, specify the necessary management positions, describe their tasks and regulate in particular reporting requirements.

The Board of Directors shall designate the members of the Board and third parties who are empowered to sign on behalf of the Company with legally binding effect. and it shall determine the manner in which they sign.

### C. External auditor

## Article 25

### **Prerequisites, election, term in office and duties**

The General Shareholders' Meeting shall elect for a term in office of one year an external auditor that complies with the statutory requirements and is independent pursuant to Articles 728 and 729 of the Swiss Code of Obligations. Re-election is permitted. The external auditor may be removed at any time without notice.

The General Shareholders' Meeting may only approve the annual accounts and the consolidated accounts and decide on the allocation of the balance sheet profit if an audit report has been presented and the external auditor is present.

The tasks, rights and duties of the external auditor shall be determined according to law (Article 727 et seq of the Swiss Code of Obligations).

#### **IV. Provisions governing remuneration and related issues**

##### **Article 26**

##### **Approval of remuneration**

The General Shareholders' Meeting shall hold a separate vote each year to approve the overall amounts resolved upon by the Board of Directors either in advance or retrospectively for the period of time designated by it in the motion concerning:

- a) the remuneration of the members of the Board of Directors;
- ~~b) the remuneration of the members of the Advisory Board;~~
- ~~eb)~~ the fixed remuneration of the members of the Executive Board Management Board, whereby the Board of Directors may also subdivide this total amount into an amount for fixed remuneration and an amount for variable remuneration and present motions to this effect to the General Shareholders' Meeting separately for approval;
- ~~d) the variable remuneration of the members of the Executive Board.~~

If the General Shareholders' Meeting has approved in advance a maximum amount for the full or partial remuneration of the ~~Executive Board Management Board~~, during the compensation periods concerned the Company or undertakings controlled by it may designate an additional sum of up to a maximum of 30% of this amount for each compensation period for the full or partial remuneration of each person appointed to the ~~Executive Board Management Board~~ or promoted within the ~~Executive Board Management Board~~.

The Board of Directors may present motions with different effect or additional motions in relation to the periods designated by it for approval by the General Shareholders' Meeting.

The Company or undertakings controlled by it may disburse remuneration prior to approval by the General Shareholders' Meeting, which shall be subject to a requirement of retrospective approval.

##### **Article 27**

##### **Remuneration**

The members of the Board of Directors ~~and the Advisory Board~~ shall be

**of the Board of  
Directors and  
the Advisory  
Board**

paid exclusively fixed remuneration. The fixed remuneration shall be comprised of basic compensation (fee) and may include additional remuneration elements.

**Article 28**

**Remuneration of  
the Executive  
Board Management  
Board**

The members of the ~~Executive Board~~Management Board shall receive fixed and variable remuneration. The fixed remuneration shall be comprised of basic compensation (salary) and additional remuneration elements. The variable remuneration ~~may be comprised of a participation in the result and/or a share of profits and/or a long-term bonus plan~~shall be conditional upon the fulfilment of quantitative and/or qualitative targets of a short- and/or long-term nature. Quantitative targets relate to the group and/or to individual areas of business, whilst qualitative targets shall constitute personal targets. The total remuneration for each member shall take account of the function and level of responsibility of the recipient and comparisons with competitors and other sectors.

~~The participation in the result shall be determined with reference to quantitative and qualitative targets which take account of (i) the result of the Tamedia Group and/or (ii) the result of individual areas of business and/or (iii) personal targets. As a rule, the participation in the result shall be comprised of cash remuneration elements. The variable remuneration may comprise a cash element and/or a share element that shall be subject to appropriate conditions governing vesting, exercise, forfeiture and/or performance.~~

~~Shares of profits shall be determined with reference to the result of the Tamedia Group. As a rule, shares of profits shall be comprised entirely or partially of shares, which shall be associated with reasonable conditions governing vesting, exercise, forfeiture and/or performance.~~

~~The long-term bonus plan is intended to support the achievement of a long-term goal. The long-term bonus plan involves a lump-sum payment which is dependent upon the achievement of a defined threshold value or values, determined with reference to one or more benchmarks for individual areas of the business or for the Tamedia Group.~~

The Board of Directors shall determine the relevant quantitative and/or

qualitative targets, their weighting and their fulfilment in consultation with the ~~appointments and compensation~~ remuneration committee and, if appropriate, upon the proposal of the chairperson of the ~~Executive Board-~~ Management Board.

## Article 29

**Common principles applicable to remuneration for the Board of Directors, the ~~Advisory Board~~ and the ~~Executive Board~~ Management Board**

Remuneration may be disbursed in the form of cash, shares, benefits in kind or services. Remuneration may also be disbursed to members of the ~~Executive Board~~ Management Board in the form of options, comparable instruments or units.

The amount of remuneration shall reflect the market value of the remuneration at the time it is allocated.

The Board of Directors or, if such powers have been delegated to it, the ~~appointments and compensation~~ remuneration committee, shall determine the market value of the remuneration at its reasonable discretion and shall determine the conditions applicable to allocation, vesting, exercise and forfeiture insofar as applicable. These may stipulate in particular that conditions governing vesting and exercise may continue to apply or may be curtailed or revoked, that remuneration may be paid in the event that certain targets are met or that remuneration may be forfeited in the event of the occurrence of events specified in advance, such as a change in control or the termination of an employment relationship or appointment.

The Company or undertakings controlled by it may acquire on the market the shares required in order to comply with its duties or, if available, make such shares available using the Company's contingent capital.

The remuneration may be paid by the Company or by undertakings controlled by it.

## Article 30

**Contracts concerning**

The Company may agree upon remuneration with the members of the Board of Directors, ~~the Advisory Board~~ and the ~~Executive Board~~

**remuneration** Management Board either directly or through undertakings controlled by it. The maximum term or notice period for such contracts amounts to 3 years, unless any shorter periods are prescribed by law.

### Article 31

**Permitted activities outside the Group** No member of the Board of Directors may accept more than ten additional appointments, including no more than five in companies listed on the stock exchange.

~~No member of Advisory Board may accept more than twenty additional appointments.~~

No member of the ~~Executive Board~~Management Board may accept more than five additional appointments, including no more than one in a company listed on the stock exchange.

Appointments to businesses controlled by the Company or that control the Company are not subject to this limitation.

Appointments shall include appointments to the highest management or administrative body of a legal entity that must be entered into the Commercial Register or into an equivalent foreign register. Appointments to different legal entities under uniform control or with the same economic beneficiary shall be regarded as one single appointment.

### **V. Annual report, management report, distribution of profits and reserves**

### Article 32

**Financial year** The Board of Directors shall determine the start and end of the financial year.

### **Article 33**

**Accounting rules** The Board of Directors shall determine the applicable accounting rules and decide in situations in which these rules provide for different options.

### **Article 34**

**Annual report** The Board of Directors shall draw up an annual report for each financial year, which shall be comprised of the annual accounts (consisting of a profit and loss statement, cash flow statement, balance sheet and notes), the management report and the consolidated accounts. If consolidated accounts are to be drawn up according to a recognised standard of accounting, the cash flow statement and the management report may be dispensed with.

### **Article 35**

**Reserve funds by statute and the Articles of Association** Subject to statutory provisions concerning further allocations to the reserves, and without prejudice to Article 671 and 677 of the Swiss Code of Obligations, the balance sheet profit may be disposed of freely by the General Shareholders' Meeting.

The General Shareholders' Meeting may resolve to create special reserves in addition to the statutory reserve, which may be disposed of freely by it.

## **VI. Dissolution and Liquidation**

### **Article 36**

**Liquidation** The General Shareholders' Meeting may resolve at any time to dissolve and liquidate the Company according to law and the Articles of Association.

Liquidation shall be conducted by the Board of Directors unless resolved otherwise by the General Shareholders' Meeting. With regard to other matters, dissolution and liquidation shall be governed by Articles 736 et seq of the Swiss Code of Obligations.

## **VII. Announcements**

### **Article 37**

**Announcements** The publication organ for official announcements by the Company is the Swiss Official Gazette of Commerce. The Board of Directors is empowered to designate further publication organs.

## **VII. Contribution in kind, acquisition in kind**

### **Article 38**

**Contribution in kind / acquisition in kind** In accordance with the contract concerning the contribution in kind/acquisition in kind of 1 October 2007, the company has acquired 880,000 registered shares of the ESPACE MEDIA GROUPE, Bern, on the occasion of the capital increase of 1 October 2007 with a nominal value of CHF 1.00 each, with the total value and for the total price of CHF 313,000,000.00 from the shareholders of the ESPACE MEDIA GROUPE, Bern specified in the contract concerning the contribution in kind/ acquisition in kind of 1 October 2007. The price of CHF 313,000,000.00 has been redeemed by allocating to the persons providing the contribution in kind 600,000 registered shares with a nominal value of CHF 10.00 each and by payment of the remaining price amounting to CHF 205,000,000.00 to the persons providing the contribution in kind in accordance with the contract concerning the contribution in kind/acquisition in kind of 1 October 2007.