

## REPORT ON CORPORATE GOVERNANCE AND REMUNERATION

Valora is aware of the expectations placed on its corporate governance and is committed to meeting them. Our objective is to attain the highest levels of transparency commensurate with best practice standards. We believe that this applies particularly to the structure of our organisation and of the control and management infrastructure we have in place. Above all, this transparency should protect shareholders' interests and create value for all other stakeholders.

The principles and rules relating to Valora's corporate governance are most notably promulgated in the company's articles of incorporation, its bylaws and the regulations governing the Board committees, all of which are subject to regular review and updated where appropriate. In 2009, the Board of Directors approved the Valora Code of Conduct. The scope of this Code, which sets out the types of conduct Valora expects from its employees, goes beyond the simple adherence to applicable laws and directives.

The corporate governance and remuneration section of this annual report follows the structure set out in the applicable SIX Swiss Exchange guidelines:

1	Group structure and shareholders	p. 130
2	Capital structure	p. 133
3	Board of Directors	p. 134
4	Group Executive Management	p. 140
5	Remuneration, shareholdings and loans	p. 141
6	Shareholders' participation	p. 143
7	Changes of control and defence measures	p. 145
8	Auditors	p. 145
9	Information policy	p. 146

### 1 GROUP STRUCTURE AND SHAREHOLDERS

**1.1 GROUP STRUCTURE.** Valora Holding AG, the Group's parent company, is a limited company established under Swiss law. Either directly or indirectly, it holds stakes in 41 significant unlisted companies, all of which are fully consolidated in its accounts. The Group's operational structure is set out on page 10.

**1.1.1 LISTED COMPANIES.** The only listed company in the Valora Group is Valora Holding AG, which is domiciled in MuttENZ. The company is listed on the main section of SIX Swiss Exchange and on the BX Berne eXchange (Swiss securities number 208897, Telekurs VALN, Reuters VALN.S, Bloomberg VALN.SW, ISIN number CH0002088976). The company itself holds 1.67% of the total of 2 800 000 issued shares. During 2009, the number of issued shares was reduced from 3 300 000 to 2 800 000, through a share repurchase programme and subsequent share cancellation approved by the General Meeting of shareholders. At December 31, 2010, the market capitalisation of Valora Holding AG amounted to CHF 898 million. The company's market capitalisation over the last 5 years is shown on page 150.

**1.1.2 CONSOLIDATED COMPANIES.** The significant companies within the Group are shown in the notes to the consolidated financial statements on pages 116 to 117, which list the name, domicile, total share capital and percentage of share capital held by Valora Holding AG.

**1.2 SIGNIFICANT SHAREHOLDERS.** The following shareholders or shareholder groups have reported holdings of registered shares in Valora Holding AG in excess of the 3% and 5% thresholds:

FINANCIAL REPORT VALORA 2010  
CORPORATE GOVERNANCE REPORT

(Page 131 in the Valora Annual Report)

Shareholders	Receipt of report	Holdings
Ameriprise Financial Inc. (formerly Threadneedle Asset Management Holdings Ltd)	21.02.2011	> 3%
BlackRock Inc.	02.02.2011	> 5%
Credit Suisse Asset Management Funds AG	28.09.2010	> 3%
GoldenPeaks Capital Management Ltd.	27.07.2010	< 3%
Growth Value Securities	10.12.2010	< 3%
Lombard Odier Darier Hentsch Fund Managers SA	01.04.2010	> 3%
Pictet Funds S.A.	21.04.2010	> 3%
State of New Jersey Common Pension Fund D	08.04.2010	< 3%
UBS Fund Management (Switzerland) AG	26.01.2011	> 5%

Detailed information regarding changes in shareholdings are set out in the separate section below. The shareholders are listed in alphabetical order.

The following significant shareholders have disclosed shareholdings to Valora Holding AG in accordance with article 20 of the Swiss Federal Stock Exchange Act (in German, «Börsengesetz» or «BEHG»):

**Ameriprise Financial Inc. (formerly Threadneedle Asset Management Holdings Ltd):** On February 21, 2011, Ameriprise Financial Inc., 1099 Ameriprise Financial Center, Minneapolis, MN 55474, USA reported that as a result of share disposals its holdings of registered shares of Valora Holding AG as of February 18, 2011 had been reduced to 137 769 shares (equivalent to 4.92% of the company's issued share capital).

On January 11, 2011, Ameriprise Financial Inc., 1099 Ameriprise Financial Center, Minneapolis, MN 55474, USA reported that as a result of share purchases its holdings of registered shares of Valora Holding AG as of January 10, 2011 had increased to 141 520 shares (equivalent to 5.05% of the company's issued share capital).

On December 21, 2010, Ameriprise Financial Inc, 1099 Ameriprise Financial Center, Minneapolis, MN 55474, USA reported that as a result of share disposals its holdings of registered shares of Valora Holding AG as of December 20, 2010 had been reduced to 138 977 shares (equivalent to 4.96% of the company's issued share capital).

On December 15, 2010, Ameriprise Financial Inc., 1099 Ameriprise Financial Center, Minneapolis, MN 55474, USA reported that as a result of share purchases its holdings of registered shares of Valora Holding AG as of December 14, 2010 had increased to 141 460 shares (equivalent to 5.05% of the company's issued share capital).

On December 10, 2010, Ameriprise Financial Inc, 1099 Ameriprise Financial Center, Minneapolis, MN 55474, USA reported that as a result of share disposals its holdings of registered shares of Valora Holding AG as of December 6, 2010 had been reduced to 139 866 shares (equivalent to 4.99% of the company's issued share capital).

On November 13, 2009, Threadneedle Asset Management Holdings Ltd, 60 St Mary Axe, London, EC3A 8JQ, UK reported that as a result of share purchases its holdings of registered shares of Valora Holding AG as of November 13, 2010 had increased to 141 484 shares (equivalent to 5.05% of the company's issued share capital).

**BlackRock Inc.:** On February 2, 2011, BlackRock Inc., 40 East 52<sup>nd</sup> Street, New York, 10022, USA reported that, through various subsidiaries, its aggregate direct and indirect holdings of registered shares of Valora Holding AG as of January 27, 2011 amounted to 143 921 registered shares and a further 1817 rights to such shares (equivalent to a total of 5.20% of the company's issued share capital). The nature of the agreement was reported as that arising from a group structure.

On December 20, 2010, BlackRock Inc., 40 East 52<sup>nd</sup> Street, New York, 10022, USA reported that, through various subsidiaries, its aggregate direct and indirect holdings of registered shares of

## FINANCIAL REPORT VALORA 2010 CORPORATE GOVERNANCE REPORT

(Page 132 in the Valora Annual Report)

Valora Holding AG as of December 14, 2010 amounted to 84 306 registered shares and a further 1058 rights to such shares (equivalent to a total of 3.05% of the company's issued share capital).

**Credit Suisse Asset Management Funds AG:** On September 28, 2010, Credit Suisse Asset Management Funds AG, Kalandergrasse 4, 8045 Zurich, Switzerland reported that as a result of share purchases its holdings of registered shares of Valora Holding AG as of September 22, 2010 had increased to 92 990 registered shares (equivalent to 3.32% of the company's issued share capital).

**GoldenPeaks Capital Management Ltd.:** On July 27, 2010, GoldenPeaks Capital Management Ltd., Suite 7, Provident House, Havilland Street, St. Peter Port, GY1 2QE, Guernsey, acting as investment manager for GoldenPeaks Active Value Master Fund Ltd., Zephyr House, 122, Mary Street, Grand Cayman, K1 1107, Cayman Islands, reported that as a result of financial instruments not being exercised its holdings of registered shares of Valora Holding AG as of July 21, 2010 had been reduced to less than 3% of the company's issued share capital.

**Growth Value Securities:** On December 10, 2010, a group comprising the following members reported that its aggregate holdings of registered shares of Valora Holding AG as of December 7, 2010 had been reduced to less than 3% of the company's issued share capital: a) Georg von Opel, Altenbachstrasse 7a, 8832 Wollerau, b) Hansa Aktiengesellschaft, Blegistrasse 11a, 6340 Baar, c) Paramount-Finanz AG, Blegistrasse 11a, 6340 Baar, d) Growth Value Opportunities SA, route des Acacias 43, 1227 Carouge, e) Growth Value Securities Ltd., c/o Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, KYI-9002 Cayman Islands, f) Pelham Investments AG, Blegistrasse 11a, 6340 Baar, g) Athris Holding AG, Poststrasse 12, 6301 Zug.

**Lombard Odier Darier Hentsch Fund Managers SA:** On April 1, 2010, Lombard Odier Darier Hentsch Fund Managers SA (LODHFMS), Avenue des Morgines 2, 1213 Petit-Lancy, Switzerland reported that as of March 31, 2010, the registered shares of Valora Holding AG held by investment funds under its control were as follows: LODH Swiss Cap (ex-SMI) (40 220 shares / 1.44% of the company's issued share capital), IF IST2 Actions Suisses Valeurs Complémentaires (42 462 shares / 1.52%), IS Valiant Swiss Equities SPI Index + (750 shares / 0.03%), IF IST2 Actions Suisses SPI Plus (683 shares / 0.02%) and IF IST2 European Small Mid Cap (1135 shares / 0.04%). In aggregate, these holdings amounted to 85 250 registered shares of Valora Holding AG, which is equivalent to 3.04% of the company's issued share capital.

**Pictet Funds S.A.:** On April 21, 2010, Pictet Funds S.A., Route des Acacias 60, 1211 Geneva, Switzerland reported that as a result of share purchases the registered shares of Valora Holding AG held by investment funds under its control on April 16, 2010 were as follows: Pictet-Institutional Swiss Equities Segment (1.22% of the company's issued share capital), Pictet (CH) Swiss Mid Small Cap (0.89%), Pictet (CH) Swiss Equities (0.25%), Pictet (CH) Enhanced Swiss Equities 130/30 (0.24%), Pictet – Swiss Market Tracker (0.14%), Ethos (0.13%), Pictet Institutional Swiss Equities Tracker (0.12%), Pictet (CH) Swiss Equities Pool (0.02%) and Subvenimus Institutional Fund (0.01%). In aggregate, these holdings amounted to 84 568 registered shares of Valora Holding AG, which is equivalent to 3.02% of the company's issued share capital.

On January 25, 2010 Pictet Funds S.A., Route des Acacias 60, 1211 Geneva, Switzerland reported that as a result of share disposals the registered shares of Valora Holding AG held by investment funds under its control as of January 21, 2010 were as follows: Pictet-Institutional Swiss Equities Segment (1.21% of the company's issued share capital), Pictet (CH) Swiss Mid Small Cap (0.86%), Pictet (CH) Swiss Equities (0.24%), Pictet (CH) Enhanced Swiss Equities 130/30 (0.21%), Pictet – Swiss Market Tracker (0.14%), Ethos (0.09%), Pictet Institutional Swiss Equities Tracker (0.12%), Pictet (CH) Swiss Equities Pool (0.02%) and Subvenimus Institutional Fund (0.01%). In aggregate, these holdings amounted to 81 068 registered shares of Valora Holding AG, which is equivalent to 2.90% of the company's issued share capital.

# FINANCIAL REPORT VALORA 2010

## CORPORATE GOVERNANCE REPORT

(Page 133 in the Valora Annual Report)

**State of NJ Common Pension Fund D:** On April 8, 2010, the State of NJ Common Pension Fund D, P.O. Box 290, Trenton, NJ 08625 – 0290, USA reported that as a result of share disposals its holdings in registered shares of Valora Holding AG on May 7, 2009 had been reduced to 95 421 registered shares (equivalent to 2.89% of the company's issued share capital).

**UBS Fund Management (Switzerland) AG:** On January 26, 2011, UBS Fund Management (Switzerland) AG, P.O. Box, CH – 4002 Basel, Switzerland reported that as a result of share purchases its holdings of registered shares of Valora Holding AG as of January 20, 2011 had increased to 145 724 shares (equivalent to 5.20% of the company's issued share capital).

**1.3 CROSS SHAREHOLDINGS.** There are no reportable cross shareholdings between Valora Holding AG and its subsidiaries and other companies.

## 2 CAPITAL STRUCTURE

**2.1 CAPITAL STRUCTURE AT DECEMBER 31, 2010.** The ordinary share capital of Valora Holding AG as of December 31, 2010 amounted to CHF 2 800 000, comprising 2 800 000 single-class registered voting shares of CHF 1.00 nominal value each, each entitled to dividends. All Valora Holding AG ordinary registered shares are fully paid up and listed on the main section of the SIX Swiss Exchange and BX Berne eXchange. Valora Holding AG has conditional capital of CHF 84 000, comprising 84 000 registered shares of CHF 1.00 nominal value each.

**2.2 CONDITIONAL AND AUTHORISED CAPITAL.** Conditional capital amounting to a maximum of CHF 84 000, comprising 84 000 registered shares of CHF 1.00 nominal value each, was approved by the Annual General Meeting of May 11, 2000. These shares can be used at any time by the Board of Directors to cover the exercising of options granted to employees of the company or Group companies within the overall framework laid down by the Board of Directors. Existing shareholders have no subscription rights for such shares. No time limits apply. None of this conditional capital had been issued by December 31, 2010. The conditional capital of CHF 84 000 remains unchanged.

Valora Holding AG has no authorised capital.

**2.3 CHANGES IN CAPITAL STRUCTURE.** No changes in capital structure occurred in 2010. The Ordinary General Meeting of shareholders held on April 29, 2008 approved the Board's proposal that the company's share capital be reduced through the cancellation of 500 000 repurchased shares. As a result, the issued share capital of Valora Holding AG amounts to CHF 2 800 000, comprising 2 800 000 registered shares with a nominal value of CHF 1.00 each. No changes in capital structure occurred in 2006 or 2007. Changes in the reserves and overall shareholders' equity of Valora Holding AG are shown in the balance sheet (page 120) and in the notes to the financial statements of Valora Holding AG (page 122).

**2.4 SHARES, PARTICIPATION CERTIFICATES AND DIVIDEND-RIGHT CERTIFICATES.** All 2 800 000 registered shares each have a nominal value of CHF 1.00 and are fully paid up. Each share entitles its holder to a dividend, except the shares held in treasury by Valora Holding AG. There are no preferential shares. Valora holding AG has not issued any participation certificates or dividend right-certificates.

**2.5 CONVERTIBLE BONDS AND OPTIONS.** At December 31, 2010, Valora Holding AG had no convertible bonds or options outstanding.

**2.6 LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS.** Details of limitations on transferability and nominee registrations are shown in section 6.1 of this corporate governance report.

### 3 BOARD OF DIRECTORS

**3.1 BOARD OF DIRECTORS.** At December 31, 2010, the Board of Directors of Valora Holding AG comprised the following five members:



**Rolando Benedick**, 1946, Swiss citizen, Chairman

Previous activities: CEO of Innovazione, CEO of the Manor Group, Board Chairman of the Manor Group, Member of the Board of Directors of Jacobs Holding AG.

Current activities: Board Chairman of Manor Sud (since 1999), Member of the Boards of Directors of Barry Callebaut (since 2001), of MCH Messe Schweiz AG (since 2001) and Galfa Group Paris (since 2009)



**Markus Fiechter**, 1956, Swiss citizen, Vice-Chairman

Master's degrees in Chemical Engineering from the Swiss Federal Institute of Technology and in Economics from the St. Gallen Business School.

Previous activities: Manager, Mettler Toledo AG, Manager, Boston Consulting Group, CEO, Minibar Group.

Current activities: CEO, Jacobs Holding AG (since 2004), member of the Boards of Directors of Barry Callebaut (since 2004) and Minibar AG (since 2005).



**Bernhard Heusler**, 1963, Swiss citizen, attorney-at-law, doctorate and master's degree in Law from the University of Basel and postgraduate studies at the University of California, Davis.

Previous activities: temporary associate at Davis Polk & Wardwell, New York, associate at Wenger Plattner, Attorneys-at-law in Bern, Basel and Zurich.

Current activities: Partner at Wenger Plattner, Attorneys-at-law (since 2000), Representative of the Board of Directors of the FC Basel 1893 AG football club (since 2005), member of various professional organisations, member of the Boards of Directors of various non-exchange-listed trading and service SMEs.



**Franz Julen**, 1958, Swiss citizen

Diploma in hotel and restaurant management from the Swiss Hotel Management School, Lucerne.

Previous activities: Deputy Managing Director, Marc Biver Development Sportmarketing, Chairman of the Management Committee, Völkl International AG, COO, INTERSPORT International Corporation.

Current activities: CEO, INTERSPORT International Corporation (since 2000).



**Conrad Löffel**, 1946, Swiss citizen

Federally qualified Swiss chartered accountant.

Previous activities: CFO, Intercontainer, CFO, Kuoni, CFO, Danzas and partner and Board director of Ernst & Young AG, Basel.

Current activities: Member of the Board of Directors of Adimmo AG (since 2006) and of Swiss Federal Railways (since 2008).

No member of the Board of Directors has any management mandate within the Valora Group or any significant business relations with the Group. Bernhard Heusler is a partner of the Wenger Plattner law practice, which has offices in Basel, Bern and Zurich. In 2010, Valora paid fees totaling CHF 36 k (CHF 245 k in 2009) to various members of the Wenger Plattner law practice. These related to notarisation services and advice in the fields of employment law, IT law, contract law and real-estate law.

**3.2 OTHER ACTIVITIES AND VESTED INTERESTS.** Some Board members engage in other business activities with major companies.

**3.2.1 MEMBERSHIP OF SUPERVISORY BOARDS.**

- Rolando Benedick: Board Chairman of Manor Sud, member of the Boards of Directors of Barry Callebaut, MCH Messe Schweiz AG and Galfa Group.
- Markus Fiechter: member of the Boards of Directors of Barry Callebaut and Minibar AG. Member of the Supervisory Board of the Swiss Federal Foundation for the Furtherance of the Swiss Economy through Scientific Research (in German, «Eidgenössische Stiftung zur Förderung schweizerischer Volkswirtschaft durch wissenschaftliche Forschung»), Zurich
- Bernhard Heusler: member of various professional organisations, member of the Boards of Directors of various non-exchange-listed trading and service SMEs.
- Franz Julen: Vice-Chairman of the Supervisory Board of the Union of Groups of Independent Retailers of Europe (UGAL), a non-profit international organisation.
- Conrad Löffel: member of the Boards of Directors of Adimmo AG and Swiss Federal Railways

**3.2.2 MEMBERSHIP OF EXECUTIVE COMMITTEES.**

- Markus Fiechter: CEO of Jacobs Holding AG, Zurich; member of the Advisory Board of Manres AG, Zollikon
- Bernhard Heusler: Partner with Wenger Plattner, Attorneys-at-law, Basel, Representative of the Board of Directors of FC Basel 1893 AG, Basel
- Franz Julen: CEO of INTERSPORT International Corporation, Bern

**3.3 ELECTIONS AND TERMS OF OFFICE.** The Board of Directors comprises at least three members who are elected by the General Meeting of Shareholders for a term of one year – one year being the period from one Ordinary General Meeting to the next. Each Board member is elected individually. Outgoing Board members may be re-elected. Members retire permanently from the Board on the date of the Ordinary General Meeting following their 70<sup>th</sup> birthday. Any exceptions to these rules must be recommended by the Board of Directors to the General Meeting and approved by the latter.

The Board of Directors is self-constituting. The Board names a Chairman and a Deputy Chairman and a Secretary. The Secretary need not be a Board member. With the exception of Franz Julen, who was first elected in 2007, all Board members were first elected in 2008.

**3.4 INTERNAL ORGANISATIONAL STRUCTURE AND COMMITTEES.** The Board of Directors discharges the duties required of it by law (article 716a of the Swiss Code of Obligations). The Board has supreme managerial responsibility for the company and the supervision of its conduct of business. It represents the company to the outside world and attends to all matters which the law, the company's Articles of Incorporation or the company's bylaws have not assigned to another executive body of the company. 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 issues the company's bylaws and regulates the contractual relationships associated therewith.

## FINANCIAL REPORT VALORA 2010 CORPORATE GOVERNANCE REPORT

*(Page 136 in the Valora Annual Report)*

There is no explicit allocation of responsibilities among Board members other than that arising from Board committee memberships. Board members are, however, selected so as to ensure that the Board as a whole has specific expertise in the fields of finance, retail, franchising, trade, IT and law.

Minutes are kept of Board meetings.

The composition of the Board committees is as follows:

- Audit Committee: Conrad Löffel (Chairman), Bernhard Heusler.
- Nomination and Compensation Committee: Franz Julen (Chairman), Markus Fiechter.

In addition, Roland Benedick is an ex officio member of these standing committees.

The duties of the Audit Committee are as follows:

- To assess accounting practices and principles, financial reporting and other financial information and to report on these to the Board of Directors
- To assess other financial information which is published or submitted to third parties.
- To assess the financial reporting for the annual and half-yearly reports and make appropriate recommendations to the Board of Directors.
- To monitor and discuss possible financial risks.
- To assess risk management principles and activities with regard to financial risk.
- To assess the quality of ICS (internal control system) processes within the company.
- To assess the Group's risk situation and report on it to the Board of Directors.
- To assess and finalise the internal audit function's budget, organisation and multi-year planning.
- To assess and finalise the internal audit function's annual audit plan.
- To decide on the appointment and dismissal of the head of internal audit.
- To assess the audit scope, performance and independence of the external auditors and the fees paid to them, and to propose nominations for the external audit function (for the financial statements of Valora Holding AG and the Valora Group) to the Board of Directors.
- To assess audit findings in the internal and external auditors' reports.
- To commission additional and follow-up audits with regard to specific issues or problems as needed.
- To assess the implementation of measures recommended in audit reports.
- To assess the collaboration between internal and external auditors.
- To assess financing and treasury policy.
- To assess the legal department's annual report on major, potential, pending and resolved legal issues whose financial consequences are significant.
- To assess tax planning, tax management and tax audits and their outcomes.
- To assess the evolution of corporate governance and to formulate appropriate recommendations to the Board of Directors.
- To carry out other tasks and projects as instructed by the Board of Directors.

For the duties specified in a), b), c), d), e), f), g) k), l), n), o), p), q), r), s) and t) above, the Audit Committee exercises a preparatory function. For the duties specified in h), i), j) and m) the Audit Committee exercises a decision-making function.

The duties of the Nomination and Compensation Committee are as follows:

- To prepare proposals on the remuneration of the Chairman of the Board and the other Board members and submit these to the Board.
- To determine the salaries and other terms and conditions of employment for the CEO and the other members of Group Executive Management.
- To assess general annual salary increases proposed by the CEO and to make recommendations on these to the Board.

## FINANCIAL REPORT VALORA 2010 CORPORATE GOVERNANCE REPORT

(Page 137 in the Valora Annual Report)

- d) To review share programmes for management and employees and share option and profit-sharing programmes for the Board and Group Executive Management and to make recommendations on these to the Board.
- e) To approve general salary increases (wage round, in German, «Lohnrunde»).
- f) To approve share, share option and profit-sharing programmes for management and employees.
- g) To prepare proposals for new candidate Board members for submission to the Board.
- h) To prepare proposals for submission to the Board on the appointment or dismissal of the CEO and other Group level executives (CFO, members of Group Executive Management).
- i) To approve the conditions of employment of the CEO and the other members of Group Executive Management.
- j) To remain informed of and monitor succession planning for the top two tiers of management.
- k) To discuss the performance appraisals of the CEO and the other members of Group Executive Management.
- l) To monitor the implementation of Board decisions within the scope of the Nomination and Compensation Committee's remit.
- m) To approve the principles governing the company's pension funds and to appoint the employer's representatives to serve on their supervisory boards.
- n) To resolve matters of principle relating to the company's dealings with trade unions.
- o) To carry out other tasks and projects as instructed by the Board of Directors.

For the duties specified in a), c), d), e), f), g), h), i), j), k), l), m), n) and o) above, the Nomination and Compensation Committee exercises a preparatory function. For the duties specified in b) above, the Nomination and Compensation Committee exercises a decision-making function.

In 2010, the Board of Directors held 13 meetings and conducted one two-hour conference call. The meetings had an average duration of 5 hours. A further 5 Board resolutions were carried out by circular. The Audit Committee held 4 half-day meetings, while the Nomination and Compensation Committee held 7 half-day meetings, as well as passing one resolution by circular. The Board and its committees may also invite further persons, particularly members of management or representatives of the internal and external auditors, to attend their meetings. The CEO and the CFO took part in all meetings held by the Board and its committees, and the divisional heads presented the results of the individual divisions at Board meetings. Internal and external auditors attended all Audit Committee meetings.

**3.5 DEFINITION OF AREAS OF RESPONSIBILITY.** The Board of Directors meets as frequently as business demands, holding a minimum of four meetings each year. Board meetings are convened by the Chairman or, in his absence, by the Deputy Chairman or another Board member. The Chairman is also required to convene a Board meeting within 30 days of receiving a written request to do so from any of its members. The Board is quorate if a majority of its members are present. No quorum is required for the Board to approve reports on capital increases or on the subsequent paying in of shares not fully paid up, or for any resolutions which require notarisation. Board resolutions are passed and elections decided by a simple majority of the votes cast. In the event of a tie, the Chairman has the casting vote. Voting and elections are normally conducted by a show of hands, unless a Board member requests a secret ballot. Board resolutions on proposals submitted to it may also be passed by majority written approval (by letter, telegram or fax or in other written form), provided all Board members have been invited to vote and no member has requested that the issue concerned be discussed verbally. All Board resolutions must be recorded in a set of minutes, which the Chairman and the Secretary must jointly sign. Every Board member is entitled to information and access to documents, within the overall provisions of the law.

The Board of Directors has ultimate responsibility for the management of the Group, in particular determining the key attributes of the company's activities, maintaining an appropriate balance between entrepreneurial objectives and financial resources and promulgating such directives



as this requires. The Board is also responsible for approving corporate strategy and specifying organisational structure, as well as defining the strategy and concept governing the internal control system and risk assessment and risk management activities. The Board also bears ultimate responsibility for personnel matters and determines the fundamental principles of the company's staff and salary policies. It is responsible for the appointment, dismissal and supervision of those charged with the management of the company, the Group and the individual divisions – in particular the CEO, CFO and divisional heads – and for defining their deputising arrangements and signatory powers. The Board also establishes the guidelines for financial and investment policy, and approves medium-term planning, annual budgets and investment schedules.

The Board of Directors delegates the entire management of ongoing operations and the representation of the company to Group Executive Management under the leadership of the CEO, to the extent that the law or the company's Articles of Incorporation or bylaws do not stipulate otherwise. Group Executive Management has the authority to decide on all matters relating to the business entrusted to it. Decisions on matters which are beyond the scope of regular business operations or which exceed the thresholds specified in the company's terms of reference (ToR) require approval by the Board of Directors. In essence, this applies to:

- the commencement of new business activities or the cessation of existing ones.
- the execution of significant contracts relating to areas outside the scope of Valora's normal business activities and the execution of consultancy contracts whose costs (either aggregate or annual) exceed CHF 2 million.
- the issuance of marketable debt securities or the contracting of long-term borrowing in amounts in excess of CHF 30 million.
- the granting of loans to third parties whose amount exceeds CHF 10 million.
- carrying out investments covered by the investment plan for amounts of more than CHF 5 million or carrying out non-budgeted investments for amounts of more than CHF 2 million.
- the granting of sureties or guarantees for amounts in excess of CHF 10 million.
- the acquisition or disposal of equity participations.
- the purchase or sale of real-estate properties for amounts in excess of CHF 5 million.
- the initiation or termination of legal disputes, including the agreement to court-ordered or out-of-court settlements for amounts in excess of CHF 2 million.

**3.6 INFORMATION AND CONTROL INSTRUMENTS AVAILABLE TO THE BOARD OF DIRECTORS.** The CEO keeps the Chairman of the Board informed about the business performance of the company and the Group. At Board meetings, the CEO informs the Board about the business performance of the company, the Group and the individual divisions and also reports on all major business events. The CEO notifies the Board immediately of any extraordinary events whose implications are substantial.

In addition, the Management Information System provides the Board of Directors with the following on a regular basis: monthly sales figures and monthly divisional and Group reporting based on the budget approved by the Board versus current and prior year's actual figures, information regarding major business events, data on the shareholder structure and the extent to which resolutions approved by the General Meeting or the Board of Directors have been implemented.

The Chairman of the Board of Directors is provided with copies of the minutes of all Group Executive Management meetings. Any member of the Board of Directors may demand information from management about the course of business and operations and, with the approval of the Chairman of the Board, on specific business transactions. Any Board member may also demand that company books and files be made available for their inspection.

**3.6.1 RISK MANAGEMENT.** The Board of Directors and Group Executive Management carry out a risk assessment once a year. The objective is to make the principal risks to which Valora is exposed more transparent, to improve the quality of risk dialogue and to define practical measures for addressing key risks to Valora. The results are reviewed at a joint meeting held with the Board of Directors at which a plan for implementing appropriate measures is approved.

The risk assessment is initiated by the head of internal audit and is then carried out jointly, with external assistance, by Group Executive Management and the Chairman of the Board. The risk assessment process comprises three phases. In phase 1, the catalogue of risks and the methodological parameters are defined, and structured interviews are held with the individual members of Group Executive Management. This phase also involves some 15 key Valora employees being questioned by internal audit about their assessment of the risk situation. In phase 2, the results of these interviews are discussed in a workshop held with Group Executive Management, the key risks are identified and measures for addressing them are defined, with responsibility for their execution being assigned to specific members of Group Executive Management. The implementation status of measures decided upon the previous year is also reviewed. The final phase involves documenting the key findings and potential consequences of each of the key risks identified, as well as the measures adopted to address them, in a risk report which is submitted to the Board of Directors for approval.

The principal risks identified in 2010 lie in the areas of product and service quality, supply chain expertise, alternative forms of press distribution, acquisitions methodology and related integration capabilities, and product development in the Retail division.

In addition, a one-day strategy meeting was held which was attended by the Board of Directors and representatives of both Group Executive Management and other levels of management and which examined the future direction of the Valora Group's growth and risk strategy.

**3.6.2 INTERNAL AUDIT.** Internal audit supports the Board of Directors, the Audit Committee and Group Executive Management in the execution of their supervisory and controlling duties. In order to ensure the greatest possible degree of independence, the internal audit function reports to the Chairman of the Board of Directors, with a functional reporting line to the Chairman of the Audit Committee. Internal audit's activities cover the entire Valora Group and all its subsidiaries in Switzerland and abroad. Internal audit may be tasked with examining processes and projects within the Group and provides technical support, within the Internal Control System (ICS) context, to the ICS head, obtains quarterly ICS status reports and subjects the ICS framework to an annual review.

A written report is compiled for every audit and every other mandate carried out by internal audit. These reports are discussed in detail with the organisational units which have been examined and each such unit is required to define a schedule of concrete steps for implementing the measures which have been determined. Internal audit then verifies the implementation of these measures within one year. The Chairman of the Board of Directors, the Chairman of the Audit Committee and the CEO each receive a copy of these reports, which include the comments of those concerned. The external auditors also have free access to these reports.

By mid-March of the following year, internal audit submits an activity report for each calendar year. In addition to summarising its audit work, this report also provides details of internal audit's mission and strategy and of the extent to which its goals were achieved. Internal audit also formulates a rolling, risk-oriented multi-year plan, from which its annual audit plan is derived. The annual internal audit plan is agreed with the external auditors. It is then submitted to the Audit Committee for approval and communicated to Group Executive Management.

Internal audit carried out 19 audits during 2010.

#### 4 GROUP EXECUTIVE MANAGEMENT

**4.1 MEMBERS OF GROUP EXECUTIVE MANAGEMENT.** The CEO is responsible for managing the Group. He co-ordinates the activities of the individual divisions and chairs the Group Executive Management committee. The other members of Group Executive Management report to the CEO. The division heads run their divisions with a view to achieving sustainably profitable performance. They define the specific management tools their divisions require in addition to the Group-wide guidelines which are in place.



*Dr. Thomas Vollmoeller, 1960, German citizen*

Master's degree in Economics from the University of Stuttgart, doctorate in Economics from the University of St. Gallen.

Previous activities: consultant with McKinsey & Co. in Hamburg and Düsseldorf, Chief Executive of Tchibo direct GmbH, CFO, Head of Operations and Member of the Executive Committee of Tchibo. CEO of Valora since June 16, 2008.



*Dr. Lorenzo Trezzini, 1968, Swiss citizen*

Doctorate in Economics from the University of Zurich and Federally qualified Swiss chartered accountant.

Previous activities: Group CFO of the Valartis Group and member of the executive committees of the Valartis Group and Valartis Bank AG, venture capital and private equity manager at Invision AG, corporate finance manager at Ernst & Young, audit manager at Deloitte. CFO of Valora since December 4, 2008.



*Kaspar Niklaus, 1968, Swiss citizen*

Master's degree in Agronomy from the Swiss Federal Institute of Technology, MBA from the Erasmus Graduate School of Business in Rotterdam, Master of Business Informatics (MBI).

Previous activities: various management roles with Switzerland's major retailers, consultant with McKinsey & Co., COO of Coop City in Zurich, Chief Executive of Coop Bau+Hobby, Basel. Head of Valora's Retail division since June 23, 2008.



*Alexander Theobald, 1964, Swiss citizen, Master of Arts degree from the University of Zurich.*

Previous activities: various publishing and marketing posts and Member of Senior Management of Tamedia AG, head of Swiss magazine division, director of publishing activities for Hungary and Rumania and member of Group Executive Management of Ringier AG.

Head of Valora's Services division since May 1, 2010.



*Alex Minder, 1957, Swiss citizen*

Graduate in Business Administration, Executive MBA.

Previous activities: senior management positions at Bally International Ltd, client service director and executive committee member at Impuls Saatchi & Saatchi, Managing Director of Cadbury Switzerland, Board member of Cadbury Western Europe.

Head of Valora's Trade division since May 1, 2004.

**Group Executive Management changes.** The previous head of Valora's Retail division, Kaspar Niklaus, left Group Executive Management with effect from early 2011. On January 17, 2011, Andreas Berger joined the Group as head of the Valora Retail division. Andreas Berger, a German citizen, is 44 years old and studied Business Administration at the University of St. Gallen. Before joining Valora, he was responsible for managing two important regions for the Aldi Group.

On May 1, 2010, Alexander Theobald was appointed head of the Services division, replacing Thomas Vollmoeller, who had been running the division on an interim basis since January 1, 2010.

None of the other members of Group Executive Management had previously worked for Valora.

**4.2 FURTHER SIGNIFICANT ACTIVITIES AND VESTED INTERESTS IN LISTED COMPANIES.** None of the members of Valora's Group Executive Management currently engages in any further activities in any management or supervisory body of any listed Swiss or foreign company, has any long-term management or consultancy function for any company outside the Valora Group, has any public function or holds any political office. The Valora Group is a founding member of the Swiss Retail Industry Group [Interessengemeinschaft Detailhandel Schweiz], where it is represented by Thomas Vollmoeller. Rolando Benedick is Chairman of the supervisory boards of the Valora pension fund, the Valora executive pension fund and the Valora employer's foundation, all of which have their registered offices in Muttenz. Lorenzo Trezzini is a member of the supervisory boards and of the investment committees of the Valora pension fund, the Valora executive pension fund and the Valora employer's foundation, all of which have their registered offices in Muttenz.

**4.3 MANAGEMENT CONTRACTS.** There are no management contracts between Valora Holding AG and any companies or individuals outside the Valora Group.

## 5 REMUNERATION, SHAREHOLDINGS AND LOANS

### 5.1 COMPONENTS OF REMUNERATION AND SHAREHOLDING PROGRAMMES AND THEIR DETERMINATION.

The Board of Directors of Valora Holding AG has laid down internal guidelines for determining the remuneration paid to the Board and to Group Executive Management which define where decision-making authority rests and how remuneration is determined. The appropriateness of these guidelines is reviewed annually, with modifications being made where necessary.

The overall remuneration paid to each individual member of the Board of Directors and of Group Executive Management is authorised by the entire Board. Each Board member abstains from voting on his own remuneration. The Nomination and Compensation Committee exercises a preparatory function with regard to the remuneration guidelines for the Board and the remuneration paid to its members. With regard to Group Executive Management remuneration this Board Committee exercises a decision-making function (see description of the duties of the Nomination and Compensation Committee in section 3.4).

#### 5.1.1 GENERAL COMPONENTS OF REMUNERATION AND THEIR WEIGHTING.

The remuneration paid to Valora's management is based on a fixed salary, a variable Short Term Plan and a share-based Long Term Plan which was established in January 2009. A detailed presentation of the various remuneration components applicable to the Board of Directors and Group Executive Management is shown in sections 5.1.2 and 5.1.3.

In 2009, the structure of the remuneration paid to the Board of Directors and Group Executive Management was modified and a share-based Long Term Plan was introduced. This plan, which forms an integral part of its participants' total remuneration, aims to align its participants' long-term interests with those of the company and to link their remuneration with its business performance.

## FINANCIAL REPORT VALORA 2010 CORPORATE GOVERNANCE REPORT

(Page 142 in the Valora Annual Report)

In defining the remuneration structure, the Nomination and Compensation Committee took as its base case a 30% average annual increase in the Valora share price over the following three years, based on analysts' forecasts. Based on this assumed annual average rate of increase in the share price, the average portion of LTP participants' total remuneration represented by the LTP amounts to 55%, while the Short Term Plan accounts for 12% and base salary 33%.

Because the LTP runs for three years, it fosters a sustainable approach to managing Valora. Under the plan, each participant is able to purchase a given number of shares, the amount in each case being determined by the Nomination and Compensation Committee based on the overall remuneration structure described above.

The purchase price per share is the average closing price recorded on SIX Swiss Exchange during the 20 days preceding the commencement of the LTP plan. Each participant uses a bank loan to finance the shares he is entitled to purchase, and the shares are pledged as collateral for the loan.

Half the shares purchased by participants are subject to a 28-month lock-up period, with a 34-month lock-up period applying to the remainder. On the last day of each lock-up period, Valora will offer to buy back the shares in the relevant tranche at their closing price on SIX Swiss Exchange that day. On the last day of each lock-up period, participants wishing to avail themselves of this offer must notify Valora of the number of shares they wish to sell back in this way. Once the lock-up period ends, any shares not sold back to Valora are then freely available to the plan participants without further restrictions. Should the market price of Valora shares be lower than the participant's purchase price when the loan falls due, Valora guarantees to the bank making the loan and the participant that it will make good any shortfall. In any event, Valora's guarantee to the bank expires at the end of the second lock-up period. Valora's financing costs for the plan are limited to the interest expense relating to the initial purchase cost.

In the event of Valora terminating a plan participant's contract of employment before the end of the first or second lock-up periods, the participant will be required to sell a pro rata proportion of his shares in the plan back to Valora at their initial purchase price. The loan must be repaid in full. Should a plan participant himself elect to terminate his contract of employment prematurely, he will be required to sell all shares in the plan which are then subject to a lock-up period back to Valora at their initial purchase price. No pro rata entitlement to any shares subject to lock-up restrictions will apply. In the case of Board members, resignation from the Board or refraining to stand for re-election to the Board are deemed to constitute election by the plan participant to terminate his contract of employment.

No external consultancy fees were paid in connection with the development of this plan.

**5.1.2 BOARD OF DIRECTORS.** The Board of Directors determines at its own discretion the nature and amount of the remuneration paid to its members, based on proposals made by the Nomination and Compensation Committee. Members of the Board receive graduated fixed fees, whose amount is determined by their Board function (Chairman, Vice-Chairman, member). An additional emolument is paid to the Chairmen of the two Board committees (Audit Committee and Nomination und Compensation Committee). These fees are paid out in cash each quarter. No performance-based variable remuneration is paid to the Board of Directors. Board members also participate in the Long Term Plan (see 5.1.1 above). Conrad Löffel's participation in the Long Term Plan is options-based. No other modifying arrangements have been agreed.

No attendance fees are paid for Board meetings, though a fixed amount of travel expenses is reimbursed.

**5.1.3 GROUP EXECUTIVE MANAGEMENT.** Members of Group Executive Management receive an annual salary which comprises a fixed and a variable component (the Short Term Plan). In addition, they also participate in the Long Term Plan (see 5.1.1 above).

Depending on the extent to which agreed objectives are met, the variable component (Short Term Plan) can range from 0% to a maximum of 75% of fixed base salary. On average, a member of Group Executive Management achieving 100% of his agreed objectives would qualify for a Short Term Plan payment equal to 37% of fixed base salary. 70% of the variable, performance-based

component of remuneration is based on the company's business performance, which is measured on the basis of economic value added, while the remaining 30% depends on the achievement of personal objectives.

Valora uses a measure of economic value added (VVA, or Valora Value Added) which is defined as EBIT minus calculated financing costs. The VVA achieved is measured by taking the VVA for a given year minus the VVA for the previous year and dividing this by the budgeted VVA minus the VVA for the previous year.

The Board of Directors determines applicable previous year's VVA and approves the VVA budgeted for the current year. VVA calculations for the CEO and CFO are made on the basis of Group figures, while those for the division heads are based on the data for the relevant division.

Each participant's personal objectives and the extent to which these have been achieved are determined on an annual basis by the participant's superior or, in the case of members of Group Executive Management, by the Nomination and Compensation Committee. Personal objectives are defined in terms of clearly measurable key performance indicators (KPIs). All individual objectives are individually weighted and the extent to which they are deemed to have been achieved can vary from 0% to 150%. Each participant's effective bonus is calculated by assigning a 70% weighting to the achievement of the VVA objective and a 30% weighting to key personal objectives and will range from 0% to a maximum of 150% of their target bonus.

The Board of Directors' Nomination and Compensation Committee determines total remuneration levels for the members of Group Executive Management and decides on the award of any performance-based remuneration, informing the Board of Directors of its decisions at the Board meeting immediately following their decision.

Details of the remuneration paid to the Board of Directors and Group Executive Management and of the Valora shares held by their members can be found in Note 5 to the financial statements of Valora Holding AG on page 123.

## 6 SHAREHOLDERS' PARTICIPATION RIGHTS

**6.1 VOTING RIGHT AND REPRESENTATION RESTRICTIONS.** Each share entitles its holder to one vote at the General Meeting. Voting is limited to those individuals who are entered as shareholders with voting rights in the Share Register.

The Ordinary General Meeting of shareholders held in 2010 approved the removal of the previous restriction which prevented any shareholder from having voting rights recognised in respect of more than 5% of the company's issued share capital, and Article 4 of the company's Articles of Incorporation was amended accordingly.

The Board of Directors may refuse acknowledgement and entry in the Share Register as a shareholder with voting rights of any shareholder who fail to confirm expressly, on request, that they have acquired the shares concerned in their own name and for their own account. The Board of Directors may also cancel – with retroactive effect to the date of original entry – the entry in the Share Register as a shareholder with voting rights of any shareholder who, on subsequent inquiry, is found to have had the voting rights concerned registered by making a false declaration, and may have them entered instead as shares without voting rights. Any such cancellation must be communicated immediately to the shareholder concerned.

To enhance the tradability of Valora shares on the stock exchange, the Board of Directors may devise regulations or agreements which approve the fiduciary entry of registered shares with voting rights over and above the limits set out in the Articles of Incorporation for trustees who disclose the nature of their trusteeship (nominees, ADR banks). Such trustees must be overseen by banking or financial market regulators, however, or must otherwise provide the necessary guarantees that they are acting on behalf of one or several persons who are not linked to each other in any way, and must be able to provide the names, addresses and shareholdings of the beneficial owners of the shares concerned.

## FINANCIAL REPORT VALORA 2010 CORPORATE GOVERNANCE REPORT

*(Page 144 in the Valora Annual Report)*

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 independent shareholders' representative.

Recognition of powers of attorney will be at the discretion of the Board members attending the General Meeting.

**6.2 STATUTORY QUORUMS.** Unless the law or the Articles of Incorporation require otherwise, the General Meeting passes its resolutions and conducts its elections by a simple majority of the share votes cast, irrespective of the number of shareholders attending or the number of shares represented. In the event of a tied vote, the Chairman of the Board of Directors holds the casting vote.

Under Article 12 of the Articles of Incorporation, the following resolutions require a majority of two thirds of the votes represented and an absolute majority of the nominal value of the votes represented:

- changing the object of the company;
- introducing shares with privileged voting rights;
- limiting or facilitating the transferability of registered shares;
- increases in authorised or conditional capital;
- capital increases from shareholders' equity, against non-cash payments or for acquisition purposes, and the granting of special benefits;
- limiting or suspending subscription rights;
- relocating the company's registered office;
- dissolving the company without liquidation or by merger.

**6.3 CONVOCATION OF THE GENERAL MEETING.** Ordinary or Extraordinary General Meetings are formally called at least 20 days in advance by publication in the «Schweizerisches Handelsamtsblatt» (Swiss Official Gazette of Commerce). The holders of registered shares shown in the Share Register may also be invited by letter. Such publication and letters of invitation must indicate the venue, date and time of the meeting, the items on the agenda and the wording of any motions proposed by the Board of Directors or by shareholders who have requested the convening of a General Meeting or the inclusion of an item on the meeting's agenda.

The notice of an Ordinary General Meeting must 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 on request.

No resolution may be passed on any matters that are not announced in the way described above, except on a motion to convene an Extraordinary General Meeting or to conduct a special audit.

The Articles of Incorporation stipulate that the convening of a General Meeting may also be requested by one or more shareholders who together represent at least 10% of the company's share capital.

**6.4 ADDITIONAL AGENDA ITEMS.** Shareholders who together represent at least 3% of the company's share capital or shares with a total nominal value of at least CHF 1 million may request that an item be placed on the agenda of a General Meeting, provided they submit details thereof to the company in writing at least 50 days in advance of the General Meeting concerned.

**6.5 REGISTRATIONS IN THE SHARE REGISTER.** To attend the 2011 Annual General Meeting, a shareholder must submit their request for registration in the Share Register to the company no later than 4 p.m. on April 7, 2011.

# FINANCIAL REPORT VALORA 2010

## CORPORATE GOVERNANCE REPORT

(Page 145 in the Valora Annual Report)

### 7 CHANGES OF CONTROL AND DEFENCE MEASURES

**7.1 DUTY TO MAKE AN OFFER.** The company has no «opting out» or «opting up» clauses in its Articles of Incorporation.

**7.2 CLAUSES ON CHANGE OF CONTROL.** There are no change of control clauses in favour of any members of the Board of Directors, Group Executive Management or other members of management.

### 8 AUDITORS

The consolidated financial statements and the financial statements of Valora Holding AG and its subsidiaries are audited by Ernst & Young AG. The General Meeting appoints an individual or corporate body that satisfies the relevant legal requirements to act as Statutory Auditors, with the rights and obligations prescribed by the law. The Statutory Auditors are elected for a one-year term of office.

**8.1 DURATION OF THE MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR.** The audit mandate was first entrusted to Ernst & Young AG at the 2009 General Meeting. Ernst & Young AG were appointed as auditors for a further year at the 2010 General Meeting. The lead auditor, Martin Gröli, first took on the mandate in 2009. Regulations on auditor rotation limit the terms which may be served by the same lead auditor to a maximum of seven years.

**8.2 AUDIT FEES.** The total cost to Valora Holding AG and its subsidiaries of the auditing conducted by Ernst & Young AG in 2010 in respect of the consolidated financial statements, the financial statements of Valora Holding AG and of its subsidiaries was CHF 1.0 million (CHF 1.0 million in 2009).

**8.3 ADDITIONAL FEES.** In addition, Ernst & Young AG invoiced the Valora Group for a further CHF 0.26 million (CHF 0.02 million in 2009) for other services related to tax advice and financial due diligence.

**8.4 INFORMATION INSTRUMENTS AVAILABLE TO THE EXTERNAL AND INTERNAL AUDITORS.** The Board of Directors' Audit Committee defines the audit mandates of the statutory auditors and has the responsibility of ensuring appropriate controls are carried out. Since January 1, 2009, internal auditing has been carried out by an internal audit unit. Both internal and external auditors attended all Audit Committee meetings. The Audit Committee meetings at which the interim and full-year financial results are reviewed are always attended by all members of the Board of Directors. Assessment of the external auditors takes account of a number of criteria, principal among which are deadline discipline, reporting quality, provision of additional information, availability of designated contacts and cost effectiveness. The external auditors submit to the Audit Committee both their report on the financial statements for the year just completed as well as their audit plan for the current financial year. The internal auditors submit their audit plan for the current year to the Audit Committee and also provide it with a separate report on each audit they carry out.



# FINANCIAL REPORT VALORA 2010

## CORPORATE GOVERNANCE REPORT

(Page 146 in the Valora Annual Report)

### 9 INFORMATION POLICY

Valora Holding AG meets all legal requirements and strives to meet best practice standards. Valora Holding AG uses all appropriate communication channels to maintain contact with the financial community and the general public. The firm reports on important news items concerning it on an ad hoc basis. In addition, the Valora website provides comprehensive information on a range of topics, as well as publishing details of all matters whose disclosure is required by law.

The Investor Relations unit is responsible for managing all contacts with investors and financial analysts. Regular conferences covering important company topics are held for the media, institutional investors and analysts. Shareholders and other interested parties may dial into these events by telephone or log on via the Valora Holding AG website.

Valora Holding AG is committed to treating all interested parties equally. The Group ensures that information is not disclosed selectively by adhering to the relevant directives on ad hoc publicity and on blackout periods ahead of the publication of interim and full-year results. These blackout periods commence on dates before the official publication of results which are set in advance and end when the results are published. No meetings with financial analysts or investors take place during the blackout periods.

Every spring, the company holds a results press conference for the media and financial analysts. The invitation to the General Meeting sent to all shareholders includes a summary of the key figures in the full-year financial statements.

At the end of August each year, the company publishes consolidated interim results for the first six months of the year and sends these to all shareholders entered in the Share Register (these results are unaudited).

Every autumn, the company hosts a media and investors' day, which may focus on customers, markets, strategy or other subjects.

The Investors section of the Valora website displays a variety of information, including the corporate governance report, the company's Articles of Incorporation, a calendar of events, information on the General Meeting and on Valora shares as well as other key metrics. Ad hoc news and reports on potentially price-sensitive matters can be obtained rapidly and free of charge by e-mail by registering on the Valora e-mail distribution list (<http://www.valora.com/de/investors>).

Ongoing sources of information:

- The [www.valora.com](http://www.valora.com) company website
- Group interim and annual reports
- Media releases

Media relations: *Stefania Misteli*

Investor relations: *Mladen Tomic*