

Articles of Incorporation of Orell Füssli Holding Ltd, Zurich

As amended on April 28, 2016

I. Name, registered office, object and duration of the company

- Art. 1 A public limited company with registered office in Zurich is established under the name of Orell Füssli Holding Ltd (Orell Füssli Holding AG, Orell Füssli Holding SA) on the basis of these Articles of Incorporation and the relevant legal provisions.
- Art. 2 The object of the company is the acquisition, sale and management of equity investments in industrial, commercial and financial enterprises in Switzerland and abroad. The company can engage in all transactions which are directly or indirectly related to its object or are conducive to furthering it.
- Art. 3 The duration of the company is unlimited.

II. Share capital

- Art. 4 The share capital of the company amounts to CHF 1 960 000, which is divided into 1 960 000 registered shares, each with a par value of CHF 1 and fully paid.
The Board of Directors maintains a share register in which the owners and beneficiaries are recorded with names and addresses. In relations with the company only those persons who are recorded in the share register are recognised as shareholders. The acquisition of a share as owner or beneficiary entails the recognition of the company's Articles of Incorporation, as amended.
- Art. 4a Voting rights attached to the shares and the rights associated with them can only be exercised by those entered in the share register as voting shareholders. The company can refuse registration if the person acquiring the shares to be recorded does not confirm that he is the beneficial owner of the shares to be recorded by expressly declaring that he has acquired and also holds the shares in his own name and for his own account.
If the acquirer is denied entry in the share register as a voting shareholder, he must be registered as a non-voting shareholder and accordingly permitted to exercise the rights not associated with voting rights.
The Board of Directors sets out the details in appropriate regulations.

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III. Executive bodies of the company

Art. 5 The executive bodies of the company are:

the General Meeting
the Board of Directors
the Executive Board
the Auditors.

The General Meeting

Art. 6 An ordinary general meeting of shareholders is held annually before June 30, an extraordinary general meeting whenever the Board of Directors deems it necessary or shareholders representing at least one-tenth of the share capital or the Auditors request this in a signed application to the Board of Directors stating the item for discussion (Art. 699; Swiss Code of Obligations), or if a resolution is adopted on a motion proposed in a general meeting to this effect. In such cases the Board of Directors must convene a general meeting within three weeks. Shareholders representing at least 5% of the share capital can also request the inclusion of an item for discussion on the agenda; this request must be submitted in writing at least 45 days prior to the meeting, stating the item for discussion and the motions proposed by the shareholder.

The Board of Directors, or if necessary the Auditors, convene the general meeting with a single public invitation in the publication media specified in Art. 23 of the Articles of Incorporation; the Board of Directors can also invite the shareholders entered in the share register by letter or by electronic means. This invitation must be issued at least twenty days prior to the date of the meeting. The invitation must disclose the items for discussion as well as the motions proposed by the Board of Directors and the shareholders who have requested that a general meeting be held or an item for discussion be included on the agenda.

In the invitation to the general meeting the Board of Directors stipulates the closing date for entries in the share register entitling shareholders to attend and vote.

No resolutions can be adopted on matters which have not been announced in this way, except on a request to convene an extraordinary general meeting or to conduct a special audit. However, no prior announcement is required for proposing motions in the context of items for discussion or for discussions where no resolutions are adopted.

The general instruction always to vote in favour of the motion proposed by the Board of Directors in the case of motions announced and/or not announced in the invitation is deemed to be a valid instruction to exercise voting rights.

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The annual report, the remuneration report and the auditor's report must be made available for inspection by shareholders at the company's registered office and on the company's website (www.orellfussli.com) at least twenty days prior to the ordinary general meeting. The invitation to the general meeting must draw attention to this and to the shareholders' right to request delivery of these documents.

- Art. 7 The general meetings are held at a place to be designated by the Board of Directors. The Chairman or Vice-Chairman of the Board of Directors or, if they are unable to attend, another director appointed by the Board of Directors will preside and appoint a secretary and two scrutineers, who do not need to be shareholders, as clerks. Minutes will be taken of the discussions and must be signed by these clerks, subject to legal provisions regarding the execution of a public document.
- Art. 8 In order to be able to attend the general meeting, each shareholder must furnish evidence of his shareholding to the offices designated by the Board of Directors for this purpose at least five days prior to the date of the meeting; in return he will receive an admission ticket issued in his name.

A shareholder who wishes to be represented by another shareholder attending the general meeting must provide his admission card with a written power of attorney, which must contain the name of his representative. Representation by a person other than a shareholder attending the general meeting in his own name is not permitted. Only executives and authorised representatives of companies entered in the Commercial Register are excluded from this provision.

Shareholders can take part in voting and elections at the general meeting remotely via electronic ballot or by issuing power of attorney or instructions to the independent voting proxy. The Board of Directors sets out the relevant details.

The independent voting proxy is obliged to exercise the voting rights assigned to him by shareholders in accordance with their instructions. If he has received no instructions he abstains from voting.

- Art. 9 Ownership of a share affords the right to one vote (Art. 692, 695; Swiss Code of Obligations).
- Art. 10 The general meeting adopts resolutions with the absolute majority of the votes cast, unless the law or the Articles of Incorporation provide otherwise.

Votes and elections are usually by open ballot, but ballot papers are used if the chairman so directs or the general meeting so resolves. The Board of Directors can introduce electronic voting.

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- Art. 11 The general meeting has exclusive authority with regard to:
1. Adopting and amending the articles of incorporation;
 2. Approving the statement of affairs, the annual accounts and, if applicable, the consolidated statements of account, as well as adopting resolutions regarding the appropriation of net income, in particular declaring the dividend and fixing directors' fees with due regard for Art. 671 and 677; Swiss Code of Obligations;
 3. Formal approval of the directors' actions;
 4. Annual separate election of the members of the Board of Directors, the Chairman of the Board of Directors, the members of the remuneration committee and the independent voting proxy;
 5. Election of the external auditors;
 6. Approval of the remuneration of the Board of Directors and the Executive Board in accordance with Art. 18a et seq.;
 7. Adopting a resolution to wind up the company (Art. 21 and 22, Art. 736 et seq.; Swiss Code of Obligations);
 8. Adopting resolutions on all other matters falling under the exclusive authority of the general meeting as provided for by the law or the Articles of Incorporation, or which are submitted to it by the Board of Directors for a decision.

The Board of Directors and the Executive Board

- Art. 12 The Board of Directors consists of at least three members elected by the general meeting. Their term of office ends at the conclusion of the next ordinary general meeting. They may be re-elected.
- Art. 13 The Board of Directors constitutes itself, subject to the powers of the general meeting. It appoints the Vice-Chairman. It draws up its rules of procedure, which can be set out in the framework of the regulations governing the organisation.
- Art. 14 The overall management of the company and supervision of executive management is incumbent upon the Board of Directors. It represents the company externally and deals with all matters which are not delegated to another body within the company by law or the Articles of Incorporation.

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The Board of Directors has the following unassignable and irrevocable functions:

1. Overall management of the company and issuance of the necessary directives;
2. Establishing the organisation of the company;
3. Organising the accounting system, financial controls and if necessary financial planning;
4. Appointing and dismissing those entrusted with the management and representation of the business and stipulating signature authorisation;
5. Supervision of those entrusted with the management of the business, especially in respect of compliance with laws, the Articles of Incorporation, regulations and directives;
6. Drawing up the annual report and the remuneration report as well as preparing the general meeting and implementing its resolutions;
7. Notifying the court in the event of insolvency.

The Board of Directors can assign the preparation and implementation of its resolutions or the supervision of transactions to committees or individual members. It is authorised to delegate the management of the business wholly or in part to individual members or other individuals. It draws up regulations governing the organisation for this purpose.

Art.15 The arrangement of meetings, quorum (attendance) and adoption of resolutions by the Board of Directors are governed by the rules of procedure as set out in Art.13.

Minutes must be kept of the discussions and the resolutions adopted by the Board of Directors. The minutes must be signed by the chairman and the secretary to the Board of Directors.

Art.16 The Executive Board consists of at least three members, who are appointed by the Board of Directors. It is headed by the Chief Executive Officer (CEO) of the Group.

The Auditors

Art.17 The general meeting elects the auditors for a term of office of one financial year. They may be re-elected. Examination of the consoli-

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dated financial statements is also incumbent upon the auditors. The requirements imposed on the auditors are governed by the legal provisions.

Duties, rights and obligations of the auditors are determined by the legal provisions.

Remuneration

Art. 18a Basic principles

The members of the Board of Directors receive a fixed remuneration in cash and/or shares. Remuneration of the Board of Directors comprises the remuneration until the next ordinary general meeting plus any estimated social security contributions and contributions to welfare and pension schemes as well as additional insurance contributions and other fringe benefits which are paid by the company and qualify as remuneration. The Board of Directors can stipulate that a portion of the remuneration be disbursed in shares. In this case it specifies the conditions including allocation date and valuation, and decides on a vesting period.

The members of the Executive Board receive a fixed remuneration in cash. The members of the Executive Board can receive an additional short- and/or long-term performance-related remuneration in cash or shares.

Contributions to welfare and pension schemes outside of occupational pensions or similar arrangements abroad are permissible as long as they have been approved by the general meeting individually or as part of a total amount.

Art. 18b Additional amount

If a member of the Executive Board is newly appointed or assumes additional duties during a remuneration period for which the general meeting has already approved the remuneration of the Executive Board, the company is authorised to employ an additional amount for this period of up to 30% of the maximum total amount of remuneration of the Executive Board approved, to the extent that the total amount already approved for remuneration is insufficient. The additional amount employed does not have to be approved by the general meeting. It can be utilised for all types of remuneration.

Art. 18c Approval

The general meeting approves the following annually at the request of the Board of Directors:

1. The maximum remuneration of the Board of Directors for the period until the next general meeting;

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2. The maximum remuneration of the Executive Board for the next financial year.

The Board of Directors can submit motions to the general meeting for approval in respect of the maximum total amounts or individual remuneration elements for other periods or in respect of additional amounts for special remuneration elements as well as contingent motions.

If the general meeting rejects a motion proposed by the Board of Directors, the Board of Directors decides on the further procedure. It can convene an extraordinary general meeting or stipulate a maximum total amount or several maximum partial amounts, taking account of all relevant factors, and submit them to the next general meeting for approval. The company can disburse remunerations subject to approval by the general meeting within the framework of a maximum total or partial amount stipulated in this way.

Art. 18d Short-term, performance-related remuneration

Performance-related remuneration is dependent on company profits and value on the one hand, and on the achievement of personal targets and fulfilment of certain conditions on the other. The following basic principles must be observed in this context:

1. The maximum value of performance-related remuneration which can be achieved (if all targets are met) and paid out in cash is contractually specified. It amounts to no more than 100 percent of the fixed remuneration.
2. The personal targets of the members of the Executive Board are set by the Board of Directors. These are strategic, financial and/or individual targets. The achievement of targets is assessed by the Board of Directors after the end of the remuneration period.
3. The members of the Executive Board and others participating in the bonus share plan have the option of accepting a portion of the short-term, performance-related remuneration in the form of vested shares of the company at a preferential price specified by the Board of Directors. All shares (bonus shares) allocated as short-term, performance-related remuneration are subject to a vesting period commencing on the date of their allocation, which is contractually stipulated. The vesting period can lapse in the event of a change of control, liquidation of the company or structural changes, as well as the termination of the employment relationship in certain cases. The shares have voting and dividend rights as from the date of allocation.

Art. 18e Long-term, performance-related remuneration

The members of the Executive Board and other participants in the equity investment plan are allocated entitlements to shares according to the following basic principles:

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1. At the request of the remuneration committee the Board of Directors stipulates how many entitlements to shares are allocated.
2. The value of the entitlements to shares is determined according to their fair value on the day the entitlement is allocated.
3. The Board of Directors stipulates the earnings period at the request of the remuneration committee; this must be at least three years. The entitlement to shares lapses on principle upon termination of the employment relationship during the earnings period. A (full or pro rata) entitlement to shares can arise in the event of a change of control, liquidation of the company or structural changes, as well as the termination of the employment relationship in certain cases. This entitlement can also be settled in cash.
4. Entitlements to shares incorporate neither voting nor dividend rights. The shares are eligible to vote and receive dividends as from the date of the allocation of the shares (vesting).
5. The personnel equity investment plan can be covered by authorised or contingent capital, or by treasury shares.

The Board of Directors can also disburse long-term, performance-related remuneration wholly or in part in the form of cash compensation.

Art. 18 Remuneration committee

The remuneration committee consists of two or more members. The remuneration committee has the following duties and responsibilities:

1. Preparatory discussion and periodic review of remuneration policies and principles for the attention of the Board of Directors;
2. Preparation of decisions by the Board of Directors in the sphere of remuneration of the members of the Board of Directors and the Executive Board, including the maximum total amount of fixed as well as results- and performance-related remuneration;
3. Drawing up proposals for submission to the Board of Directors regarding the scope of potential recipients of performance-related remuneration and for specifying annual targets.

The Board of Directors can assign further duties to the remuneration committee, including the preparation of elections and appointments.

It sets out the organisation, working methods and reporting of the remuneration committee in the form of regulations.

Art. 18g Employment contracts and mandates

The company can conclude unlimited or fixed-term remuneration contracts with members of the Board of Directors. Their duration and termination are determined by term of office and legal provisions.

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The company concludes unlimited or fixed-term contracts of employment with members of the Executive Board. Fixed-term employment contracts have a maximum term of one year and can be renewed. Unlimited employment contracts have a period of notice of termination which must not exceed twelve months.

Art. 18h Other mandates

Members of the Board of Directors may accept additional mandates as members of the highest level of management or supervisory bodies of legal entities outside of the company's scope of consolidation, as follows:

1. No more than five mandates with companies listed on the stock market;
2. No more than ten mandates with unlisted companies
and
3. No more than ten mandates with associations, charitable foundations, family trusts or personnel pension funds.

Members of the Executive Board are subject to the same restrictions, whereby the maximum number of mandates permitted may not exceed two with listed or unlisted companies as well as a further three mandates with associations or charitable foundations (five mandates in all). Acceptance of mandates must in any case be approved by the Board of Directors. The Board of Directors can approve two further, additional mandates in terms of an interim solution.

The following do not fall under the restriction set out in paras. 1 & 2:

1. Mandates with companies which are directly or indirectly controlled by the company;
2. Mandates undertaken by a member of the Board of Directors or the Executive Board on behalf of the company;

Mandates with different legal entities under uniform legal or commercial control are regarded as a single mandate, but when counted individually may not exceed the number of 20 additional mandates.

Art. 18i Loans and pension benefits

No loans or credits as well as guarantees or other forms of security are granted to members of the Board of Directors.

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Loans or credits up to an amount of CHF 50 000 can be granted to members of the Executive Board. The company grants them no guarantees or other forms of security.

IV. Annual accounts, consolidated financial statements and appropriation of profit

Art.19 The annual accounts and the consolidated financial statements are closed annually at December 31.

The accounts (comprising income statement, balance sheet and appendix) and the consolidated financial statements as well as the statement of affairs are drawn up in compliance with legal provisions (Art. 958 et seq.; Swiss Code of Obligations).

Art. 20 Net income for the year is at the disposal of the general meeting, subject to legal provisions regarding profit appropriation, in particular Art. 671 et seq.; Swiss Code of Obligations.

The dividend may not be fixed until the relevant appropriations to the legal reserves required by law have been deducted. All dividends which have not been collected within five years of their due date are forfeited to the company.

V. Winding-up and liquidation

Art. 21 The general meeting can resolve the winding-up and liquidation of the company at any time as provided for by law and the Articles of Incorporation (Art. 736 et seq. and 704; Swiss Code of Obligations).

Art. 22 Liquidation is carried out by the Board of Directors currently in office in accordance with the provisions of Art. 742 et seq.; Swiss Code of Obligations, unless the general meeting entrusts it to others.

VI. Announcements

Art. 23 The official publication medium is the Swiss Official Commercial Gazette. The Board of Directors can specify additional official publication media. Announcements to shareholders are made in writing or by electronic means to the addresses entered in the share register.

VII. Transitional and concluding provisions

The amendments resolved by the general meeting held on April 28, 2016, come into effect upon their publication in the Commercial Register.

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The provisions regarding voting by the general meeting on the remuneration of members of the Board of Directors and the Executive Board apply with effect from the 2015 ordinary general meeting.

In amendment of the Articles of Incorporation dated November 10, 1970, i.e. resolved at the ordinary general meeting of shareholders held on April 19, 1972, the extraordinary general meeting of shareholders held on November 23, 1972, the ordinary general meetings of shareholders held on April 24, 1974, April 24, 1975, and April 6, 1977, the extraordinary general meeting held on October 1, 1981, the ordinary general meetings held on April 23, 1986, May 12, 1993, May 10, 1995, April 29, 1999, May 10, 2000, May 9, 2001, May 21, 2002, May 14, 2003, May 12, 2004, May 11, 2005, May 9, 2007, May 6, 2009, March 30, 2012, May 10, 2012, May 7, 2014 and April 28, 2016.

The ordinary general meeting of Orell Füssli Holding Ltd held on April 28, 2016, in Zurich.

The Chairman



Heinrich Fischer
Chairman of the Board of Directors

The Secretary



Christine Schneider
Secretary to the Executive Board

The Articles of Incorporation of Orell Füssli Holding Ltd amended at the ordinary general meeting held on April 28, 2016, were entered in the Commercial Register of the Canton of Zurich on May 23, 2016, and published in the Swiss Official Commercial Gazette on May 26, 2016.