

# Corporate Governance

## 1 Group Structure and Shareholders

### 1.1 Group structure

<b>Charles Vögele Holding</b> Pfäffikon (Canton Schwyz) Share capital CHF 88 000 000		
<b>Charles Vögele Mode AG</b> Pfäffikon (Canton Schwyz) Share capital CHF 20 000 000	<b>Charles Vögele (Netherlands) B.V.</b> Utrecht Equity capital € 2 268 901	<b>Charles Vögele Trading AG</b> Pfäffikon (Canton Schwyz) Share capital CHF 10 000 000
<b>Charles Vögele Deutschland GmbH</b> Sigmaringen Equity capital € 15 340 000	<b>Charles Vögele Fashion (Netherlands) B.V.</b> Utrecht Equity capital € 1 000 000	<b>Charles Vögele Import GmbH</b> Lehrte, Germany Equity capital € 25 000
<b>Charles Vögele (Austria) AG</b> Kalsdorf Share capital € 1 453 457	<b>Charles Vögele (Belgium) B.V.B.A.</b> Turnhout Equity capital € 644 523	<b>Prodress AG</b> Pfäffikon (Canton Schwyz) Share capital CHF 100 000
<b>Cosmos Mode AG</b> Pfäffikon (Canton Schwyz) Share capital CHF 100 000		

— Holding company  
— Sales organizations  
— Service organizations

As of December 31<sup>st</sup>, 2003

Information on listing and stock market capitalization as at December 31<sup>st</sup>, 2003, can be found on page 6 of the activity report along with other key figures relating to the company's shares.

Charles Vögele Holding AG is the holding company for all of the Group's companies. Charles Vögele Trading AG is responsible for all Group-wide services such as purchasing, IT, communications, treasury, accounts, financial control, and risk management. Prodress AG is an advertising agency that works exclusively for the Charles Vögele Group. Cosmos Mode AG is responsible for the administration of licenses. Until the end of 2002, Charles Vögele Store Management AG encompassed the Group activities of sales management. Following the reorganization of sales management, this company has not performed any operational functions since January 1<sup>st</sup>, 2003. Segment information is on page 14 section 2 of the financial report, and the overview of all consolidated companies is on page 36 section 33 of the financial report.

During the year under review the former Charles Vögele Beteiligungen AG was absorbed into Charles Vögele Holding AG. Charles Vögele Import GmbH, Lehrte, which is responsible for operational functions (storage logistics and quality control) at the distribution center in Lehrte (DE), was established on May 22<sup>nd</sup>, 2003.

### 1.2 Significant shareholders

According to the information supplied to the company under statutory stock exchange regulations, as of March 28<sup>th</sup>, 2002, the Classic Global Equity Fund (Braun, von Wyss & Müller AG's asset management arm) held 6.2% of the company's capital. In addition, as per March 1<sup>st</sup>, 2004, The Capital Group Company's Inc. held 5.07% of the company's share capital.

### 1.3 Cross-shareholdings

There are no cross-shareholdings with other companies.

## 2 Capital Structure

### 2.1 Share capital

The share capital of Charles Vögele Holding AG is CHF 88 000 000 and is made up of 8 800 000 fully paid-up bearer shares (securities number: 693 777/ISIN-Code: CH000 693 777) with a par value of CHF 10 each.

As at December 31<sup>st</sup>, 2003, the Charles Vögele Group held 117 285 of its own shares (as of December 31<sup>st</sup>, 2002: 18 314 shares), which are earmarked for the existing employee option plan. Detailed information on purchases and sales of shares and on the relevant opening and closing totals can be found on page 43 section 8 of the financial report.

### 2.2 Authorized and conditional capital

Charles Vögele Holding AG's articles of association include a provision authorizing the Board of Directors to increase the company's equity capital by a maximum of CHF 2.64 million, excluding shareholders' subscription rights, through the issue of 264 000 shares with a par value of CHF 10 each. This authorization lasts for an indefinite period of time. These shares are to be used exclusively for share option programmes. The persons entitled to benefit are defined in the current share option programme. Subscription conditions and other details are defined at the time of issue. (Please also refer to section 5.6 "Options" on page 61)

### 2.3 Changes in capital

An overview of changes to the company's capital during the financial years 2001–2003 can be found on page 37 of the activity report.

### 2.4 Shares and participation certificates

Charles Vögele Holding AG's share capital consists of 8 800 000 fully paid-up bearer shares (securities number: 693 777/ISIN-Code: CH000 693 777) with a par value of CHF 10 each. This share capital is fully paid up. There are no restrictions on the transfer of shares. As stipulated in Art. 659a of the Swiss Code of Obligations, every share entitles the holder to dividends and to vote at the Annual Shareholders' Meeting. There are no participation certificates.

### 2.5 Bonus participation certificates

There are no bonus participation certificates.

### 2.6 Restrictions on transferability and nominee registrations

There are no restrictions on transferability or nominee registrations.

### 2.7 Convertible bonds and options

There are no convertible bonds. The only options are those associated with the employee option programme, which is described in section 5.6 "Options" on page 61.

Pfäffikon, Thursday, December 19<sup>th</sup>, 2002, 12.15 hours

Carlo Vögele

Alfred M. Niederer

Bernd H. J. Bothe

Dr. Felix R. Ehrat

Daniel J. Sauter



### 3 Board of Directors

#### 3.1 Members of the Board of Directors

##### Carlo Vögele

1957, Chairman, Swiss citizen  
 Term of office 2002–2005, first elected in 1998;  
 Management training at the University of California, San Diego; businessman.  
 Carlo Vögele was full-time Chairman of the Board of Directors from January 1999 to October 2001. From 1993 onwards he was a member of the Board of Directors of the former Group holding company. Until the end of 1997 he held a number of executive management positions within the company.

##### Alfred M. Niederer

1941, Vice-Chairman, Swiss citizen  
 Term of office 2001–2004, first elected in 1999;  
 Masters graduate in engineering from the Swiss Federal Institute of Technology in Zurich. Owner of Compatex Holding AG and board member of several listed companies. From 1986 to 1992 he was Chairman of Bally International AG and from 1992 to 1995, Vice Chairman of Bata Europe.

##### Bernd H. J. Bothe

1944, German citizen  
 Term of office 2002–2005, first elected in 2002;  
 graduate in business administration. Senior Partner in DIC Deutsche Investors' Capital AG, Droege & Comp. GmbH, Düsseldorf. Until the end of March 2002, Chairman and Chief Executive Officer Metro Cash & Carry GmbH, Düsseldorf.

##### Dr. Felix R. Ehrat

1957, Swiss citizen  
 Term of office 2003–2006, first elected in 1997;  
 Doctorate in law from the University of Zurich, attorney, LL.M. University of the Pacific, McGeorge School of Law. Managing Partner of Bär & Karrer law firm, Zurich, Geneva, Lugano, Zug, London.

##### Daniel J. Sauter

1957, Swiss citizen  
 Term of office 2003–2006, first elected in 2002;  
 Financial specialist. From 1976 to 1983, various functions in a number of banks including Bank Leu AG, Zurich; from 1983 to 1998 Senior Partner and CFO of Glencore International AG, Baar; from 1994 to 2001, CEO and Managing Director of the publicly quoted firm Xstrata AG, Zug.

During the year under review none of the members of the Board of Directors worked in any executive functions within the Group. Unless otherwise stated, the non-executive members of the Board of Directors have no other significant links with the Group. With regard to the other business relationships and interests that link members of the Board of Directors to the company, please refer to section 5.7 "Additional fees and remuneration" on page 61.

#### Changes to the Board of Directors 2003

During the year under review, William Slee left the company's Board of Directors at the Annual Shareholders' Meeting of April 29<sup>th</sup>, 2003. He did not put himself up for re-election after his term of office came to an end.

#### 3.2 Other activities and interests

Under the Corporate Governance Directive, the other activities and interests of the members of the Board of Directors only have to be listed if they are significant or substantial. The company believes that the activities of the present members of the Board of Directors are significant only if they relate to their work on management or supervisory bodies of Swiss or listed foreign companies, or unlisted Swiss or foreign garment trading companies. The members of the Board of Directors are not involved in any other substantial activities or interests.

##### Carlo Vögele

No other Board positions in listed companies or garment trading companies.

##### Alfred M. Niederer

Chairman of the Board of Directors of Von Roll Holding AG; Vice Chairman of the Board of Directors of Calida Holding AG; and member of the Board of Directors of Micronas AG.

##### Bernd H. J. Bothe

Member of the Supervisory Boards of Gardena AG, Ulm, and of Spar Österreichische Warenhandels-AG, Salzburg; Non-Executive Director of Synoptik Holding AG, Copenhagen.

##### Dr. Felix R. Ehrat

Member of the Boards of Directors of Julius Baer Holding Ltd. and Bank Julius Bär & Co. AG.

##### Daniel J. Sauter

Chairman of the Boards of Directors of Alpine Select AG, Zug, and of EIC Electricity SA, Geneva; member of the Boards of Directors of Sulzer AG, Sika AG, and Shape Capital AG.

In addition to these activities, some members of the Board of Directors are involved in activities outside their fields of responsibility in corporations, institutions, and private and public-sector foundations, as well as long-term executive and advisory functions for major Swiss and foreign interest groups, official functions and political offices, none of which, however, are of major significance to Charles Vögele Holding AG.

### 3.3 Cross-involvement

There are no cross-involvements.

### 3.4 Elections and terms of office

The Board of Directors of Charles Vögele Holding AG consists of at least three and no more than nine members, who have to be shareholders in the company or represent a legal entity that holds shares. Its members are elected by the Annual Shareholders' Meeting for a term of office not exceeding three years, a "year in office" being defined as the period between two Annual Shareholders' Meetings. According to this regulation, each member's first term of office is defined in such a way that the terms of office of all the members do not expire simultaneously at one Annual Shareholders' Meeting. Re-election is permitted. If a member departs before the end of his or her term of office, his or her successor takes over for the remainder of the departing member's term of office. The Board of Directors designates a chairman and a secretary, who need not to be shareholders or members of the Board of Directors (details of initial appointment and term of office are included in section 3.1 "Members of the Board of Directors" on page 52).

### 3.5 Internal organization

The Board of Directors passes resolutions on all matters affecting the company that the law, the articles of association or the Organizational Regulations do not place under the responsibility of another of the company's official bodies. In particular, the Board of Directors' responsibilities include the stipulation and review of the company's strategy, the appointment and dismissal of persons to whom the overall management of the company is entrusted (especially the CEO), the organizational structure, and the financial and accounting system. The Board of Directors is also responsible for supervising the people charged with management of the company to ensure that their actions comply with the law, the articles of association, the regulations and directives. The Board of Directors is responsible for producing the annual report, as well as for reporting to the Annual Shareholders' Meeting and implementing its resolutions. It is authorized to prepare and execute the resolutions and to delegate the supervision of business to the committees of the Board of Directors or to individual Board members. It can assign the management of the company's business in whole or in part to individual Board members or to other people.

According to the Organizational Regulations, the Board of Directors meets as often as business requires but always at least six times in each financial year. Six meetings and a two-day strategy seminar were held during the year under review. Meetings normally last one full day. The CEO and the CFO are in principle always present at the meetings; other members of company management, department heads and other employees or third parties are present as required. Since the beginning of the year under review the Board of Directors has had a permanent secretary whose responsibilities include minuting meetings of the Board of Directors and its committees. The secretary is not a member of the Board of Directors.

#### Chairman of the Board of Directors

The Chairman of the Board of Directors is always appointed by the Board at the end of the Annual Shareholders' Meeting for a one-year term of office. The Chairman ensures good co-operation between the Board of Directors, its committees, and the CEO. Together with the CEO he or she monitors implementation of the Board of Directors' resolutions.

#### Board of Directors committees

The Board of Directors of Charles Vögele Holding AG generally takes all its decisions collectively. Specific tasks and projects are delegated to committees that deal with defined fields of activity and prepare recommendations, which are submitted to the full Board of Directors for decision. The Committees meet as required, but always at least twice a year for at least three hours, and are made up as follows:

#### – Audit Committee

Daniel J. Sauter (Chairman), Dr. Felix R. Ehrat, Alfred M. Niederer  
The Audit Committee helps the Board of Directors to supervise the accounting and financial reporting systems, and to monitor compliance with the law by the company and by the Group companies that it directly or indirectly controls. It supervises internal control structures and external auditing procedures, and also monitors adherence to statutory rules and regulations by ordering regular reports from management. The Audit Committee also monitors the content and formal correctness of external communications on all financial matters. It normally meets three to four times a year for between half a day and a whole day. The CEO, the CFO and the Group auditors and other members of Group Management are invited as required.

During the year under review, the Audit Committee commissioned and monitored a comprehensive audit of the company's processes and IT systems by the newly selected external audit company

PricewaterhouseCoopers AG. It also commissioned an analysis and cataloguing of the main business risks for 2004. The reports produced have been analyzed. In addition, the Audit Committee reviewed price models for internal billing and proposed the creation of a new “Internal Audit” unit at Group level. This became operational on January 1<sup>st</sup>, 2004 (see also section 3.7 “Information and control instruments for Group Management” on page 57). The options plan proposed for 2003 was reviewed by the Audit Committee and recommended to the Board of Directors for approval. In 2003 five meetings were held.

– Compensation Committee

Alfred M. Niederer (Chairman), Carlo Vögele, Bernd H. J. Bothe  
The Compensation Committee, in collaboration with Group Management, evaluates any potential new members of the top level of management and submits relevant proposals to the Board of Directors. It also submits proposals to the Board of Directors on total remuneration for Group Management and the Board of Directors. The Board of Directors delegates the Compensation Committee to be Group Management’s point of contact for all major human resources issues in the Charles Vögele Group. It meets two to three times a year for between a half and a full day. The CEO and the Head of Human Resources are asked to attend as required. In 2003 two meetings were held.

– Strategy Committee

Bernd H. J. Bothe (Chairman), Carlo Vögele, Alfred M. Niederer  
The Strategy Committee periodically reviews Group strategy and the implementation by Group Management of the Board of Directors’ strategic guidelines. Working in close collaboration with Group Management it submits proposals to the Board of Directors on changes to Group strategy as well as on major new additional business activities for the Group and/or the relinquishment of existing activities. It meets two or three times a year for at least a half or a full day. The CEO is asked to attend as required. In 2003 two meetings were held.

### 3.6 Division of responsibilities between the Board of Directors and Group Management

The division of responsibilities between the Board of Directors and Group Management is defined in the Organizational Regulations of Charles Vögele Holding AG. The Board of Directors entrusts the CEO – who is given authority to issue directives to the other members of Group Management – and Group Management with operational management of the company and transfers to it all management responsibilities and powers that are not expressly reserved for itself. Group Management has the authority to make decisions on the transactions assigned to it, although certain transactions require the consent of the Board of Directors. In particular, Group Management shall submit the budget to the Board of Directors for approval.

### 3.7 Information and control instruments for Group Management

Group Management submits a monthly report to the Board of Directors and informs it about the current course of business at each of its meetings. This report is based on the budget approved by the Board of Directors, which is compared every month against the latest business performance. Investments are approved en masse as part of the budget process, though single investments of more than CHF 1.5 million must be approved by the Board of Directors on an individual basis before definitive implementation. Any two members of the Board of Directors and the Group Management have collective signing powers.

During the year under review, the Group “Internal Audit” unit was created as a new instrument for Group Management. It has been operational since January 1<sup>st</sup>, 2004, and was formed out of the Accounting Department’s former “Branch Audit” unit. Internal Audit reports to Group Management in organizational terms, but has a direct functional link to the Audit Committee. Internal Audit’s tasks continue to include branch audits, control functions relating to stocktaking, and training for branch heads. In addition it is now also responsible for process controlling with regard to procurement, distribution logistics and purchasing. Concrete audit tasks are also resulting from the implementation of the ongoing supply chain management project, and these are being defined in detail.

Furthermore, since 1996 the Charles Vögele Group has used a Code of Vendor Conduct, which all garment suppliers have to sign as a framework contract. This regulates compliance with minimum social standards and includes production guidelines relating to the use of chemical substances (see also page 45 of the activity report and [www.voegele-mode.com](http://www.voegele-mode.com)).

## 4 Group Management

Group Management is responsible for the operational management of the Charles Vögele Group. During the year under review, Group Management consisted of the Chief Executive Officer (Daniel Reinhard), the Chief Financial Officer (Dr. Felix Thöni) and the Purchasing Manager (Serge Brugger). In his capacity as CEO, Daniel Reinhard heads Group Management with authority to issue directives, and also manages the Sales and IT divisions at Group level.

### 4.1 Members of present Group Management

#### Daniel Reinhard

1953, Chief Executive Officer (CEO) since December 1<sup>st</sup>, 2001, as well as Head of Sales and IT; Swiss citizen, graduate of the Business and Administration Academy; from 1998 to 2001, Chairman of the Management Board of Salamander AG, having been a member of that Board from 1994 to 1998. From 1991 to 1993, General Manager and from 1986 to 1991 CFO of Bally in Germany and Austria and of Grüterich GmbH.

#### Dr. Felix A. Thöni

1959, Chief Financial Officer (CFO) since January 1<sup>st</sup>, 2003; Swiss citizen, doctorate in economics from the University of St Gallen; from 1992 to 2002, CFO of the Gavazzi Group. From 1988 to 1991 Area Controller of Schindler Management AG.

#### Serge Brugger

1952, Purchasing Manager since November 11<sup>th</sup>, 2002; Swiss citizen, graduate in business economics. Member of the European Group Management of C&A from 1999 to 2002.

As per December 31<sup>st</sup>, 2003

Daniel Reinhard



Thursday, December 12<sup>th</sup>, 2002, 14.30 hours

Dr. Felix A. Thöni



Serge Brugger



#### Changes in Group Management

Dr. Felix A. Thöni has been a new member of Group Management and CFO since January 1<sup>st</sup>, 2003. On January 31<sup>st</sup>, 2003, Marcus Arnoczky, until then member of Group Management and Logistics and IT Manager, left the company. On February 1<sup>st</sup>, 2003, management of the Supply Chain division was allocated to the second level of management and the IT division was placed directly under the management of Daniel Reinhard.

#### 4.2 Other activities and interests

The members of Group Management do not conduct any major additional activities outside their areas of responsibility in corporations, institutions, or foundations organized under private or public law. Neither do they have any permanent executive or advisory functions in any major Swiss or foreign companies, interest groups, or political parties.

#### 4.3 Management contracts

There are no management contracts in existence.

## 5 Compensation, shareholdings and loans

### 5.1 Remuneration and profit-sharing programmes: content and procedures

The Board of Directors' Compensation Committee is responsible for formulating the compensation and profit-sharing programmes. The Committee recommends the levels at which compensation and profit shares should be set and submits these recommendations for decision by the Board of Directors. Compensation for the members of the Board of Directors and Group Management is composed of a fixed portion and a variable portion, with the variable portion making up between 20% and 50% of total compensation depending on function. (Please refer to the Compensation Committee part of section 3.5 "Internal Organization" on page 56 as well as to section 5.6 "Options" on page 61 for further information.)

## 5.2 Remuneration for current company officers Fees and salaries, 2003 and 2002

in CHF	2003	2002
Board of Directors' emoluments, cumulative each year	967 500 (5 people)	850 000 (6 people)
Highest fee per year on Board of Directors	367 500	330 000
Salaries of Group management, cumulative each year	2 792 000 (3 people)	5 256 000 (6 people)

Members of the Board of Directors of Charles Vögele Holding AG do not perform any executive functions in the company.  
See also page 35 section 31 of the financial report.

### Severance compensation

No agreements exist with the Board of Directors or Group Management of Charles Vögele Holding AG regarding severance compensation. Accordingly, no such compensation was paid during the year under review.

### 5.3 Compensation to former directors and officers

No fees or salaries were paid or credit notes or other benefits granted during the year under review to any former members of the Board of Directors or Group Management who had left the company prior to the year under review, i.e. before December 31<sup>st</sup>, 2002.

### 5.4 Allocation of shares in the year under review

During the year under review no shares were allocated to members of the Board of Directors or of Group Management, nor to any persons closely associated with any of these persons. For the IPO in June 1999 a share participation plan was prepared for the then middle management and Group Management. Employees who qualified were each offered a package of 4 032 shares at their par value subject to a ban on resale for the next five years, although from 2000 onwards each recipient was permitted to sell a maximum of 20% of his or her package. During the year under review a total of 6 620 shares were issued at par value to eight middle managers as part of this participation plan.

### 5.5 Share ownership by company directors and officers

in shares	31.12.2003	31.12.2002
Members of the Board of Directors	262 420 (5 people)	261 840 (6 people)
Members of Group Management	42 700 (3 people)	31 500 (3 people)

## 5.6 Options

in options	Allocation in 2003	Allocation 2002
Share options, Board of Directors	22 500 (5 people)	30 000 (6 people)
Share options, Group Management	31 500 (3 people)	32 000 (3 people)

Members of the Board of Directors of Charles Vögele Holding AG do not perform any executive functions in the company.

The Option Plan, which was defined in 2002 for members of the Board of Directors, Group Management and members of the second level of management, is based on the company's own shares and conditional capital. The allocation of options is proposed by the Compensation Committee and approved by the Board of Directors. Each option carries the right to subscribe to one share. The exercise price of options issued in 2002 was calculated as the average share price at the time of allocation on November 18<sup>th</sup>, 2002, and amounts to CHF 29.50 per option. The term to maturity is five years and sale is prohibited for three years. The tax value is CHF 6.55 per option. The exercise price of options issued in the year under review was calculated as the average share price at the time of allocation on August 28<sup>th</sup>, 2003, and amounts to CHF 54.55 per option. The term to maturity is five years and sale is prohibited for three years. The tax value is CHF 9.30 per option (see also page 31 section 27 of the financial report.)

### Insider trading regulations

The "Vögele Group Regulations on Insider Trading" apply to all members of the Board of Directors, Group Management, the second level of management as well as any other employees whose work gives them access to price-sensitive information. These regulations are more comprehensive than the legal standards currently in force and also form part of the contracts of employment of the aforementioned persons. They are constantly updated to keep them in line with the latest requirements.

### 5.7 Additional fees and remuneration

Dr. Felix R. Ehrat, a member of the Board of Directors, is also a senior partner in the law firm of Bär & Karrer. During the year under review this firm provided legal services to various Group companies for which it received a total fee of CHF 602 500.

### 5.8 Loans granted to directors and officers

No loans to directors or officers of the company are outstanding.

### 5.9 Highest total remuneration

The member of the Board of Directors with the highest total remuneration received director's emoluments of CHF 367 500 during the year under review, as well as 4 500 options with an exercise price of CHF 54.55 each and a tax value of CHF 9.30 each. (Please refer to section 5.6 "Options" on page 61 for details of how options can be exercised.)

## 6 Shareholders' rights

### 6.1 Voting rights: restrictions and representation

The company's articles of association contain no restrictions on voting rights and comply with the law with regard to proxy voting.

### 6.2 Statutory quorums

The Annual Shareholders' Meeting passes resolutions and conducts votes, unless mandatory statutory regulations or the provisions of the articles of association dictate otherwise, by an absolute majority of the shareholders' votes legally represented and validly cast, excluding spoilt votes and regardless of the number of shareholders present and the number of votes they represent. Each share entitles the holder to one vote at the Annual Shareholders' Meeting.

### 6.3 Calling the Annual Shareholders' Meeting

The Annual Shareholders' Meeting takes place no later than six months after the end of each company financial year. It is called by the Board of Directors. Shareholders are called to the meeting by an invitation published in the daily and financial media and are requested to submit any items they may wish to propose for the agenda.

### 6.4 Agenda items

Shareholders who between them represent shares with a total par value of at least CHF 1 million can make a request no later than 45 days prior to the day of the meeting for items to be added to the agenda. The request has to be made in writing and state the motion that is to be put to the vote. One or more shareholders who between them represent at least 10% of the share capital can call an Extraordinary Shareholders' Meeting between annual meetings.

### 6.5 Entries in the share register

The share capital of Charles Vögele Holding AG consists exclusively of bearer shares, and accordingly no share register is maintained.

## 7 Changes in control and defensive measures

There are no provisions (such as opting-out or opting-up clauses), either in the articles of association or in contracts of employment, or in any other agreements or plans, that relate to changes in control of the company or defensive measures to prevent such a change.

## 8 Auditors

### 8.1 Duration of mandate and term of office of the lead auditors

The new auditor for the Charles Vögele Group and Charles Vögele Holding AG is PricewaterhouseCoopers AG (PwC). It was selected as statutory and Group auditor for one year at the Annual Shareholders' Meeting of April 29<sup>th</sup>, 2003, and replaces the previous auditor Arthur Andersen AG. Since April 29<sup>th</sup>, 2003, the mandate to audit the Charles Vögele Group and Charles Vögele Holding AG has been managed by Matthias von Moos, partner at PwC, Zug.

### 8.2 Audit fee

The Group auditor and auditor of Charles Vögele Holding AG is paid a fee totalling CHF 600 000 plus another CHF 40 000 for audit-related services plus expenses for carrying out the statutory audit mandate. The audit contract is for one year, and the appointment of Charles Vögele Holding AG's Group auditor and auditor must be approved by the Annual Shareholders' Meeting.

### 8.3 Additional fees

The Group auditor for the Charles Vögele Group and the auditor for Charles Vögele Holding AG is involved exclusively in audit work. It has not been given any additional consultancy mandates. Consequently no additional consulting fees have been paid during the year under review.

### 8.4 Supervisory and control instruments for the auditors

The work of the external auditors is assessed and examined by the Audit Committee. Meetings are called and other means employed as required.

## 9 Information policy

The Charles Vögele Group pursues a transparent and open communications policy and is committed to a policy of ad-hoc publicity. Shareholders are regularly and continually kept informed by the following means:

- Annual Report and Accounts in German and English: these are published in accordance with statutory provisions no later than 20 days prior to the Annual Shareholders' Meeting, and are held at the company's registered offices.
- Half-Year Report and Accounts in German and English: these are usually published in August each year.
- Annual Report media and analysts' conference: this accompanies the presentation of the annual results, usually in March; there is also a conference on the interim results in August.
- Ad-hoc media releases as necessary.
- The media releases are published on the Internet at [www.voegele-mode.com](http://www.voegele-mode.com) under the "Media Lounge" link.

Detailed information on the company is always available to shareholders and other interested members of the public at our website [www.voegele-mode.com](http://www.voegele-mode.com).

An overview of contact addresses and the relevant timetable for shareholder information can be found on page 64 of the activity report.