Remuneration report

REMUNERATION POLICY

1 INTRODUCTION

The Valora Holding AG Remuneration Report has been prepared in accordance with the disclosure requirements set out in the Ordinance against Excessive Compensation (hereinafter "the Ordinance") and with the SIX Guidelines on Corporate Governance.

As required by the modified Articles of Incorporation which came into effect on May 7, 2014, the 2015 Remuneration Report will be submitted to the Ordinary General Meeting for approval in a consultative vote. The 2014 Remuneration Report was approved at the Ordinary General Meeting held on April 22, 2015. Starting in 2015, and in each year thereafter, the Ordinary General Meeting will have a binding vote on the maximum amount of fixed remuneration paid to the members of the Board of Directors for their term of office until the next Ordinary General Meeting and on the maximum amount of fixed and variable remuneration paid to the members of Group Executive Management for the following financial year.

Details of the General Meeting's vote on remuneration and the Remuneration Report are set out in Article 27 of the Articles of Incorporation and can be accessed via this link:
http://www.valora.com/media/group/documents/en/documents/2014/20140507_statuten_valora_en.pdf

2 COMPENSATION GOVERNANCE

The Nomination and Compensation Committee (hereinafter "the NCC") is a permanent Committee of the Board of Directors (hereinafter "the Board") of Valora Holding AG. It deals with those matters relating to the financial remuneration of members of the Board, the CEO and Group Executive Management and to personnel planning at the Board and Group Executive Management level which have been assigned to it by law, the Articles of Incorporation and current regulations. The NCC comprises at least three members of the Board who have no management duties in the company and have no material conflicts of interest which would prevent them from exercising their duties with the requisite independence. The members of the NCC are elected by the Ordinary General Meeting for a one-year term of office, ending at the next Ordinary General Meeting. Members of the NCC may be re-elected by the General Meeting. The Board appoints one of the members of the NCC as its Chairman. In 2014, the NCC comprised Franz Julen (Chairman), Markus Fiechter and Ernst Peter Ditsch.

In accordance with the requirements placed on it by the law and the Articles of Incorporation, the NCC primarily carries out the following duties to prepare the decision-making process by the Board of Directors and the decisions it ultimately makes:

a) To support the Board in determining and assessing the remuneration strategy and guidelines.
b) To support the Board in determining and assessing the qualitative and quantitative criteria applied to remuneration.
c) To support the Board in the preparation of recommendations to the General Meeting of shareholders regarding the remuneration of the Board and of Group Executive Management.
d) To formulate and submit recommendations to the Board regarding the remuneration of the Board Chairman and the other Board members.
e) To submit proposals to the Board regarding the remuneration and other terms of employment (employment contracts) of the CEO and the other members of Group Executive Management.
f) To assess and determine the extent to which the qualitative and quantitative performance criteria set by the Board for determining the variable short-term and long-term remuneration to Group Executive Management have been met.
g) To assess general annual salary increases proposed by the CEO and to make recommendations on these to the Board.
h) To assess share, share-option and profit-sharing programmes for the Board, Group Executive Management, managers and employees and to make recommendations on these to the Board.

i) To monitor compliance with the remuneration principles set out in the law, the Articles of Incorporation and company regulations and with the resolutions on remuneration approved by the General Meeting of shareholders.
j) To submit an appraisal of the remuneration report to the Board and to submit recommendations regarding the report to the Board.
k) To prepare proposals for new candidate Board members for submission to the Board.
l) 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).
m) To remain informed of and monitor succession planning for the top two tiers of management.
n) To discuss the performance appraisals of the CEO and the other members of Group Executive Management.
o) To monitor the implementation of Board decisions within the scope of the Nomination and Compensation Committee's remit.
p) To carry out other tasks and projects as instructed by the Board of Directors

The duties carried out by the NCC regarding the Board of Directors' remuneration guidelines and the financial remuneration paid to the Board are of a preparatory nature.

The NCC meets as often as business requires, but at least three times each year. Meetings are called by the NCC Chairman or at the request of an NCC member. In special cases, they may also be called by Board resolution. In 2015, the NCC held five meetings and conducted four conference calls. NCC meetings are generally attended, in an advisory capacity and without voting rights, by the CEO and the CFO and by the Board Secretary, who also takes minutes of the meetings. The CEO and CFO are not present when their own performance is being assessed and their remuneration is being discussed. During the meetings, each Board member refrains from voting on decisions on his own remuneration.

Minutes of the meetings are taken. At Board meetings, the NCC Chairman reports on the activities of the NCC and informs the Board of the NCC's views and recommendations on substantive matters requiring a Board decision. Every Board member receives a copy of the minutes of NCC meetings.

Subject to the binding authority vested in the General Meeting of Shareholders, the aggregate remuneration awarded to each individual member of the Board of Directors and of Group Executive Management is determined each year by the entire Board of Directors.

3 REMUNERATION PRINCIPLES

Valora pays overall remuneration which is commensurate with performance. The remuneration system is designed in a way which ensures that the interests of management coincide with the interests of the Valora Group and its shareholders.

The amount of the fixed remuneration determined by the Board for members of Group Executive Management is based on the market value of the position concerned, its responsibilities and the effective scope of the activities it requires. The remuneration system is not linked to external benchmarks, nor is it based on a uniform job-evaluation process. The overall remuneration paid to members of Group Executive Management comprises a fixed salary, a variable Short Term Bonus and a share-based Long Term Plan. Like other Valora employees, members of Group Executive Management are covered by the Valora pension fund.

Board members receive a fixed fee. The Board members chairing the two Board committees (the Audit Committee and the Nomination and Compensation Committee) receive additional remuneration. No pension-fund contributions are paid for members of the Board.

Article 27 (4) of the Articles of Incorporation states that where new members of Group Executive Management are appointed subsequently to the General Meeting granting approval of the remuneration for members of Group Executive Management, the additional amount available for each new member of Group Executive Management shall be 120% of the highest remuneration paid to a member of Group Executive Management in the financial year preceding the last Ordinary General Meeting. The approval of the General Meeting for this additional remuner-

ation is not required. The rules in the Articles of Incorporation governing these additional amounts can be accessed via this link:
http://www.valora.com/media/group/documents/en/documents/2014/20140507_statuten_valora_en.pdf

Details of the specific remuneration paid to members of the Board and Group Executive Management are disclosed in sections 8.2 and 6.5.

4 BOARD MANDATES AND EMPLOYMENT CONTRACTS

Valora's Board mandates and Group Executive Management employment contracts comply with the requirements of the Ordinance. The contracts with the members of the Board of Directors, on which the remuneration paid to the members concerned is based, and the employment contracts with the members of Group Executive Management can be established for either fixed or indefinite terms. The maximum duration of the fixed-term contracts is one year. While fixed-term contracts can be renewed, in the case of a Board member this requires the member to have been re-elected by the General Meeting. The maximum notice period applicable to indefinite contracts is one year. The employment contracts with the members of Group Executive Management have a notice period of 12 months, during which non-compete stipulations apply. No severance pay is granted. The provisions governing these arrangements are set out in Article 19 of the Articles of Incorporation, which can be accessed via this link:
http://www.valora.com/media/group/documents/en/documents/2014/20140507_statuten_valora_en.pdf

Thomas Eisele has two employment contracts. One is with Valora Management AG and relates to his duties as a member of Group Executive Management and as Managing Director of Brezelkönig AG, Emmen. A second contract relates to the "operational management of the Brezelbäckerei Ditsch GmbH, Mainz" (BBD) and has been directly concluded between Thomas Eisele and BBD. Thomas Eisele remains fully insured by the Valora pension fund under Swiss occupational-pensions legislation. His insured salary comprises the remuneration he receives from his employment contract with BBD and his employment contract with Valora Management AG.

5 CHANGES IN 2015

In the case of Group Executive Management, the Board of Directors decided to phase out the previous Long Term Plan (LTP) on October 31, 2015 and to replace it with a new share-based management remuneration plan, the Share Participation Program (SPP). All allocations to participants in the LTP were terminated on October 31, 2015 and the shares already allocated were repurchased.

Details of the new remuneration model are set out in section 6 below.

REMUNERATION STRUCTURE

6 GROUP EXECUTIVE MANAGEMENT REMUNERATION STRUCTURE IN 2015

The remuneration paid to members of Group Executive Management in 2015 comprises a fixed base remuneration element, a variable Short Term Bonus and a share-based management remuneration plan, the Share Participation Program (SPP). The Long Term Plan (LTP) was terminated on October 31, 2015.

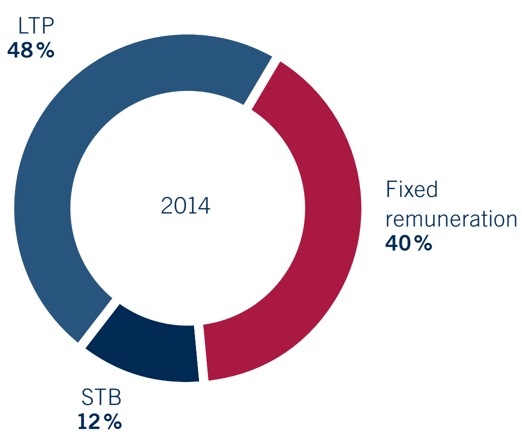
The fixed base remuneration comprises a fixed salary, a car allowance or company car (which can also be used privately) and the employer's social-security and pension-fund contributions required by law. The individual fixed salary is based on the area of responsibility of each member of the Group Executive Management. Like other Valora employees, members of Group Executive Management participate in the Valora pension fund plan.

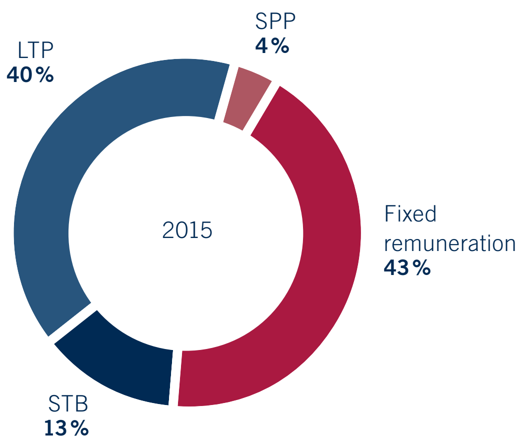
The variable remuneration comprises a Short Term Bonus (STB). The Articles of Incorporation state that variable remuneration shall not exceed 200% of fixed base remuneration at the time it is granted and that it shall be determined in accordance with performance criteria set by the Board. The previous Long Term Plan (LTP) was terminated on October 31, 2015 and replaced by the Share Participation Program (SPP).

The provisions governing these arrangements are set out in Article 25 of the Articles of Incorporation, which can be accessed via this link:
http://www.valora.com/media/group/documents/en/documents/2014/20140507_statuten_valora_en.pdf

The composition of the overall remuneration paid to the Group Executive Management (incl. CEO) as a whole in 2015 is set out below. Under this system, a 100% achievement of all performance targets results in variable remuneration equal to 35% of fixed remuneration for the CEO and an average variable remuneration equal to 29% of fixed remuneration for the other members of Group Executive Management.

GROUP EXECUTIVE MANAGEMENT REMUNERATION





No fees were paid to external advisors for developing the remuneration system.

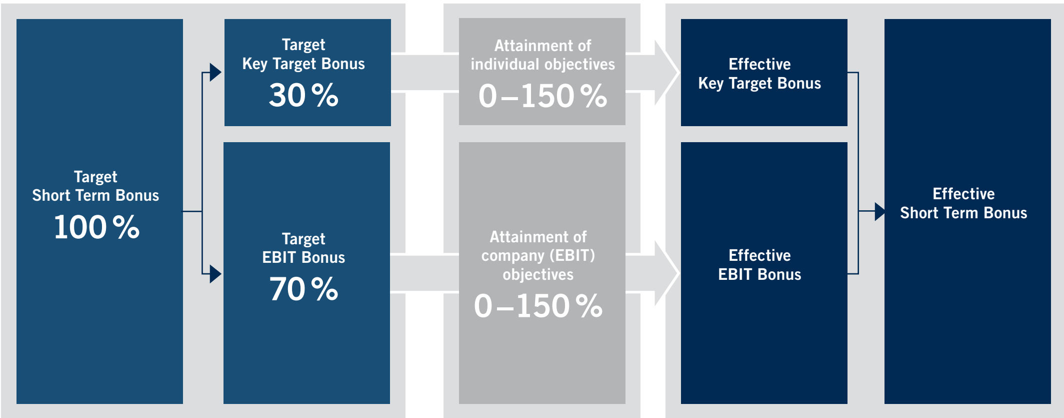
6.1 SHORT TERM BONUS (STB)

The Short Term Bonus (STB) provides members of Group Executive Management with a remuneration component which reflects Valora's short-term performance and the achievement of their own individual performance goals. In determining the STB, Valora's financial performance (as measured by its earnings before interest and taxes, or EBIT) has a weighting of 70%, while the achievement of individual performance objectives has a weighting of 30%.

EBIT is used to measure the Group's financial performance. The target EBIT is fixed in each year's budget, with actual EBIT performance being reported monthly. Actual EBIT performance is calculated by dividing actual EBIT by target EBIT. The target EBIT is determined and approved by the Board. Actual EBIT performance for a completed bonus-measurement year is calculated by Corporate Group Controlling and submitted to the NCC for approval. For this purpose, actual EBIT performance can range between a minimum of 0% and a maximum of 150%. For the CEO and CFO, actual EBIT performance is based on the EBIT of the Valora Group. For the other members of Group Executive Management, the EBIT of the unit for which they are responsible is taken into account subject to the 0–150% range defined above. In special cases, the NCC has the option of deviating from this procedure and instituting a special solution, such as determining a target bonus which is independent of the EBIT of the unit concerned and its defined 0–150% range. When EBIT targets are 100% met, they will account for 70% of the overall target STB bonus. In 2015, actual EBIT performance was equivalent to 150% of the EBIT target for the CEO and 88%, on average, for the other members of Group Executive Management. The extent to which individual members of Group Executive Management reached their EBIT targets varied due to the differing EBIT performance of the various units concerned.

Performance is measured on the basis of annual personal objectives, which the individual participants are expected to meet during the relevant bonus-measurement year. Each year, these are defined and weighted at the sole discretion of the NCC, which also determines the extent to which each member of Group Executive Management has met his individual goals, based on a minimum of 0% and a maximum of 150%. When an individual's personal objectives have been 100% met, they will account for 30% of the overall target STB bonus. In 2015, the extent to which these individual personal objectives were met was 125% in the case of the CEO and 109%, on average, for the other members of Group Executive Management.

In determining the effective Short Term Bonus, achievement of the EBIT target has a weighting of 70 % and achievement of Key Targets has a weighting of 30 %, as shown in the diagram below:



KEY TARGETS	
Attainment rate per Key Target	Effective attainment of objectives
< 50 %	0 %
50 – 99 %	50 %
100 – 149 %	100 %
>150 %	150 %

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EBIT	
Attainment rate	Effective attainment of objectives [1)]
< 85 %	0 %
85 – 90 %	50 %
90 – 95 %	75 %
> 95 – 150 %	Linear, max. 150 %

[1)] From 2016 onwards, the effective attainment rate for EBIT targets will be calculated on a linear basis starting at 50 % (for an attainment rate of 85 %, as before).

Depending on the extent to which defined objectives are achieved, the effective STB can vary between a minimum of 0 % and a maximum of 52 % of fixed salary. Based on 100 % effective achievement of all performance objectives, the Short Term Bonus would, on average, be equal to 31 % of the fixed salary paid to members of Group Executive Management. In 2015, the Short Term Bonus paid to the CEO was 49 % of fixed salary and 29 % on average for the remaining members of Group Executive Management.

The effective Short Term Bonus is paid cash in April of the year following the bonus-measurement year, once the Group results, division results and the results of the country units are available and the NCC has approved the bonus payments.

New members of Group Executive Management who take up their posts during a bonus-measurement year can receive a pro rata Short Term Bonus payment provided that they have an indefinite employment contract which has not been terminated and have achieved appropriate performance.

6.2 LONG TERM PLAN (LTP)

In the case of Group Executive Management, the Board has decided to phase out the previous LTP for all participants on October 31, 2015.

6.3 LONG TERM PLAN FOR DITSCH/BREZELKÖNIG DIVISION

The Ditsch/Brezelkönig Long Term Plan was prematurely terminated on October 31, 2015, thus coinciding with the termination of the Group LTP. By virtue of his Group Executive Management function, Thomas Eisele is a participant in the Share Participation Program (SPP). A pro rata payment was made to Thomas Eisele in respect of the Ditsch/Brezelkönig LTP.

6.4 SHARE PARTICIPATION PROGRAM (SPP)

A new share-based management incentive plan, the Share Participation Program (SPP), came into effect on November 1, 2015.

Under the SPP, participants receive part of their contractual remuneration in the form of Valora Holding AG shares. Accordingly, they are not required to make any payment, in cash or other assets, for the shares thus allocated to them. While SPP participants are granted all the ownership rights associated with these shares, they are subject to certain restrictions during a specified lock-up period.

50 % of the shares allocated to SPP participants as part of their remuneration in each calendar year are granted on March 31 of that year, with the remaining 50 % being granted on September 30.

The Swiss franc value of the shares to be granted to the individual participants is specified in their employment contracts. The number of shares ultimately allocated is determined on the basis of the volume-weighted average trading price of the shares during a specified reference period (the reference-period ØVWAP) minus a discount of 16.038 %, to compensate for the three-year-lock-up period. The reference period comprises the 10 consecutive trading days ending on March 31 of the year in which the allocations are made. Where necessary, the resulting number of shares is rounded up to the next whole share.

$$\text{Number of shares} = \frac{\text{Value in CHF}}{0.83962 \text{ x reference-period ØVWAP}}$$

Participants joining the SPP during a calendar year receive a pro rata allocation for that year based on the duration of their participation in that year.

Participants leaving Valora during a calendar year generally receive a pro rata share grant corresponding to the duration of their employment during that year. This means that participants leaving Valora in a given year will either receive a pro rata allocation or have a pro rata portion of their allocated shares clawed back (in cases where too many shares have been allocated).

An exception to this rule applies in cases where a participant’s employment is terminated for cause under the terms of Article 337 of the Swiss Code of Obligations by Valora. In such cases, the shares granted during the year in which the participant left Valora – whether as a result of immediate or regular termination or as a consequence of his employment contract being rescinded – revert to Valora. The participant is thus required to return these shares to Valora free of charge. Any shares not yet granted during that year are withheld.

Shares allocated under the SPP are subject to a lock-period of three years from the grant date. During this time, participants are prohibited from selling, pledging or otherwise transferring the shares. Both before and during the lock-up period, participants are also prohibited from hedging the price risk on the shares, be it by buying put options, writing call options or by other means. During the lock-up period, the shares are lodged in a custody account maintained in the name, and for the account, of the participant, in whose name the shares are also recorded in the company share register. At the end of the lock-up period the shares become freely available to the participants and are no longer subject to any selling restrictions.

When a participant's employment with Valora ends, the NCC has full discretion to curtail or waive the lock-up period. In such cases, participants are generally entitled to have the duration of any remaining lock-up periods reduced to one year.

In the event of a change of control (including the announcement of a public purchase offer), a delisting of the shares or any similar such occurrence, any lock-up periods still in force at that time will be lifted immediately.

The Share Participation Program is administered by the NCC. All allocations and grants of shares under the SPP are made by the NCC. The value of any shares granted under the NCC must be within the maximum remuneration ceilings approved by the Ordinary General Meeting of Shareholders.

6.5 REMUNERATION IN 2015

Table 1
Group Executive Management 2015

In CHF thousand	Fixed base salary	Short Term Bonus (STB) [1]	Long Term Plan (LTP) [2]	Share Participation Program (SPP) [3]	Other fixed remuneration [4]	Total 2015
Michael Mueller CEO and highest-paid member of Group Executive Management	796.7	408.5	239.5	128.4	229.8	1 802.9
Total Group Executive Management remuneration [5]	**2 334.4**	**880.3**	**1 566.2**	**213.0**	**985.5**	**5 979.4**

[1] These figures represent the effective costs for the bonuses granted in respect of 2015, which will be paid in April 2016.
[2] The LTP for Group Executive Management was closed on October 31, 2015. The LTP remuneration shown here comprises the interest costs of financing the plan and the costs of the one-off tax settlement arising from its termination.
[3] The SPP for Group Executive Management came into force on November 1, 2015. Participants were allocated pro rata share grants for November and December. These shares are subject to a lock-up period of three years. These grants are reported here at the taxable value of the shares concerned.
[4] Other fixed remuneration comprises payments the employer is required to make by law, a contractually agreed car allowance or company car and other individual contractually agreed benefits.
[5] Inclusive former members of Group Executive Management.

Table 2
Group Executive Management 2014

In CHF thousand	Fixed base salary	Short Term Bonus (STB) [1]	Long Term Plan (LTP) [2]	Other fixed remuneration [3]	Total 2014
Michael Mueller [4] CEO and highest-paid member of Group Executive Management (since March 2014)	750.0	178.8	72.3	170.0	1 171.1
Total Group Executive Management remuneration	**2 577.3**	**960.0**	**766.7**	**768.1**	**5 072.1**

[1] These figures represent the effective costs for the bonuses granted in respect of 2014, which were paid in April 2015.
[2] The total number of shares covered by the LTP is 68 212. The costs of the LTP comprise interest costs for financing the share plan and the difference between the market price paid for purchasing the shares on the allocation date and the average closing price of the shares over the last twenty trading days preceding commencement of the LTP.
[3] Other fixed remuneration comprises payments the employer is required to make by law, a contractually agreed car allowance or company car and other individual contractually agreed benefits.
[4] For 2014, Michael Mueller received the following pro rata STB award:
- For 2 months of 2014 (January, February) STB based on his previous employment contract (as CFO)
- For 10 months of 2014 (March–December) STB based on his new employment contract (as CEO)
  In addition, Michael Mueller was granted the right, in addition to the 12 000 shares he had already been granted as CFO, to purchase a further 12 000 shares of Valora Holding AG under the terms of the 2011 LTP at the average price over the twenty trading days preceding the date of this new grant. The grant date for the additional shares was determined to be October 16, 2013. The lock-up period for the additional shares will run from October 16, 2013 till October 31, 2015. A pro rata waiting period till February 28, 2014 applied.

The total remuneration paid to members of Group Executive Management in 2015 was some CHF 1050 thousand higher than in 2014. This increase is due to the one-off tax settlement awarded to LTP participants in connection with the discontinuation of that plan. This settlement was activated by a guarantee under which a compensatory monetary benefit was awarded to the LTP participants.

The aggregate maximum remuneration payable to members of Group Executive Management in respect of 2016 was fixed at CHF 7.4 million by the Ordinary General Meeting of Shareholders held in 2015.

7 REMUNERATION STRUCTURE FOR GROUP EXECUTIVE MANAGEMENT FROM 2016

During 2015, a new Group Executive Management remuneration concept was formulated which came into effect on November 1, 2015. As before, the overall remuneration paid to members of Group Executive Management comprises three elements – a fixed base salary, a Short Term Bonus (STB), payable in cash or shares, and a share-based Share Participation Program (SPP).

The fixed base salary paid to the CEO represents 55% of his aggregate remuneration. That paid to the other members of Group Executive Management amounts to 60–65% of their respective aggregate remuneration.

The Short Term Bonus (STB) for the CEO amounts to 10% of aggregate remuneration, versus 10–15% for the other members of Group Executive Management. As before, these bonuses are dependent on the attainment of a combination of qualitative and quantitative objectives, the latter being based on financial metrics, which Valora plans to define as profit targets, such as EBIT or EBITDA. Individual performance is measured against a set of defined personal objectives, which the relevant member of Group Executive Management is expected to attain during the bonus-measurement year. The definition and weighting of these objectives is at the sole discretion of the NCC, which also assesses the extent to which the objectives have been reached. This process is carried out for each member of Group Executive Management individually.

Under the terms of their employment contract, individual members of Group Executive Management can choose, once only, whether they wish to receive their Short Term Bonus entirely in cash, or (partially or entirely) in blocked shares. The shares are allocated on March 31 of the year following the bonus-measurement year (i.e. the financial year in respect of which the bonus is awarded) and lodged in a custody account in the name, and for the account, of the plan participant, in whose name the shares are also recorded in the company share register. The STB bonuses awarded to the CEO and CFO are entirely in the form of blocked shares, those awarded to other members of Group Executive Management are paid in cash.

The amount of each STB bonus award is determined by the NCC in accordance with the Short Term Bonus Plan rules. Where an STB award is made in the form of shares, the number of shares is determined by the same process as used for the SPP. Where a participant leaves during a calendar year, any STB award is paid entirely in cash.

The NCC has formal responsibility for defining, granting and allocating shares under the Short Term Bonus Plan. Section 6.1 above provides further details of the STB regulations.

The Share Participation Program (SPP) amounts to 35 % of the aggregate remuneration paid to the CEO, versus 20 – 30 % for the other members of Group Executive Management. All SPP awards are made entirely in the form of blocked shares, which are subject to a lock-up period of three years. Within the above parameters, each member of Group Executive Management receives an SPP award with a defined monetary value in Swiss francs. In defining this remuneration structure, the NCC based its calculations on a projected total shareholder return (TSR) of 8 % per annum. Section 6.4 provides further details of the SPP regulations.

8 REMUNERATION STRUCTURE FOR THE BOARD OF DIRECTORS IN 2015

Members of the Board of Directors receive a fixed fee based on their Board function (Chairman, Vice-Chairman, Board member). Since the remuneration was modified with effect from May 8, 2014, 80 % of this fee is paid cash and 20 % in shares. The Board members chairing the two Board committees (the Audit Committee and the Nomination and Compensation Committee) receive additional remuneration. Apart from the social-security contributions required by law, no other welfare benefits are paid. This practice complies with the new remuneration model whose regulations came into effect on May 8, 2014.

Fees are paid each quarter, with the fees paid in the quarter following the General Meeting being largely in the form of shares, since the entire 20 % share portion is paid in that quarter. Furthermore, since the 2014 General Meeting of shareholders, Board members no longer participate in the Long Term Plan.

8.1 REGULATIONS GOVERNING THE PORTION OF FEES PAID IN SHARES

Under the remuneration regulations for the Board of Directors, as a rule 20 % of the overall remuneration paid to individual Board members is in the form of blocked registered shares. Where appropriate, the Board may decide to increase or decrease the proportion of overall remuneration Board members receive as blocked shares. The shares are subject to a general lock-up period of three years. The date on which the lock-up period begins is not affected by any transfer of shares which may subsequently occur at the General Meeting which marks the beginning of the term of office for which the remuneration is awarded. During the lock-up period, the shares remain in a Valora custody account. During this time, Board members are not permitted to sell, pledge or otherwise transfer their shares. Once the lock-up period has ended, Board members have free access to their shares.

The proportion of the fees paid in the form of shares is calculated on the basis of the volume-weighted average price (VWAP) of Valora shares during a period of twenty trading days beginning on the trading day following the Ordinary General Meeting. This figure is then reduced by 20 %, to compensate for the lock-up period.

The number of shares paid to each Board member is then determined by dividing 20 % of the Board member's overall remuneration for the relevant term of office by the figure described in the paragraph above.

$$\text{Number of shares} = \frac{\text{Overall remuneration (CHF)}}{5} \Big/ \frac{\text{VWAP (CHF)} \times 4}{5}$$

Based on the requirements of the law, the Articles of Incorporation and Valora Holding AG's organisational regulations, the Board then decides how and on what terms the required shares will be acquired.

If a member of the Board of Directors of Valora Holding AG retires, does not stand for re-election or is not re-elected despite having stood for re-election, any lock-up period of more than one year's duration then applicable are generally reduced to one year. This remaining one-year period will begin on the last day of the Board member's last term of office. If a Board member leaves the Board as a result of death, invalidity or comparable circumstances, any lock-up period then in force will come to an end immediately.

In the event of a change of control, of Valora shares being delisted or of any similar occurrence, any lock-up period then in force will be lifted immediately.

In 2014, an allocation amounting to 20% of overall remuneration was granted to all Board members in the quarter following the General Meeting.

8.2 REMUNERATION IN 2015

Table 3
Board of Directors 2015

In CHF thousand	Fixed fee (cash)	Committee fee	Portion paid in blocked shares [1]	Consultancy fee	Other remuneration [2]	Total 2015
Rolando Benedick Chairman	397.0	15.0	114.3	–	65.8	592.1
Markus Fiechter Vice-Chairman	157.0	15.0	47.9	–	31.1	251.0
Bernhard Heusler Board member	109.0	15.0	34.5	–	5.1	163.6
Franz Julen Chairman of Nomination and Compensation Committee	106.0	30.0	37.8	–	24.9	198.7
Ernst Peter Ditsch [3] Board member	–	–	–	178.3	–	178.3
Cornelia Ritz Bossicard Chairwoman of Audit Committee	106.0	30.0	37.8	–	25.1	198.9
Total remuneration paid to Board of Directors	**875.0**	**105.0**	**272.3**	**178.3**	**152.0**	**1 582.6**

[1] The members of the Board of Directors received 20% of their aggregate remuneration in blocked shares. These shares are subject to a 3-year lock-up period. The amounts shown here are based on the taxable value of the shares.
[2] These amounts include employer contributions required by law.
[3] Under the terms of a non-competition agreement, Ernst Peter Ditsch received a total of EUR 200 thousand, payable in monthly instalments during a period commencing on November 1 2014 and ending no later than October 31, 2015. He waived his Board Director's fee in 2015.

Table 4
Board of Directors 2014

In CHF thousand	Fixed fee (cash)	Committee fee	Long Term Plan (LTP) [1]	Portion paid in blocked shares [2]	Consultancy fee	Other remuneration [3]	Total 2014
Rolando Benedick [4] Chairman	276.5	11.3	445.6	113.6		99.1	946.1
Markus Fiechter Vice-Chairman	164.5	11.3	158.3	47.4		31.9	413.4
Bernhard Heusler Board member	101.5	11.3	108.8	34.3		21.5	277.4
Franz Julen Chairman of Nomination and Compensation Committee	101.0	22.5	118.7	37.7		23.4	303.3
Ernst Peter Ditsch [5] Board member					448.5		448.5
Cornelia Ritz Bossicard Chairwoman of Audit Committee (since May 2014)	71.0	22.5		37.7		18.6	149.8
Total remuneration paid to Board members in office on 31.12.2014	**714.5**	**78.9**	**831.4**	**270.7**	**448.5**	**194.5**	**2 538.5**
Conrad Löffel Chairman of Audit Committee (until April 2014)	42.2		46.6			9.7	98.5
Total remuneration paid to Board of Directors	**756.7**	**78.9**	**878.0**	**270.7**	**448.5**	**204.2**	**2 637.0**

[1] The LTP was terminated for the Board of Directors at the 2014 General Meeting. The remuneration shown here includes a one-off tax payment for the discontinuation of the LTP.
[2] Shares were granted under the new share-based plan. In 2014, Board members received 20 % of their overall remuneration in blocked shares. These shares are subject to a lock-up period of 3 years.
[3] These amounts include employer contributions required by law.
[4] Rolando Benedick relinquished the office of CEO to Michael Mueller with effect from 31.03.2014. The remuneration shown here relates to his activity as Chairman of the Board of Directors.
[5] Ernst Peter Ditsch entered into a consultancy contract with Valora from November 1, 2012 until no later than October 31, 2014 under which he received annual remuneration of EUR 400 thousand. Under a post-contractual non-compete agreement Ernst Peter Ditsch received a total payment of EUR 200 thousand, payable in monthly instalments for a period ending no later than October 31, 2015. He waived his Board Director's fee in 2014.

The aggregate remuneration paid to the Board of Directors in 2015 was CHF 1054 thousand lower than in 2014. This decrease is principally attributable to the discontinuation of the LTP plan, the tax settlement payment made in connection therewith in 2014 and the retirement of Conrad Löffel from the Board.

The aggregate maximum remuneration to Board members approved by shareholders for the period from the 2015 Ordinary General Meeting to the 2016 Ordinary General Meeting has been fixed at CHF 1.6 million.

9 LOANS AND CREDITS

No loans or credits to Board members or parties related to them were outstanding at December 31, 2015 or December 31, 2014.

Valora Holding AG does not grant any loans or other credits and does not therefore have any statutory regulations on such matters.

10 SHAREHOLDINGS

At December 31, 2015 and 2014, individual members of the Board and Group Executive Management (including parties related to them) held the following numbers of shares of Valora Holding AG:

Table 5	**2015** Number of shares	**2015** Share of total voting rights in %	**2015** of which subject to a lock-up period	2014 Number of shares	2014 Share of total voting rights in %	2014 of which subject to a lock-up period
Board of Directors						
Rolando Benedick Chairman	16 939	0.49	537 (06.05.2017) 614 (21.04.2018)	16 325	0.48	537 (06.05.2017)
Markus Fiechter Vice-Chairman	3 981	0.12	224 (06.05.2017) 257 (21.04.2018)	3 724	0.11	224 (06.05.2017)
Bernhard Heusler Board member	347	0.01	162 (06.05.2017) 185 (21.04.2018)	162	0.00	162 (06.05.2017)
Franz Julen Chairman of NCC	831	0.02	178 (06.05.2017) 203 (21.04.2018)	628	0.02	178 (06.05.2017)
Ernst Peter Ditsch Board member	635 599	18.50	none	635 599	18.50	none
Cornelia Ritz Bossicard Chairwoman of Audit Committee	381	0.01	178 (06.05.2017) 203 (21.04.2018)	178	0.00	178 (06.05.2017)
Total shares held by Board	**658 078**	**19.15**		**656 616**	**19.11**	
Group Executive Management						
Michael Mueller CEO	798	0.02	798 (30.11.2018)	24 000	0.70	18 000 (31.10.2015)
Tobias Knechtle CFO	335	0.01	335 (30.11.2018)	8 000	0.23	8 000 (31.10.2015)
Andreas Berger Head, Valora Retail division (until 30.06.2015)	–	–	–	12 145	0.35	6 072 (30.10.2015)
Thomas Eisele Head Ditsch/Brezelkönig division	245	0.01	191 (30.11.2018)	2 301	0.07	1 123 (31.10.2015)
Alex Minder Head, Valora Trade division (until 31.12.2015)	2 113	0.06	none	11 618	0.34	4 795 (31.10.2015)
Total shares held by Group Executive Management	**3 491**	**0.10**		**58 064**	**1.69**	
Total shares held by Board and Group Executive Management	**661 569**	**19.25**		**714 680**	**20.80**	

REPORT OF THE STATUTORY AUDITOR ON THE REMUNERATION REPORT OF VALORA HOLDING AG, MUTTENZ

REPORT OF THE STATUTORY AUDITOR ON THE REMUNERATION REPORT

We have audited the remuneration report dated 3 March 2016 (tables 1 – 4 and section 9 on page 75 to 79), of Valora Holding AG for the year ended 31 December 2015.

Responsibility of the Board of Directors. The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility. Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion. In our opinion, the remuneration report for the year ended 31 December 2015 of Valora Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

Ernst & Young Ltd

Martin Gröli Licensed audit expert (Auditor in charge)	Daniel Maiwald Licensed audit expert

Basle, 3 March 2016