

Organizational Rules Adval Tech Holding Ltd and Adval Tech Group

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1 Basic information

Pursuant to Article 716b of the Swiss Code of Obligations (OR) and Article 17, paragraphs 2 and 3 of the Articles of Incorporation, the Board of Directors of Adval Tech Holding Ltd has issued the following organizational rules for Adval Tech Holding Ltd and the Adval Tech Group. Adval Tech Holding Ltd and the Adval Tech Group are hereinafter jointly referred to as "Adval Tech".

The rules stipulate the tasks, capacities and responsibilities of the following executive bodies:

1. Board of Directors
2. Chairman of the Board of Directors
3. Vice-Chairman of the Board of Directors
4. Audit Committee
5. Nomination and Compensation Committee
6. Chief Executive Officer
7. Group Management
8. Boards of the subsidiaries

Annex I stipulates the organizational structure.

Annex II stipulates the allocation of responsibilities for technical matters.

Annex III stipulates the signatory powers.

2 The Board of Directors

2.1 Tasks and responsibilities

2.1.1 The Board of Directors is the senior executive body of Adval Tech. All tasks and responsibilities are incumbent upon it, unless they are reserved by legislation or the Articles of Incorporation to the general meeting of the shareholders or to the auditors. The responsibilities of the Board of Directors include the following:

2.1.1.1 It defines the scope of operational group management:

- mission statement and policy of Adval Tech,
- strategic approach and objectives,
- medium-term planning and annual budget.

2.1.1.2 It defines the group's organizational structure, and is empowered to issue general management guidelines and special regulations and instructions.

2.1.1.3 It ensures the management of the group. The Board of Directors is constituted at the first meeting after the ordinary general meeting. It appoints and dismisses:

- the Chief Executive Officer,
- the members of Group Management.

2.1.1.4 It issues the annual report, prepares the general meeting of the shareholders and implements resolutions passed at the general meeting.

2.1.1.5 It monitors and supervises:

- the implementation of the mission statement, policy and strategies, conduct of business (annual report and interim reports),
- finance and accounting,
- compliance with legislation, articles of incorporation, regulations and instructions.

2.1.1.6 It stipulates the remuneration of the Board of Directors.

2.1.1.7 It constitutes itself .

2.1.1.8 It approves the technical matters in accordance with Annex II.

2.1.2 The Board of Directors may assign the preparation, implementation and monitoring of its tasks and responsibilities to committees or individual members. The following committees exist:

- Audit Committee (no. 5)
- Nomination and Remuneration Committee (no. 6).

The Board of Directors appoints the chairman of each committee. In all other respects, the committees are self-constituting.

2.1.3 The Board of Directors delegates the operational management of the group to Group Management, to the extent it is not expressly reserved to the Board of Directors itself or one of its executive bodies, or to the extent it is not subject to delegation by law, the articles of incorporation or the Organizational Rules.

2.1.4 It supervises the tasks and responsibilities which have been delegated to other executive bodies.

2.2 Organization

- 2.2.1 The Board of Directors meets as frequently as required by the business but at least four times a year, upon invitation by the Chairman. Any member of the Board of Directors may demand that a meeting be convened immediately, stating the purpose.
- 2.2.2 The invitation, including the agenda and the documents for the meeting, must be issued at least five working days prior to the meeting, unless the circumstances are urgent.
- 2.2.3 The Board of Directors is quorate if a majority of its members are present. Resolutions must be passed by the majority of members present who are entitled to vote. Resolutions may also be passed by circular, by consent of an absolute majority of members, unless a member demands an oral discussion within three days of receipt of the proposal. The Chairman has the casting vote in the event of a tie.
- 2.2.4 Minutes must be taken of the discussions and resolutions and signed by the Chairman and the secretary.
- 2.2.5 The CEO will usually attend meetings in an advisory capacity. The Chairman will decide whether to involve any further individuals.
- 2.2.6 The Board of Directors assesses its performance and that of its members once a year.

2.3 Right to information and reporting

- 2.3.1 Within the scope of their tasks and responsibilities, all members of the Board of Directors will be entitled to timely, comprehensive reports on all Adval Tech matters, appropriate to their grade.
- 2.3.2 At each meeting, the Board of Directors must be informed of business matters by the Chairman or, upon his instructions, by the CEO. The Chairman or members of the Board of Directors must be informed immediately of any extraordinary events.
- 2.3.3 Any member of the Board of Directors wishing information or access to commercial documents outside the meetings must ask the Chairman.
- 2.3.4 Any member of the Board of Directors may ask the Chairman for access to books and records, if they are required for the member to carry out his responsibilities or tasks. Should the Chairman refuse a request for information, a hearing or access, the Board of Directors will decide.

3 The Chairman of the Board of Directors

3.1 Tasks and responsibilities

The Chairman has the following tasks and responsibilities:

- 3.1.1 He is responsible for senior management and supervision of the individuals commissioned with operational group management.
- 3.1.2 He prepares the meetings and resolutions of the Board of Directors. The Board of Directors will meet on his invitation and under his chairmanship.
- 3.1.3 He represents Adval Tech externally, particularly to the shareholders and the Board of Directors within Adval Tech.
- 3.1.4 He maintains the relationship with the shareholders, particularly to those whose stake exceeds 5% of the total voting rights of Adval Tech Holding Ltd.
- 3.1.5 He monitors implementation of the resolutions of the Board of Directors.
- 3.1.6 He chairs the general meeting of the shareholders of Adval Tech Holding Ltd.
- 3.1.7 He approves the technical matters in accordance with Annex II.

3.2 Reporting

- 3.2.1 Within the scope of his tasks and responsibilities, the Chairman will obtain regularly comprehensive information on all Adval Tech matters. Information will be supplied primarily by the CEO and the chief financial officer (CFO).
- 3.2.2 The Chairman must be informed immediately of any extraordinary events.

4 The Vice-Chairman of the Board of Directors

represents the Chairman, including all his tasks and responsibilities, in his absence.

5 Audit Committee

5.1 Tasks and responsibilities

The Audit Committee has the following tasks and responsibilities:

- 5.1.1 It will discuss with the external auditors the results of their audit work, particularly their report on the audit of the financial statements of Adval Tech Holding Ltd, the consolidated accounts and the management letter.
- 5.1.2 It will audit the internal cost accounting system, risk management and compliance with standards.
- 5.1.3 It, together with the Chairman of the Board of Directors and the auditors, will plan the areas to be audited.
- 5.1.4 Upon request by the CFO, it will approve the fee budget submitted by the external auditors and assess the reconciliation potential of the audit work with other advisory tasks.
- 5.1.5 It will review its schedule of duties once a year.

5.2 Organization

- 5.2.1 The majority, particularly the Chairman, shall be experienced in finance and accounting and shall be independent.
- 5.2.2 The Audit Committee will meet as frequently as business demands, but at least twice a year, upon invitation by the Chairman.
- 5.2.3 The CFO – and, if necessary, the CEO – will usually attend meetings in an advisory capacity. The Chairman will decide whether to involve any further individuals, particularly representatives of the firm of auditors.
- 5.2.4 The minutes will be available to the members of the Board of Directors. Nos. 2.2.2 to 2.2.4 will apply analogously in other respects.

5.3 Information, reporting and proposals

- 5.3.1 The Audit Committee must be informed immediately of any extraordinary events affecting its tasks and responsibilities.
- 5.3.2 The Audit Committee will duly submit a report to the Board of Directors on the outcome of its work and will submit the necessary proposals to the Chairman, through the Board of Directors.

6 Nomination and Compensation Committee

6.1 Tasks and responsibilities

The Nomination and Compensation Committee has the following tasks and responsibilities:

- 6.1.1 It will prepare personnel planning at the level of the Board of Directors and Group Management, expressly by
- 6.1.2 stipulating recruitment criteria and preparing selection of candidates
- 6.1.3 planning and promotion of succession.
- 6.1.4 It will inform the Board of Directors of the performance of members of Group Management. It will specify the basic salary and bonus of Group Management, the latter on the basis of a specified method.
- 6.1.5 It will propose the remuneration of the Chairman and the other members of the Board of Directors.
- 6.1.6 It will review its schedule of duties once a year.

6.2 Organization

- 6.2.1 The Nomination and Compensation Committee will meet as frequently as business requires but at least once a year, upon invitation by the Chairman.
 - 6.2.2 The CEO will usually attend the meeting in an advisory capacity. The Chairman will decide whether to involve any further individuals.
- 6.2.3 The minutes will be available to the members of the Board of Directors. Nos. 2.2.2 to 2.2.4 will apply analogously in other respects.

6.3 Reporting and proposals

The Nomination and Compensation Committee will duly submit a report to the Board of Directors on the outcome of its work and will submit the necessary proposals to the Chairman, through the Board of Directors.

7 Chief Executive Officer

The Chief Executive Officer is the line manager of the members of Group Management. He reports to the Chairman and has the following tasks and responsibilities:

- 7.1 He is responsible for implementing the mission statement and policy.
- 7.2 He leads Group Management within the scope of resolutions of higher-ranking bodies and with a view to compliance with the budget, medium-term planning and strategic objectives.
- 7.3 He will convene and chair Group Management meetings.
- 7.4 He will submit proposals to higher-ranking levels.
- 7.5 He will ensure that punctual, comprehensive and appropriate reports are made to the Chairman and the Board of Directors, in accordance with their tasks and responsibilities.
- 7.6 He will represent Adval Tech publicly (particularly to customers, suppliers and the financial community) in respect of operational business.

8 Group Management

8.1 Tasks and responsibilities

Group Management comprises the divisional managers and departmental managers and is led by the CEO. It is responsible for operational management of Adval Tech within the scope of resolutions by higher-ranking bodies and with a view to compliance with the budget, medium-term planning and strategic objectives.

- 8.1.1 It will draw up the basis for decisions for the Chairman and Board of Directors in accordance with its tasks and responsibilities.
- 8.1.2 It will implement the resolutions of the Chairman and Board of Directors and carry out the corresponding audits.
- 8.1.3 It will plan for and promote future managers.
- 8.1.4 It will approve technical matters in accordance with Annex II.
- 8.1.5 It will ensure that punctual, comprehensive and appropriate reports are made to the Chairman and the Board of Directors, in accordance with their tasks and responsibilities.

8.2 Organization

- 8.2.1 Group Management will meet as frequently as business requires, upon invitation by the CEO.
- 8.2.2 At least one weekend must elapse between the issue of the invitation, including the agenda items and the documents for the meeting, and the meeting.
- 8.2.3 If possible, resolutions by the Group Management must be passed by consensus of the members. Should this not be possible within a reasonable period despite every effort, the CEO will have the final decision, following consultation with the Chairman.

8.3 Delegation of tasks and responsibilities

- 8.3.1 Group Management may delegate the preparation, implementation and monitoring of tasks and responsibilities in accordance with no. 8.1 to individual members of the committee or to permanent technical or project teams.
- 8.3.2 It will draw up corresponding schedules of duties for its members and the permanent project and technical teams and submit them to the CEO for approval.

9 Members of Group Management

9.1 The divisional manager

has the following tasks and responsibilities:

- 9.1.1 He will assume his duties as a member of Group Management in accordance with no. 8.1.
- 9.1.2 He will bear comprehensive responsibility for his division with a view to compliance with the budget, medium-term planning and strategic objectives.
- 9.1.3 He will represent the division vis-à-vis the Group Management and vis-à-vis the subordinated companies.
- 9.1.4 He will implement resolutions by higher-ranking bodies and carry out corresponding audits.
- 9.1.5 In other respects, his duties and responsibilities will be determined by the schedule of duties.

9.2 The manager of the technical department

has the following tasks and responsibilities:

- 9.2.1 He will assume his duties as a member of Group Management in accordance with no. 8.1.
- 9.2.2 He will manage the technical department with a view to compliance with the budget, medium-term planning and strategic objectives.
- 9.2.3 He will represent the technical department in Group Management and vis-à-vis the subordinate companies.
- 9.2.4 He will implement resolutions by higher-ranking bodies and carry out corresponding audits.
- 9.2.5 In other respects, his duties and responsibilities will be determined by the schedule of duties.

10 The boards of the subsidiaries

have the following tasks and responsibilities:

- 10.1 They will protect the Group's interests, particularly in respect of compliance with legislation, Articles of Incorporation, these Rules and any applicable regulations.
- 10.2 The operations manager of a subsidiary may not be a member of the Board of Directors of the said company.

11 General stipulations

11.1 Confidentiality

Members of the Board of Directors are obliged not to disclose to third parties any facts of which they acquire knowledge in the exercise of their duties. Subject to prevailing personal interests, business records must be returned at the end of the period of office at the latest or their destruction confirmed in writing.

11.2 Conflicts of interest

Members of the Board of Directors must arrange their personal and business interests in such a way that conflicts of interest with Adval Tech are avoided wherever possible.

In the event of conflicts of interest, the member of the Board of Directors concerned must abstain.

Transactions between Adval Tech and members of the Board of Directors are subject to the principle of conclusion under third-party conditions.

11.3 Age limit

The age limit for members of the Board of Directors is the end of their 70th year.

12 Effective date

The Rules were approved at the meeting of the Board of Directors on 22 March 2007 and came into effect immediately. They replace all previous regulations and rules and may be amended or expanded by the Board of Directors at any time.

Niederwangen, 19 July 2007

Adval Tech Holding Ltd

Walter Gruebler
Chairman of the Board of Directors

Jean-Claude Philipona
Chief Executive Officer