

Invitation

*to the Annual General Meeting
of Valora Holding AG*

Wednesday, 7 May 2014, 3:00 pm
Messe Basel
Congress Center, Montreal Room
Messeplatz, Basel
(doors open at 2:00 pm)

valora



Dear Shareholder

While in 2012 the key drivers of growth for Valora were mainly its acquisitions, in 2013 it was paramount to consolidate and integrate the new companies. The integration of Ditsch/Brezelkönig was completed successfully, a new impulse was given and the business as a whole was developed further. The integration process of Convenience Concept in Germany proved more demanding, mainly due to the significant growth experienced by the German Retail organisation. For Valora Retail, overall market conditions remained challenging due to the continuing decline of the press market. The further expansion of the food product range was a key initiative to address this issue and has already shown increasingly positive effects. While shrinking press volumes continue to weigh on Valora Services, the success of its third-party logistics busi-

ness enabled the division to stabilise results for the first time. Valora Trade came under substantial pricing pressure in its core markets and will need to continue working on securing its margins.

Valora also laid a new foundation at the personnel level. In nominating Michael Mueller as the Group's new CEO and Tobias Knechtle as its new CFO, Valora has not only added to the strength and expertise of its management team, but has also ensured continuity. Rolando Benedick steps down from his dual mandate as Board Chairman and CEO and will devote his full attention to his role as Chair of Valora's Board of Directors.

Over the last two years, Valora has made a number of strategically important decisions and taken major steps to consolidate its leading position in small-outlet retail at heavily frequented locations in German-speaking Europe. Thanks to its acquisition of Ditsch/Brezelkönig, the Group has been able to establish a foothold in the market for food and beverages for immediate consumption. It is this business area that will be Valora's key growth driver in the years ahead. At Valora Retail Switzerland, the extended food range at the 111 remodelled, respectively newly built kiosks achieves first successes in compensating the continuing decline in press margins. This approach will be continued, pointing the way forward not only for kiosk in Switzerland, but also for the Convenience Concept integration in Germany and the development of the other German outlets. Valora Services is about to embark on a significant reorganisation. It is the Group's objective to relinquish control of the division in 2014. The preparatory work for the divestment has been completed and intensive negotiations are currently under way. Valora Trade has initiated the streamlining of its business portfolio and made appro-

appropriate changes to its organisational structure with a view to enhancing its profitability. The division's strategic review of its individual business areas is not yet complete, however.

Valora Group

In summary, the Valora Group achieved good results in 2013, mainly thanks to Retail Switzerland's substantial improvement in earnings, the successful integration of Ditsch/Brezelkönig and the stabilisation in Services and Trade. External sales increased by 2.5 percent. Particularly pleasing is the improvement in the Group's reported operating profit of nearly 36 percent. This includes CHF +9.1 million in positive effects, principally due to IAS 19 adjustments, as well as CHF -4.7 million in negative non-recurrent charges. These were attributable to the reorganisation of Trade, the integration of Convenience Concept and the preparations for the handover of control of the Services division. The Group's net profit increased CHF +15.7 million to CHF 54.1 million.

Valora's ability to generate cash is a particularly positive aspect of 2013. Operating cash flow increased, not least due to the significantly lower capital commitment in net current operating assets, in part as a result of portfolio adjustment effects and the optimisation of the Trade division's net working capital. The Group's free cash flow was doubled to CHF 86 million.

Valora's long-term financing strategy aims at securing liquidity, optimising funding costs, and diversifying the range of financial instruments, investor base and the maturity profile of its liabilities. Valora applied those policies in 2013, when it executed two funding operations to carry out a partial refinancing of its CHF 400 million Ditsch/Brezelkönig acquisition. The first step was the

successful placement of a CHF 120 million perpetual hybrid bond issue, followed by the successful placement of a EUR 150 million bonded-loan placement. With this, Valora ensures a sound mix of financing instruments and investors, a balanced maturity profile and optimised financing costs. Thanks to the results achieved in 2013 and the IFRS requirement to allocate the hybrid bond's proceeds to equity, the Group could significantly strengthen the equity ratio (+8.9 percent), now nearly 45 percent, while the Group's net debt was improved to 1.6 x EBITDA.

Valora Retail

At the divisional level, Valora Retail increased its net revenues by +1.9 percent. The investments in the Swiss kiosk network and the effect of the acquisitions over the full-year had positive impacts. The most significant progress in 2013 was made by Retail Switzerland. The new kiosk concept is ideally suited to react to new customer needs. Focus on food and services led to increased gross profits and thus the profitability of the Swiss business, partly offsetting the effects of the delay in integrating Convenience Concept and the related negative one-time effects incurred in Germany. Valora Retail's operating profit margin for 2013 is around 2 percent, a stable development compared to the 2012 performance adjusted for the book-value loss on the HHM sale.

Ditsch/Brezelkönig

Ditsch/Brezelkönig's retail sales were up +3 percent on the same floor space, and the divisions generated revenues of nearly CHF 200 million in its first full year with the Valora Group. Ditsch opened its first store featuring the new, modernised layout design in Mainz, and a number of planned outlet closures were carried out. In March 2014,

Ditsch celebrated the opening of its 200th outlet in Berlin, and is successfully en route with its new concept. In Switzerland, Brezelkönig opened four new branches in 2013, with further openings planned for this financial year, notably in regions such as French-speaking Switzerland. Overall wholesale revenues increased by more than 5 percent, especially with the export business doing well. The operating profit margin is over 13 percent, and is higher in the final quarter of the year than in the previous year. The strong position in the growing market for food and beverages for immediate consumption will be further consolidated, and potential synergies with other retail formats exploited.

Valora Services

The effects of the contraction of the press market were less pronounced in 2013 than in recent years. In Switzerland, revenues declined by 6 percent, in Luxembourg by about 2 percent in local currency. For the first time, results do not include revenues from Services Austria and Sales & Services Switzerland, sold in 2012 and January 2013 respectively. The logistics business for third-party customers performed well, benefiting from substantial growth. Mainly reflecting the sale of low-margin areas and the success in third-party logistics, the division increased its operating profit margin to nearly 4 percent.

Valora Trade

Valora Trade generated slightly higher revenues in 2013 than in 2012. This enabled the division to maintain its advantageous position in the distribution of fast-moving consumer goods and cosmetics, despite a very demanding market environment. Finland has won new Brand Owners and thus reported strong growth revenues. In Switzerland, the measures initiated already in 2012 to reposition the portfolio towards higher-

margin niche markets are beginning to bear fruit. Parallel imports and shopping tourism continue to show negative effects. In Denmark and Sweden, the principal focus is on restructuring and repositioning the portfolio. The smaller country units in Germany, Austria and Norway are implementing a comprehensive set of measures to raise their profitability.

The division's operating profit margin is in line with the previous year, remaining below the division's medium-term objectives. Due to the initiatives taken to streamline the business portfolio and organisational structures, the division could already reduce operating costs. Their full effect, however, will not materialise until 2014 and 2015. The division expects that, in the years ahead, this should have a positive impact on profitability once margins stabilise.

Staff and corporate governance

Valora's management showed, again, a strong performance in 2013, even if faced with a demanding environment. Equal recognition is also due to our staff in all our national markets and business areas for the unflagging commitment they have demonstrated every day – the Board's thanks and recognition go to them all. We would also like to express our gratitude to our customers and business partners for the constructive manner in which they have worked with us.

Valora can only be successful if the company conducts itself as a trustworthy, cooperative and transparent business partner. To ensure this, we rely on our Code of Conduct and make certain we are oriented towards leading industry standards. Since 1 January 2014, the Swiss Federal Ordinance against Excessive Compensation at Listed Companies has been in force. Valora already meets

a substantial part of these requirements and has decided to recommend that the 2014 Ordinary General Meeting of Shareholders already approve further necessary changes to Valora's articles of incorporation. The proposals include provisions for shareholders to vote in advance on the maximum remuneration paid to the Board of Directors and to Group Executive Management. If these proposed changes are accepted, the 2015 Ordinary General Meeting will provide shareholders with their first opportunity to cast a prospective vote on the overall remuneration paid to the Board between then and the 2016 Ordinary General Meeting, and a binding vote on the remuneration paid to Group Executive Management in the 2016 financial year. Shareholders' annual approval of Group Executive Management's overall remuneration will encompass both fixed remuneration and the maximum variable short-term and long-term remuneration paid out under the relevant incentive schemes, if the Group's performance in a given year is particularly successful. Actual disbursements will then depend on the extent to which Group Executive Management meets its objectives, and can thus ultimately be lower than what was previously approved by shareholders.

Further proposed changes to the articles of incorporation in connection with this ordinance relate to the new role of the Ordinary General Meeting and the direct, additional election of the Chairman of the Board of Directors, the members of the Nomination and Compensation Committee and the independent shareholders' representative. There are also proposals on tasks and competencies of the Nomination and Compensation Committee and the number of mandates which Board members and members of Group Executive Management may hold outside Valora, as well as on the principles governing performance-related pay for members of Group Executive Management.

The dual mandate for Board Chairman and CEO has been suspended with effect from 1 March 2014, and both functions are now once again separate. The remuneration system for the Board of Directors has been adjusted and a new remuneration system for Group Executive Management is also planned. The current remuneration system for Group Executive Management rewards both short-term successes as well as long-term performance and sustainable value generation for our customers, business partners and shareholders. The long-term component comprises Valora shares, so as to ensure that management's interests are as closely aligned as possible with those of our shareholders. The new Group Executive Management remuneration model will also continue to reflect Valora's existing performance-based remuneration policies, designed to motivate employees and reward them for outstanding performance, loyalty to Valora and identification with the Group (Pay for Performance). This performance-based remuneration policy is designed, as before, to strengthen Valora's competitiveness in the interests of the company and of our customers, employees and shareholders. At the same time, it aims at aligning the interests of our Management and our shareholders. From 2016, a new long-term performance-related remuneration will replace the current Long Term Plan, which will end in October 2015. It will be based on criteria such as Group or business-area results, the attainment of strategic goals and/or goals relating to the overall market, other companies or other applicable metrics, the creation of long-term, sustainable value, the performance of individual members of Group Executive Management, and Valora's absolute and relative share-price performance.

With effect from the 2014 Ordinary General Meeting, Board members' remuneration will consist solely of a fixed annual fee and a fee for their Board com-

LETTER TO SHAREHOLDERS

mittee mandates. They will also be required to take a part of their fixed fee in Valora shares.

At the forthcoming Ordinary General Meeting, we will have the opportunity of expressing our thanks to Conrad Loeffel, who, after six years of valued service to Valora, will not be standing for reelection to the Board. All the other Board members will be standing for reelection for one-year terms, in accordance with the practice introduced some years ago. We will recommend that Mrs. Cornelia Ritz Bossicard be elected as a new Board member, to succeed Conrad Loeffel.

Outlook

Valora's strategic positioning and the performance of all our staff give us confidence for the medium and the long term. Following the encouraging initial results of our Swiss retail business last year, we are motivated to continue with the modernisation of our kiosk network in 2014 and to invest in the development of our retail service offering. It remains our objective to continue to strengthen our leading position in small-outlet retail. By introducing innovative services and new, high-margin product ranges, we will be able to raise our profitability and make more lucrative use of the press space which is now being freed up. Our excellent network of outlets at heavily frequented locations will remain a significant advantage also in the age of online shopping, offering new scope, for instance as drop-off and collection points for packages. Given the complexities of the integration process involved, the transformation of the Convenience Concept network in Germany will need to proceed at a somewhat slower pace. The growth prospects for Ditsch/Brezelkönig are very substantial. Both Ditsch and Brezelkönig hold unique positions in the immediate consumption market.

As the industry leader in lye-bread products, Ditsch enjoys increasing demand. Thanks to its ultra-modern production facilities, it is able to focus on product innovation for its wholesale customers, thus making the most of attractive growth opportunities in and outside Germany. Valora Services' negotiations are well advanced, both on the future of individual businesses and its overall portfolio, reflecting the keen interest shown by various potential partners. Valora intends to complete the handover of control in 2014. Valora Trade addresses ongoing competitive pressures by systematically pursuing profitability-boosting initiatives. These include further cost cutting, a reduction in the capital its activities require and a strategic review of all business areas.

Efficient and sustainable capital allocation in our core business will remain a key strategic priority for Valora, and we intend to ensure that we continue to optimise our free cash flow. Besides investing in the sustainable maintenance of our infrastructure, we intend to continue making significant growth investments in the transformation of our retail businesses in Switzerland and Germany, and in the expansion of our Ditsch and Brezelkönig outlet networks. Further streamlining of our net working capital requirements and optimisation of our financing costs will also have a positive impact.

We would like to take this opportunity of expressing our gratitude to you, our shareholders, for the confidence you have shown in Valora – we will do our utmost to justify that confidence. We look forward to recommending the approval of a dividend of CHF 12.50 per share, which equates to a payout ratio of 84 percent, at the forthcoming Ordinary General Meeting. This year's dividend payment will be entirely financed from reserves and

will thus not be subject to withholding tax. We are confident that in the medium term, we will be able to adopt a dividend policy based on payout ratios of up to 80 percent of net profit, so that this year's dividend can be regarded as a lower boundary to that range.

Yours sincerely



Rolando Benedick

Chairman of the Board of Directors



Michael Mueller

CEO

INVITATION TO THE ANNUAL GENERAL MEETING OF VALORA HOLDING AG

AGENDA ITEM 1

Approval of the Annual Report, the 2013 Valora Holding AG Annual Financial Statements and the 2013 Valora Group Consolidated Financial Statements

The Board of Directors moves for approval of the Annual Report, the 2013 Valora Holding AG Annual Financial Statements, and of the 2013 Valora Group Consolidated Financial Statements.

AGENDA ITEM 2

Consultative vote of the Remuneration Report 2013

The Board of Directors moves for a consultative vote in favor of the Remuneration Report contained in the Annual Report

AGENDA ITEM 3

Resolution on the appropriation of net income and dividend distribution

The Board of Directors moves for the appropriation of net income as follows and for the distribution of a dividend in the amount of CHF 12.50 per registered share.

3.1 Appropriation of net income

Retained earnings:

	2013
in CHF 000	
Earnings 2013	33,500
+ Retained earnings from preceding year	40,672
Net earnings available to the General Meeting	74,172
Retained earnings	74,172

3.2 Withholding tax exempt distribution out of capital contribution reserves

Distribution of a dividend in the amount of CHF 12.50 per share out of capital contribution reserves (subject to prior requalification of the requisite amount as free reserves):

	2013
in CHF 000	
Capital contribution reserves (before distribution)	99,502
Distribution (subject to prior requalification as free reserves)	-42,945
Capital contribution reserves (subsequent to distribution)	56,557

If the motion is approved, a gross dividend in the amount of CHF 12.50 per dividend-bearing registered share with a par value of CHF 1 will be distributed on or about 14 May 2014.

	2013
Distribution per share (in CHF) out of Reserve (withholding tax exempt)	
Payment (in CHF)	12.50

INVITATION TO THE ANNUAL GENERAL MEETING OF VALORA HOLDING AG

AGENDA ITEM 4

Discharge from liability of the members of the Board of Directors and of the Group Executive Management

The Board of Directors moves for the discharge from liability of the members of the Board of Directors and of the Group Executive Management for the 2013 financial year.

AGENDA ITEM 5

Elections

5.1 Reelection of members of the Board of Directors

The Board of Directors moves for the reelection of the following members of the Board of Directors for a term of office of one year ending with the ordinary General Meeting of 2015:

5.1.1 Reelection of Rolando Benedick

5.1.2 Reelection of Markus Fiechter

5.1.3 Reelection of Franz Julien

5.1.4 Reelection of Bernhard Heusler

5.1.5 Reelection of Peter Ditsch

The reelection of members will be conducted on an individual basis.

Conrad Loeffel has decided, after six years in office, not to stand again as a candidate for the Board of Directors

5.2 Election of a new member of the Board of Directors

The Board of Directors moves for the election of Cornelia Ritz Bossicard as a new member of the Board of Directors for a term of office of one year, ending with the ordinary General Meeting of 2015.

Note: Cornelia Ritz Bossicard was Audit Director and looks back on a career of over 18 years with PricewaterhouseCoopers in Zurich, San José (USA), and Lausanne. Her primary responsibilities included auditing and serving as a consultant to companies and their boards of directors in matters of accounting, internal controls, capital market transactions, and risk management. She is a specialist in the sectors of retail sales and consumer goods, technology, industrial products, and drugs.

Cornelia Ritz Bossicard studied business administration in Lausanne (HEC) and at the Free University of Berlin, and holds a Master of Science degree in business science. She also successfully completed training with the Schweizer Treuhandskammer (Swiss Chamber of Auditors and Tax Experts) as a certified auditor, and with the California Board of Accountancy (USA) as a certified public accountant. Cornelia Ritz Bossicard was born in 1972 and is a Swiss citizen.

5.3 Election of Rolando Benedick as Chairman of the Board of Directors

The Board of Directors moves for the election of Rolando Benedick as Chairman of the Board of Directors for a term of office of one year, ending with the ordinary General Meeting of 2015.

5.4 Election of members of the Remuneration Committee

The Board of Directors moves for the election of the following members of the Remuneration Committee for a term of office of one year, ending with the ordinary General Meeting of 2015:

5.4.1 Election of Franz Julien

5.4.2 Election of Markus Fiechter

5.4.3 Election of Peter Ditsch

The election of members will be conducted on an individual basis.

5.5 Election of the Independent Proxy

The Board of Directors moves for the election of Dr. Oscar Olano, from the law firm of staehelin olano Advokatur und Notariat, as Independent Proxy until the adjournment of the 2015 ordinary General Meeting

5.6 Reelection of the Auditor

The Board of Directors moves for the election of Ernst & Young AG as auditor for the 2014 financial year.

INVITATION TO THE ANNUAL GENERAL MEETING OF VALORA HOLDING AG

AGENDA ITEM 6

Amendment of the Articles of Incorporation

The Board of Directors moves that the General Meeting approve the amendment of the Articles of Incorporation in conformity with the Ordinance against Excessive Compensation in Listed Stock Corporations (OAEC) as outlined in the “Appendix to Agenda Item 6”, which is an integral part of this Invitation.

6.1 Amendments to the existing articles 7, 9, 10, 11, 13, 14, 15, 16, 20, and 21 and inclusion of the new articles 11, 18, 19, and 20 (concerning the sections “Management, Administration and Control” and “Consolidated and Company Financial Statements” and miscellaneous editorial changes) and the resultant renumbering.

6.2 Amendments to the existing article 18 and inclusion of the new articles 24, 25, 26 and 27 (new section on “Remuneration of the Board of Directors and the Executive Management”) and the resultant renumbering.

INVITATION TO THE ANNUAL GENERAL MEETING OF VALORA HOLDING AG

ORGANISATIONAL MATTERS

Requests for additional agenda items

No requests by shareholders for the inclusion of additional items on the agenda were received by the company before expiration of the applicable deadline of 18 March 2014.

Business report

The 2013 business report, including the Valora Holding AG Annual Report, the 2013 Valora Holding AG Financial Statements, the 2013 Valora Group Consolidated Financial Statements, and the Auditors reports are available for consultation beginning 3 April 2014, at the offices of the Company, Hofackerstrasse 40, 4132 MuttENZ, Switzerland. Shareholders may also request delivery of the documents made available for consultation by marking the registration form appropriately. The business report may also be accessed via the Internet, beginning 7:00 am, 3 April 2014, at www.valora.com

Registration/admission card

Shareholders recorded in the share register as holding voting rights as of 17 April 2014 will receive their invitations by mail at their last recorded address in the share register.

Shareholders recorded in the share register as holding voting rights between 18 April and 28 April 2014 will receive their invitations subsequent to such registration.

Registration for attendance at the General Meeting may be made using the "Registration/Proxy Appointment" form. In place of the form it is now also possible for you to register online (electronically). Instructions can be found in the attached "Notes to the Registration and Proxy Appointment Form".

Registration forms must be received by the Company by no later than 28 April 2014, or, for shareholders who receive their invitations at a later date, by no later than 2 May 2014. Admission cards will be sent to the shareholders following registration, beginning on 29 April 2014.

Due to time considerations, it will not be possible for us to send you these documents by mail after 4 May 2014. In

the event that you do not receive your documents, please contact the information desk at the General Meeting, prior to commencement of the meeting. Upon presentation of identification, you will receive your admission card and voting documents at that time.

During the interval from 29 April 2014 to the adjournment of the Annual General Meeting, no new shareholders will be recorded in the share register.

Voting

Voting will be conducted by electronic balloting (televoting).

Proxy appointments

Please use the "Registration/Proxy Appointment" form in order to grant proxy authorization and issue instructions to the Independent Proxy.

Shareholders also have the possibility of granting authorization and issuing instructions to the Independent Proxy electronically. In order to do so, you will require Internet access, an e-mail address, and a mobile telephone to which an SMS code may be sent. Please follow the online instructions at <https://valora.shapp.ch>. For your personal login information (ID and password) for the initial registration please refer to the "Registration/Proxy Appointment" form, at point 3.2. The online options for issuing instructions are the same as those available when using the printed form. Online issuance or modification of electronically issued instructions to the Independent Proxy will be possible up to 5 May 2014.

Speakers

Any shareholder wishing to contribute to the discussion is requested to submit his or her remarks by e-mail to mladen.tomic@valora.com, by no later than 6 May 2014, with full name and address, or to submit such remarks in writing at the speakers lectern immediately prior to commencement of the General Meeting.

MuttENZ, 10 April 2014
For the Board of Directors of Valora Holding AG



Rolando Benedick, Chairman

Attachments

- Registration/Proxy Appointment form
- Notes to Registration and Proxy Appointment form
- Posted-paid envelope
- 2014 Magazine

AMENDMENT OF THE ARTICLES OF INCORPORATION OF VALORA HOLDING AG

AMENDMENT OF THE ARTICLES OF INCORPORATION

AGENDA ITEM 6

Amendments to the Articles of Incorporation in connection with the Ordinance against Excessive Compensation in Listed Stock Companies (OAEC) and editorial changes

The following overview shows the proposed amendments as compared to the existing provisions of the Articles of Incorporation. Only those provisions or parts of provisions are shown for which amendments are proposed, or which are to be newly included in the Articles of Incorporation, as set forth in the proposals listed in item 6 of the agenda. Because of the inclusion of new articles in the Articles of Incorporation the numbering of the following articles must be adapted.

Current version

*Amended version
(Changes emphasized)*

3. MANAGEMENT, ADMINISTRATION AND CONTROL

A. THE GENERAL MEETING

Art. 7 Powers of the General Meeting

The General Meeting has the following inalienable powers:
[...]

5. Electing and dismissing the members of the Board of Directors and the Statutory Auditors.

Art. 7 Powers of the General Meeting

The General Meeting has the following inalienable powers:
[...]

5. Electing and dismissing the **Chairman and the other** members of the Board of Directors, **the members of the remuneration committee**, and the Statutory Auditors, **and the Independent Proxy**.

- 6. Approval of the remuneration of the Board of Directors and the Executive Management.**

Art. 9 Procedure for calling a General Meeting

² The notice of an Ordinary General Meeting shall also indicate that the Annual Report and the Report of the Auditors will be available for inspection at the company's registered office at least 20 days in advance of the meeting, and that any shareholder will immediately be sent a copy of these documents upon request.

Art. 9 Procedure for calling a General Meeting

² The notice of an Ordinary General Meeting shall also indicate that the Annual Report and the Report of the Auditors **as well as the Remuneration Report and the accompanying Audit Review Report** will be available for inspection at the company's registered office at least 20 days in advance of the meeting, and that any shareholder will immediately be sent a copy of these documents upon request.

Art. 10 Voting rights and representation of shares

² A shareholder may be represented at a General Meeting only by their legal representative, by another shareholder attending the General Meeting whose name is entered in the Share Register, by a proxy for deposited shares, by an executive body of the company or by an independent shareholders' proxy.

Art. 10 Voting rights and representation of shares

² A shareholder may be represented at a General Meeting only by their legal representative, by another shareholder attending the General Meeting whose name is entered in the Share Register, ~~by a proxy for deposited shares, by an executive body of the company~~ **or by the an Independent Proxy**.

AMENDMENT OF THE ARTICLES OF INCORPORATION OF VALORA HOLDING AG

Current version	Amended version (Changes emphasized)
[No existing provision]	<p>Art. 11 Independent Proxy</p> <p>¹ The Independent Proxy shall be elected by the General Meeting for a term of one year ending with the adjournment of the next Ordinary General Meeting. Re-election is permitted.</p> <p>² The General Meeting may dismiss the Independent Proxy with effect as per the adjournment of the General Meeting. Where the Company has not appointed an Independent Proxy or where the Independent Proxy is unable to perform his office, the Board of Directors shall appoint an Independent Proxy for the next General Meeting. Authorizations and instructions issued prior to that time shall remain valid, unless the shareholder has expressly given instructions to the contrary concerning his vote.</p> <p>³ The Board of Directors shall make arrangements for shareholders to have the possibility of issuing authorizations and instructions to the Independent Proxy by electronic means. The Board may determine the details.</p> <p>⁴ The Independent Proxy shall exercise the voting rights he represents in keeping with the instructions received. Where he has not received any instructions, he shall abstain from voting.</p>
<p>Art. 11 Voting and elections</p> <p>¹ Unless otherwise stipulated by law or by these Articles of Incorporation, the General Meeting shall pass resolutions and conduct elections by a simple majority of share votes cast, regardless of the number of shareholders present or the number of shares represented. In the event of a tie, the chair of the meeting shall have a casting vote.</p> <p>² All votes and elections shall generally be carried out by a show of hands unless</p> <ul style="list-style-type: none"> – the chair orders a secret ballot or – a shareholder requests a secret ballot and the majority of shareholders present approve this request by a show of hands. 	<p>Art. 11-12 Voting and elections</p> <p>¹ Unless otherwise stipulated by law or by these Articles of Incorporation, the General Meeting shall pass resolutions and conduct elections by a simple majority of share votes cast, regardless of the number of shareholders present or the number of shares represented. Abstentions and invalid votes shall not be counted as votes cast. In the event of a tie, the chair of the meeting shall have a casting vote.</p> <p>² All votes and elections shall generally be carried out by a show of hands unless held using electronic balloting procedures, except where the chair of the meeting orders a secret ballot that balloting be conducted by a show of hands or resolves upon a written ballot or, in the event that electronic balloting is not possible, the General Meeting, upon the motion of a shareholder, resolves upon a written ballot requests a secret ballot and the majority of shareholders present approve this request by a show of hands.</p> <p>³ The chair may order at any time that an election or vote by open or electronic ballot be repeated by an election or vote by written ballot where, in his view, there exists doubt as to the results. In such case, the foregoing election or vote by open or electronic ballot shall be considered as not having taken place.</p>

AMENDMENT OF THE ARTICLES OF INCORPORATION OF VALORA HOLDING AG

<i>Current version</i>	<i>Amended version (Changes emphasized)</i>
<p>Art. 13 Chair, organisation and minutes</p> <p>³ Minutes shall be taken of the General Meeting's proceedings. These minutes shall include:</p> <p>1. the number, type, nominal value and category of the shares represented by executive bodies of the company, by independent shareholders' proxies and by proxies for deposited shares; [...]</p>	<p>Art. 13-14 Chair, organisation and minutes</p> <p>³ Minutes shall be taken of the General Meeting's proceedings. These minutes shall include:</p> <p>1. the number, type, nominal value and category of the shares represented by executive bodies of the company; by shareholders and by the Independent Proxy independent shareholders' proxies and by proxies for deposited shares; [...]</p>
B. BOARD OF DIRECTORS	
<p>Art. 14 Composition</p> <p>¹ The Board of Directors shall consist of at least three members, who shall be elected for a one-year term of office, a year being defined as the period between one Ordinary General Meeting and the next. Each Director shall be elected individually.</p> <p>² Board members may be re-elected. But the office of any Board member shall automatically expire on the date of the Ordinary General Meeting following their 70th birthday. Exceptions to this may only be made by the General Meeting, at the request of the Board.</p> <p>³ The Board of Directors shall be self-constituting. It shall appoint a Chairman, a Deputy Chairman and a Secretary. The Secretary need not be a Board member</p>	<p>Art. 14 15 Composition</p> <p>¹ The Board of Directors shall consist of at least three members, who The Chairman and the other members of the Board of Directors shall be elected by the General Meeting on an individual basis for a one-year term of office of one year, a year being defined as the period between one ending with the adjournment of the next Ordinary General Meeting and the next. Each Director shall be elected individually. Re-election is permitted.</p> <p>² Board members may be re-elected. But the office of any Board member shall automatically expire on the date of the Ordinary General Meeting following their 70th birthday. Exceptions to this may only be made by the General Meeting, at the request of the Board.</p> <p>² The Board of Directors shall be self-constituting, subject to the applicable provisions of law and of these Articles of Incorporation. It shall appoint a Chairman, elect from amongst its members a Deputy Chairman and appoint a Secretary. The Secretary need not be a Board member</p> <p>³ In the event that the Chairman is unable to perform his duties, the Board of Directors shall appoint one of its members as Chairman ad interim to serve out the remainder of the term of office.</p>

AMENDMENT OF THE ARTICLES OF INCORPORATION OF VALORA HOLDING AG

<i>Current version</i>	<i>Amended version (Changes emphasized)</i>
<p>Art. 15 Powers of the Board of Directors</p> <p>² The Board of Directors may delegate powers and the management of the company or individual parts thereof to one or more persons, to members of the Board or to third parties who need not be shareholders, provided such affairs are not inalienably assigned to it by law or the Articles of Incorporation. The Board shall issue the relevant bylaws and regulate the corresponding contractual relations..</p> <p>³ The Board of Directors has the following non-transferable and inalienable responsibilities: [...]</p> <p>6. the production of the Annual Report, the preparation of the General Meeting and the implementation of its resolutions;</p>	<p>Art. 15-16 Powers of the Board of Directors</p> <p>² The Board of Directors may delegate powers and the management of the company or individual parts thereof as set forth in the bylaws, to one or more persons members, the Board committees or to third parties who need not be shareholders (Executive Management), provided such affairs are not inalienably assigned to it by law or the Articles of Incorporation. The Board shall issue the relevant bylaws and regulate the corresponding contractual relations.</p> <p>³ The Board of Directors has the following non-transferable and inalienable responsibilities: [...]</p> <p>6. the production of the Annual Report and of the Remuneration Report, and the preparation of the General Meeting and the implementation of its resolutions; [...]</p> <p>10. all other non-transferable and inalienable responsibilities attributed to the Board of Directors by law or these Articles of Incorporation.</p>
<p>Art. 16 Convening the Board and Board decisions</p> <p>³ Board resolutions shall be passed and elections decided by a simple majority of the votes cast. In the event of a tie, the chair shall have a casting vote. Voting and elections shall normally be conducted by a show of hands, unless a member requests a secret ballot. Board resolutions may also be passed by majority written approval (in letter, telegram, fax or other written form), provided all Board members have been invited to vote and no member has requested oral treatment of the issue concerned.</p>	<p>Art. 16-17 Convening the Board and Board decisions</p> <p>³ Board resolutions shall be passed and elections decided by a simple majority of the votes cast. In the event of a tie, the chair shall have a casting vote. Voting and elections shall normally be conducted by a show of hands, unless a member requests a secret ballot. Board resolutions may also be passed by majority written approval (in letter, telegram, fax) or by electronic data transfer, provided all Board members have been invited to vote and no member has requested oral treatment of the issue concerned.</p>

AMENDMENT OF THE ARTICLES OF INCORPORATION OF VALORA HOLDING AG

<i>Current version</i>	<i>Amended version (Changes emphasized)</i>
[No existing provision]	<p>Art. 18 External mandates</p> <p>¹ Members of the Board of Directors may assume simultaneously in total not more than ten mandates outside the Group in the senior management or directorial bodies of legal entities subject to the requirement of registration in the Commercial Register or in a comparable register in another country. Of those, not more than four mandates may be in exchange-listed legal entities.</p> <p>² Members of the Executive Management may, subject to approval by the Board of Directors, simultaneously assume in total not more than four mandates outside the Group in the senior management or directorial bodies of legal entities subject to the requirement of registration in the Commercial Register or in a comparable register in another country. Of those, not more than one mandate may be in an exchange-listed legal entity.</p> <p>³ Multiple mandates within the same corporate group, and mandates performed at the behest of a corporate group or legal entity (including mandates for pension funds, joint ventures, and legal entities in which a substantial interest is held) shall be counted as a single mandate. Mandates in nonprofit or charitable legal entities, such as clubs, associations, and foundations shall not be subject to the limits set forth in para. 1 and para. 2; the number of such mandates, however, may not exceed 15.</p>
[No existing provision]	<p>Art. 19 Employment and Agency Agreements</p> <p>Agreements with members of the Board of Directors on which the remuneration paid to such members is based, and employment agreements with the members of Executive Management may be concluded for a definite or indefinite term. The maximum term of agreements concluded for a definite term shall be one year. Renewal of such agreements is permitted. The maximum termination notice period for agreements of indefinite duration shall be one year.</p>

AMENDMENT OF THE ARTICLES OF INCORPORATION OF VALORA HOLDING AG

Current version	Amended version (Changes emphasized)
[No existing provision]	<p>Art. 20 Remuneration Committee</p> <p>¹ The Remuneration Committee shall be composed of no less than three members of the Board of Directors. The members of the Remuneration Committee shall be elected by the General Meeting, on an individual basis, for a term of one year ending with the adjournment of the next Ordinary General Meeting. Re-election is permitted.</p> <p>² The Board of Directors shall designate from amongst the members of the Remuneration Committee a Committee chairman, and shall issue regulations defining, in particular, the tasks und powers of the Remuneration Committee in accordance with the law and these Articles of Incorporation.</p> <p>³ In the event that the Remuneration Committee is not fully constituted, the Board of Directors shall appoint from amongst its members an appropriate number of Remuneration Committee members ad interim, for the remainder of the term of office.</p> <p>⁴ The Remuneration Committee assists the Board of Directors in determining and reviewing the Company's remuneration strategy and guidelines and the qualitative and quantitative criteria for remuneration, and with the preparation of the proposals to the General Meeting concerning remuneration of the Board of Directors and the Executive Management. It may submit to the Board of Directors suggestions and recommendations on further remuneration matters.</p> <p>⁵ The Remuneration Committee may engage external consultants.</p>
C. AUDITORS	
<p>Art. 20 Duties of the Auditors</p> <p>The Statutory Auditors shall examine whether the company's annual accounts and its consolidated financial statements comply with the law, the Articles of Incorporation and the set of accounting rules adopted, whether the appropriation of the balance available for distribution proposed by the Board of Directors to the General Meeting complies with the requirements of the law and whether an internal control system exists. They shall also provide the Board of Directors and the General Meeting with reports whose scope is commensurate with the requirements placed upon them and are also required to attend the General Meeting. The further rights and obligations of the Auditors are specified in the relevant provisions of the Swiss Code of Obligations.</p>	<p>Art. 20 23 Duties of the Auditors</p> <p>The Statutory Auditors shall examine whether the company's annual accounts, and its consolidated financial statements, and the Remuneration Report, comply with the law, the Articles of Incorporation and the set of accounting rules adopted, whether the appropriation of the balance available for distribution proposed by the Board of Directors to the General Meeting complies with the requirements of the law and whether an internal control system exists. They shall also provide the Board of Directors and the General Meeting with reports whose scope is commensurate with the requirements placed upon them and are also required to attend the General Meeting. The further rights and obligations of the Auditors are specified in the relevant provisions of the Swiss Code of Obligations.</p>

AMENDMENT OF THE ARTICLES OF INCORPORATION OF VALORA HOLDING AG

Current version

*Amended version
(Changes emphasized)*

4. REMUNERATION OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

Art. 18 Remuneration

All Board members are entitled to reasonable remuneration, whose level shall be determined by the Board, and to the reimbursement of their expenses. Remuneration to Board members may also be made in the form of shares or share options.

Art. 18 24 Remuneration of the Board of Directors

¹ All Board members **shall receive a fixed remuneration for their services. They shall also be reimbursed for their outlays and expenses. Reimbursement of outlays and expenses (including expense allowances) shall not be considered as remuneration** are entitled to reasonable remuneration, whose level shall be determined by the Board, and to the reimbursement of their expenses. Remuneration to Board members may also be made in the form of shares or share options.

² **Additional fees may be paid as remuneration for membership in committees or the assumption of special tasks or duties.**

³ **The Board of Directors may determine that remuneration is to be paid in full or in part in the form of restricted shares in the Company. The Board of Directors shall specify the time of the grant, the term of the restriction period, and any discounts to be made in consideration of the term of the restriction period. The restriction period shall be of no less than three years, whereby the Board of Directors may fix a shorter term in justified cases. The Board of Directors may provide that due to the occurrence of certain events designated in advance, such as the termination of a mandate or a change of control, restriction periods shall remain in effect, be shortened, or canceled, that remuneration is to be paid, or that remuneration is no longer due.**

AMENDMENT OF THE ARTICLES OF INCORPORATION OF VALORA HOLDING AG

<i>Current version</i>	<i>Amended version (Changes emphasized)</i>
[No existing provision]	<p>Art. 25 Remuneration of Executive Management</p> <p>¹ The remuneration paid to members of the Executive Management shall be composed of a fixed annual base remuneration and variable remuneration that shall generally be composed of short-term and long-term remuneration components. In addition, members of the Executive Management shall be reimbursed for their outlays and expenses. Reimbursement of outlays and expenses (including expense allowances) shall not be counted as remuneration.</p> <p>² The variable remuneration shall be contingent upon performance and/or success. The variable remuneration, at the time that it is granted, shall not exceed 200% of the fixed annual base remuneration. The amount of the variable remuneration shall generally be determined in accordance with the qualitative or quantitative performance criteria set by the Board of Directors.</p> <p>³ The short-term variable remuneration shall take into account, in particular, performance criteria with reference to the Valora Group, or parts thereof, such as financial figures, Company performance as compared to other companies or to comparable benchmarks, and/or individual targets. The achievement of performance criteria designated in advance shall be measured, as a rule, over intervals of one year.</p> <p>⁴ The long-term variable remuneration shall take into account, in particular, performance criteria with reference to the Valora Group, or parts thereof, such as strategic targets, financial figures, the performance of the Company as compared to other companies or comparable benchmarks, the evolution of company value or share price, and/or individual targets. The achievement of these targets shall be measured over intervals of several years and, as a rule, not less than three years.</p> <p>⁵ The Board of Directors may determine that the variable remuneration is to be paid in full or in part in cash, in the form of restricted shares in the Company or of reversionary subscription rights to shares. The Board of Directors shall specify the time of the grant, the term of the restriction or vesting period, and any discounts to be made in consideration of the term of the restriction or vesting period. The restriction or vesting period shall be of no less than three years, whereby the Board of Directors may fix a shorter term in justified cases. The Board of Directors may provide that due to the occurrence of certain events designated in advance, such as the termination of an employment or agency agreement or a change of control, vesting or restriction periods are to remain in effect, to be shortened, or to be canceled, or that remuneration is to be paid, assuming that targets are met, or that remuneration is no longer due.</p>

AMENDMENT OF THE ARTICLES OF INCORPORATION OF VALORA HOLDING AG

<i>Current version</i>	<i>Amended version (Changes emphasized)</i>
[No existing provision]	<p>Art. 26 General principles of remuneration</p> <p>¹ In the event of a grant of shares, of reversionary subscription rights to shares, or the allowance of other remuneration components, the amount of the remuneration shall correspond to the value of those remuneration components at the time of the grant, in keeping with generally recognized valuation methods.</p> <p>² In exchange for services performed for legal entities within the Valora Group, or at the behest of a legal entity belonging to the Valora Group (art. 18, para. 3), such entities may make payment to members of the Board of Directors and of the Executive Management, provided that such remuneration is covered by the maximum amount approved by the General Meeting or by the additional amount pursuant to art. 27.</p> <p>³ The Company may, within the bounds of the law, indemnify members of the Board of Directors or the Executive Management for any prejudice suffered through administrative or judicial proceedings, or settlements, in connection with their services for the Company, or provide advances on such amounts, or purchase insurance. Such indemnification, advances, and insurance shall not be counted as remuneration.</p>
[No existing provision]	<p>Art. 27 Approval by the General Meeting</p> <p>¹ The General Meeting shall grant approval, with binding effect, annually at the Ordinary General Meeting, of the maximum amount of fixed remuneration for the members of the Board of Directors for the term ending with the next Ordinary General Meeting.</p> <p>² The General Meeting shall grant approval, with binding effect, annually at the Ordinary General Meeting of a maximum amount of both the fixed and variable remuneration for the members of the Executive Management for the following financial year</p> <p>³ Where the General Meeting refuses approval, the Board of Directors may put forward new proposals for approval at the same General Meeting. Where the Board of Directors does not put forward new proposals, or where the General Meeting also rejects the new proposals, the Board of Directors may convene a new General Meeting.</p> <p>⁴ Where new members of the Executive Management are appointed subsequently to the grant of approval by the General Meeting, the additional amount available for each new member shall be of 120% of the highest remuneration paid to a member of the Executive Management in the financial year preceding the last Ordinary General Meeting. The approval of the General Meeting for this additional remuneration is not required.</p> <p>⁵ The amounts of remuneration effectively paid shall be itemized in the Remuneration Report. The Remuneration Report shall be presented to the Board of Directors for a consultative vote.</p>

AMENDMENT OF THE ARTICLES OF INCORPORATION
OF VALORA HOLDING AG*Current version**Amended version
(Changes emphasized)***5. CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS****Art. 21 Financial year and accounting principles**

² The consolidated and company financial statements, comprising the income statement, the balance sheet and the notes thereto, shall be compiled in accordance with the provisions of the Swiss Code of Obligations, in particular Article 662a ff., and in accordance with recognised business principles and customary industry practice.

Art. 21-28 Financial year and accounting principles financial statements

² ~~The consolidated and~~ **The Board of Directors shall prepare for each financial year a business report which includes the** company financial statements; (comprising the income statement, the balance sheet and the notes thereto, **and, where appropriate, a cash flow statement**) ~~shall be compiled in accordance with the provisions of the Swiss Code of Obligations, in particular Article 662a ff., and in accordance with recognised business principles and customary industry practice,~~ **the annual report or status and performance report, and the consolidated financial statements.**

Key financial data

		31.12.2013	31.12.2012 Restated	31.12.2011
External sales	CHF million	3 403.4	3 320.2	2 961.9
Change	%	2.5%	12.1%	0.5%
Net revenues	CHF million	2 859.0	2 847.9	2 817.9
Change	%	+ 0.4	+ 1.1	- 2.1
Operating profit (EBIT)	CHF million	77.0	56.7	70.5
in % of net revenues	%	2.7	2.0	2.5
Net profit ¹⁾	CHF million	49.1	38.5	57.0
Change	%	+ 27.8	- 32.6	- 7.5
in % of net revenues	%	1.7	1.4	2.0
in % of equity	%	6.7	6.7	12.3
Net cash provided by (used in)				
Operating activities	CHF million	129.3	54.5	97.0
Ordinary investment activities ²⁾	CHF million	- 43.8	- 12.3	- 45.4
Free cash flow (used in)	CHF million	85.5	42.2	51.6
Company acquisitions (and long-term financial investments)	CHF million	- 4.3	- 288.0	- 40.1
Financing activities	CHF million	- 51.1	282.5	- 31.1
Earnings per share ¹⁾	CHF	13.46	13.09	20.24
Change	%	+ 2.8	- 35.3	- 9.4
Free cash flow per share	CHF	25.25	14.50	18.64
Change	%	+ 74.1	- 22.2	+ 25.8
Share price at December 31	CHF	248.70	185.10	196.50
Market capitalisation at December 31	CHF million	846	626	546
Cash and cash equivalents	CHF million	175.0	147.2	109.6
Interest-bearing debt	CHF million	394.2	508.8	141.5
Equity	CHF million	730.3	577.8	462.3
Total liabilities and equity	CHF million	1 630.9	1 610.0	1 103.1
Number of employees at December 31	FTE	5 750	5 962	5 801
Change	%	- 3.6	+ 2.8	- 10.1
Net revenues per employee	CHF 000	497	478	486
Change	%	+ 4.1	- 1.7	+ 9.0
Number of outlets operated by Valora ³⁾		1 690	1 606	1 364
thereof agencies		649	598	231
Number of franchise outlets		919	999	166
External Sales per outlet ⁴⁾	CHF 000	935	901	1 151

All totals and percentages are based on unrounded figures from the consolidated financial statements

¹⁾ From continuing operations

²⁾ 2012: Including real-estate disposal (CHF 60 million)

³⁾ Additional contract to supply a further ~ 400 outlets

⁴⁾ Valora Retail and Ditsch/Brezelkönig (as of 2013)

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