

# DATACOLOR AG

CORPORATE GOVERNANCE 2016

GROUP STRUCTURE

Introduction

Datacolor endorses a state of the art Corporate Governance framework with a high level transparency for all stakeholders. Professional processes and individual accountability on all levels of the organization are its foundation.

The following information meets the requirements of the Directive on Information Relating to Corporate Governance (Corporate Governance Directive, DCG) of the SIX Swiss Exchange. Datacolor is further compliant with the Swiss Code of Best Practice for Corporate Governance. If not mentioned otherwise all information is for the closing date September 30, 2016.

The information on Corporate Governance can also be retrieved electronically under the following link:

<http://www.datacolor.com/company/investor-relations/corporate-governance/>.

Roles and duties of Datacolor AG

Datacolor AG as top holding company of the Datacolor Group manages its business by means of objectives, it is involved in the planning process and monitors adherence to the budget. Once the three-year plan and the budget have been approved by the Board of Directors, the Executive Committee acts on its own authority within the limits of the budget and the rules of competence. The Executive Committee is responsible for consolidation, financing, controlling, asset management and investor relations.

Datacolor AG is a Swiss public limited liability company with its head office in Lucerne. Refer to note 28 for a disclosure of controlled subsidiaries; the market capitalization is disclosed on page 4.

Strategy

Datacolor provides worldwide products and services to industrial as well as professional and hobby applications in the area of color measurement, management, communication and calibration. Datacolor's debt-free balance sheet enables it to achieve long-term growth targets while continuing organic growth and targeted acquisitions.

It aims to achieve significant growth by providing innovative hardware and software products, increasing market penetration, developing new markets, alliances and acquisitions. Its range comprises of products and systems solutions that are competitive in terms of quality, performance and ease of use. The products are tailored to customer requirements and able to offer a large potential for generating added value. Providing services for its products is a growing core activity.

Datacolor aims for market leadership in defined product categories as well as geographical markets.

Corporate performance is achieved by a flexible, lean and customer-oriented organization. The production depth is restricted to what is strategically necessary.

While meeting the requirements of a publicly listed company, the stable shareholder basis is a key driver of Datacolor's attainment of its long-term goals.

EXECUTIVE BODIES

Board of Directors of Datacolor AG

**Werner Dubach**, 1943, CH  
Chairman, Board member since 1981  
Dipl. Ing. Chem. ETH Zurich, MBA Wharton University of Pennsylvania  
  
Until January 2009, CEO and Chairman of Eichhof Holding AG  
Until 1981, Director of the Eichhof Group's Beverages division  
1975–1979 Technical Director of the Eichhof Brewery  
1971–1975 Management Assistant of the Eichhof Brewery  
  
Conzetta AG, Zurich, Member of the Board

**Anne Keller Dubach**, 1956, CH  
Board member since 2012  
Lic. phil. I, University Zurich, SEP Stanford Graduate School of Business  
  
Since 2014 Head Art & Cultural Engagement, Swiss Re, Zurich  
2007–2014 Head Corporate Citizenship, Swiss Re, Zurich  
2000–2007 Head Corporate Sponsorship/Head Brand Communication, Swiss Re, Zurich  
1995–2000 Project Lead Marketing Services/Head Cultural Sponsoring Credit Suisse  
  
Swiss Institute for Art Research SIK-ISEA, Zurich, Chairman, Member of the Board of Trustees

**Peter Beglinger**, 1945, CH  
Deputy Chairman, Board member since 1992  
Dr. iur. University of Zurich  
  
Until 2007 law office in Zurich, Counsel  
1979–2006 own law office in Zurich  
1976–1978 legal adviser to the executive management of Jacobs AG  
1974–1976 law office Wenger & Vieli, Zurich  
1974 admitted to the bar  
  
Würth Finance International B.V., NL, Member of the Board

**Hans Peter Wehrli**, 1952, CH  
Board member since 2001  
Prof. Dr. oec. publ. University of Zurich  
Professor of Business Administration, University of Zurich  
  
Belimo Holding AG, Hinwil, Chairman of the Board  
Swiss Prime Site AG, Olten, Chairman of the Board

**Fritz Gantert**, 1958, CH  
Board member since 2004  
Dr. sc. techn., Dipl. Masch.Ing. ETH Zurich  
  
Since 2012 Entrepreneur, Independent Board Member  
2007–2012 General Manager Security Communication Division, Member of the Executive Board, Ascom Holding AG  
2001–2006 Chairman of the Board and CEO of Schaffner Group  
1998–2001 Sarna Kunststoff Holding AG  
1988–1998 Ascom



Fritz Gantert, Peter Beglinger, Werner Dubach, Anne Keller Dubach, Hans Peter Wehrli

Board of Directors

Elections and term of office

Members of the Board of Directors are elected by the Annual General Meeting of Shareholders for an individual term of office of one year. Newly elected members complete the terms of their predecessors. There are no limitations on terms of office.

Internal organization

The Board of Directors is self-constituting. It appoints committee members and the secretariat.

Duties

The Board of Directors is the supreme executive body of the Holding company. It adopts resolutions which determine the company’s fundamental direction and oversees the work of senior management.

Committees

The Board of Directors has established committees to support its work. The primary role of these committees is to prepare business affairs and oversee the implementation of Board resolutions. Furthermore, the Board of Directors may delegate the final handling of certain affairs to the committees, provided that delegation of such tasks is not prohibited by law. The Board of Directors has established two committees: the Finance Committee as well as the Human Resources and Compensation Committee. Furthermore, the Steering Committee acts as a supervisory and control instrument.

- The Finance Committee prepares the financial plan, the budgets and the statements for submission to the Board of Directors. Amongst other things, it issues instructions and monitors the appropriation of liquidity and the execution of asset management operations.
- The Human Resources and Compensation Committee drafts proposals for the compensation of the Board of Directors. It also submits proposals to the Board for appointments to the position of CEO and CFO. The Committee sets the fixed and variable components of remuneration for the top levels of management, taking into account the situation on the labor market, performance and achievement established targets. If the Committee deliberates on the remuneration of a member of the Human Resources and Compensation Committee, this member shall withdraw from the proceedings.

Finance Committee:

Werner Dubach, Albert Busch, Dr. Mark Leuchtmann

Human Resources and Compensation Committee:

Dr. Peter Beglinger, Dr. Fritz Gantert

Principles of operation of the Board of Directors and its committees

The Board of Directors meets as often as business requires, a minimum of four times a year. Committee meetings are held in addition to Board meetings. Board meetings usually last for between half a day and a day.

In 2015/16, the following number of meetings were held:

- Board of Directors 4
- Finance Committee 11
- Human Resources and Compensation Committee 4

Areas of competency

Board of Directors

The Board of Directors represents the company externally and manages all company activities unless responsibility for these has been transferred to another company body in accordance with the law, the Articles of Association or other policies. The non-transferable and inalienable duties are governed in article 716a of the Swiss Code of Obligations.

Unless the law, the Articles of Association or the directives issued by the Board of Directors stipulate otherwise, the Board of Directors delegate the operational management of the company to the CEO, together with the authority to delegate associated tasks onwards. The company’s Organization Regulation governs the breakdown of responsibility between the Board of Directors and the Executive Committee and can be obtained on the following website: <http://www.datacolor.com/content/corporate-governance>.

Executive Committee

Executive Committee members are appointed by the Board of Directors and the Human Resources and Compensation Committee, respectively.

Information and control instruments vis-a-vis the Executive Committee

The Executive Committee informs the Board of Directors about the current status of the business, the consolidated balance sheet, the income statement and deviations to the budget on a monthly basis. On the occasion of the four meetings of the Board of Directors during the year, the Executive Committee reports on significant business transactions and on the results of the group-wide management of financial and operating risks.

Findings of the following bodies also contribute to the regular decision-making process:

- External auditor KPMG AG, Lucerne (auditor for Datacolor AG), which conducts its audit in accordance with Swiss law and Swiss auditing standards.
- Internal Audit and Risk Management, which monitors the existence and adequacy and permanently seeks improvements to the internal control system. Further, a systematic process captures strategic, operational and financial risk and develops and executes measures to mitigate and eliminate risks.

Datacolor Executive Committee

**Albert Busch**, 1967, NL/USA

CEO  
BS/MS in Electrical Engineering  
MS in Industrial Management

Since 2008 with Datacolor  
Since January 2009 CEO  
1991–2008 NV Bekaert SA, management roles

**Mark Leuchtmann**, 1972, DE/CH

CFO  
Dr. rer. pol. TU Munich  
Swiss Certified Accountant

Since 2009 with Datacolor  
2007–2009 Private Equity Fund, Director  
2005–2007 Zurich Insurance Group, Head Financial & Transaction Analysis  
1999–2005 PricewaterhouseCoopers, Manager

**Nimi Meschke**, 1974, USA

Vice President Human Resources  
BS in Management, MS in Human Resources Management

Since 2015 with Datacolor  
20011–2015 Johnson & Johnson, Director Human Resources  
2009–2011 Mc Master-Carr Supply Company, HR Generalist  
2006–2009 The Campbell Soup, Senior Manager HR

**Brian Levey**, 1957, USA

Vice President Marketing  
BS in Chemistry

Since 1996 with Datacolor  
1984–1996 Beckmann Instruments, management roles

**Tae Park**, 1963, USA

Vice President R&D and Operations  
BS in Electrical Engineering/Biomedical Engineering

Since 2010 with Datacolor  
2007–2010 Power Medical Interventions, Sr. VP of Engineering-Operations  
2006–2007 Kovio, Program/IP Manager  
1993–2006 Osirix, Chief Technology Officer

**Patrice Jaunasse**, 1964, FR

Vice President Sales and Support  
MS in Engineering, Electronics, Telecom and Computer

Since 2012 with Datacolor  
2002–2011 Tektronix, General Manager and Sales Director EMEA  
1998–2002 Nettest Telecom Instrumentation, President and Sales Director  
1989–1998 Hewlett Packard Instrumentations, management roles  
Sales



Brian Levey, Nimi Meschke, Patrice Jaunasse, Mark Leuchtmann, Albert Busch, Tae Park



INFORMATION FOR INVESTORS

Share capital

The share capital amounts to CHF 168 044 consisting of 168 044 registered shares with a nominal value of CHF 1 each. The registered shares entitle the holder to one vote at the General Meeting, provided that the shareholder is recorded with voting rights in the Datacolor AG share register.

Authorized capital

There is no authorized capital.

Conditional capital

The share capital can be increased by a maximum amount of CHF 16 804 (previous year: CHF 16 804) by issuing 16 804 registered shares with a nominal value of CHF 1 each. This conditional capital increase was implemented to enable the exercise of option rights by the members of the Board of Directors and the Executive Committee. Shareholders are excluded from this purchasing right.

Changes in capital

In the reporting period and the two preceeding periods the capital structure of Datacolor AG remained unchanged. Refer to the consolidated changes of equity and the statement of changes in equity of Datacolor AG.

Participation certificates

There are no participation certificates.

Limitations on transferability and nominee registrations

There are no limitations with regard to transferability and nominee registrations.

Convertible bonds and options

Datacolor AG has no outstanding convertible bonds. Regarding options please refer to the Compensation report of Datacolor AG.

Share listing

Datacolor AG's shares are listed on SIX Swiss Exchange Zurich under security number 853 104. See Information about Datacolor Share on page 4 for an overview of the stock market listing and details of the market capitalization.

Legal status of shareholders

Shareholders in Swiss public limited companies are granted extensive statutory participation and protection rights by law. These participation rights are further supplemented by the company Articles of Association. These ensure that, pursuant to the Code of Obligations, the Annual General Meeting of Shareholders is convened by placing a one-time announcement in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt) and by sending a written invitation to the registered shareholders. An item is added to the agenda of the Annual General Meeting of Shareholders if the corresponding request

is received no later than 40 days before the date of the meeting. Every shareholder may, besides the independent proxy provided for by law, allow his or her shares to be represented at the Annual General Meeting by a shareholder with a written proxy form.

Voting rights limitations

Every shareholder entered with voting rights in the share register is entitled to vote. No new entries in the share register are made during the 22 days before the Annual General Meeting of Shareholders. There are no limitations on voting rights.

Entry in the share register

The entry of purchasers in Datacolor AG's share register is not subject to any conditions.

Cross-shareholdings

There are no cross-shareholdings.

Shareholdings in companies

There are no shareholdings in listed companies. Percentage shareholdings in unlisted companies are disclosed in note 28 to the consolidated financial statements.

Significant shareholders

Refer to Datacolor share information on page 4. Shareholder Dubach family and Keller family form a group of shareholders.

Duty to make an offer

The company's Articles contain no provisions regarding a duty to make an offer.

Clauses on changes of control

There are no clauses on changes of control.

Auditors

Duration of the mandate and term of office of the lead auditor

Datacolor AG has appointed KPMG AG, Lucerne as auditor. In each case, the mandate is granted by Datacolor AG's Annual General Meeting of Shareholders for a period of one year. The mandate was first given to KPMG in 1992. The auditor in charge started the mandate in fiscal year 2013/14. Rotation corresponds to the legal requirements of seven years.

Audit fee

KPMG received an audit fee of TUSD 206 for the reporting year 2015/16.

Additional fees

In addition to the audit fee, KPMG provided other services for TUSD 8 relating mainly to tax consultancy services.

Supervisory and control instruments vis-à-vis the auditors

The Board of Directors holds at least two meetings a year with the auditor in charge of the mandate. The matters dealt with at these meetings include the planning and conduct of audits, the focus points of the audits and the findings thereof, the main points arising from management letters, the reports on special audits and the reports of the auditor. The Board of Directors has appointed a Steering Committee to manage the audits and to monitor the implementation of the auditors' proposals. This Committee is made up of the Chairman, the CEO and the CFO of Datacolor AG and the auditor in charge of the mandate and meets regularly while audit work is being carried out.

Information policy

Publications

Datacolor AG publishes a semi-annual report and an annual report in accordance with Swiss GAAP FER. Additionally, shareholders and the capital market are kept informed of current changes and developments through press releases. As a company listed on SIX Swiss Exchange, Datacolor AG is aware of its duty to disclose events relevant to its share price (ad-hoc disclosure of price-sensitive information). Information of the periodical financial reporting as well as ad-hoc news releases and further information on the Datacolor Group can be accessed through website under the following link: <http://www.datacolor.com/company/investor-relations/>.

Key dates

Shareholders' meeting 2016	December 6, 2016
Semi-annual report	May 5, 2017
Press release	October 27, 2017
Press conference	November 15, 2017
Shareholders' meeting 2017	December 7, 2017

## **ADRESSES**

### **Headquarter Holding**

Datacolor AG  
Waldstätterstrasse 12  
CH-6003 Luzern  
[www.datacolor.com](http://www.datacolor.com)

### **Datacolor**

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