

Clarity and responsibility for sustainable long-term values



The CPH Board of Directors and Group Executive Management attach great value to practising responsible corporate management that is in the interests of shareholders, customers, employees and further stakeholders alike.

The following Corporate Governance section is structured in accordance with the corporate governance guidelines issued by the SIX Swiss Exchange. For certain items, reference is made to the annual financial statements from page 41 onwards, and in particular to the additional corporate governance information provided in the annex to the consolidated financial statements.

Group structure and shareholders

Management structure as of 31 December 2014

CEO

Peter Schildknecht

Divisions

Chemistry

Alois Waldburg-Zeil

Paper

Klemens Gottstein

Packaging

Wolfgang Grimm

Service function

CFO

Manfred Häner

The CPH Group comprises three autonomous divisions. The Group is led by the Group CEO; the divisions are headed by the Divisional CEOs. Group Executive Management consists of the Group CEO, the CFO and the Divisional CEOs. The HR & Communications function was abolished in 2014. The Group CEO reports to the Chairman of the CPH Board of Directors. CPH Chemie + Papier Holding AG (the holding company) is domiciled in Perlen/Root, Switzerland. For an overview of the subsidiaries included in the consolidated financial statements, see page 74.

Capital structure

For details of the capital structure, please see page 67.

Shareholder structure	31.12.2014	31.12.2013
UBV Uetikon Betriebs- und Verwaltungs AG	49.9	49.9
Schnorf-Schmid Ella	7.2	7.2
Sarasin Investmentfonds AG	6.0	6.1
Members of the Board of Directors and Group Executive Management (and related parties)	1.5	2.8
Publicly-held shares	30.1	29.0
Shares currently not listed in the Share Register	5.3	5.0
Total shareholders	833	829

Board of Directors

The Board of Directors of CPH Chemie + Papier Holding AG is entrusted with the overall management of the company. The Board is responsible in particular for determining the company's strategic alignment and thrust, defining its accounting and financing principles, assessing business opportunities and risks and appointing and supervising Group Executive Management.

In full compliance with the relevant legal provisions and the company's Articles of Incorporation, the Board of Directors has delegated the management of the company to Group Executive Management, headed by the Group CEO (see above). The delimitation of authorities here and the collaboration among the Board, its committees, Group Executive Management and the Group's three business divisions are laid down in detail in the Company Bylaws of CPH Chemie + Papier Holding AG.

The members of the Board of Directors are elected individually by the Ordinary General Meeting to serve for a one-year period. They may be re-elected. In accordance with the Company Bylaws, a Board member's mandate will end at the latest at the Ordinary General Meeting of the year in which their 70th birthday falls.

The Chairman of the Board and the members of its Personnel & Compensation committee are elected from the Board's ranks by the Ordinary General Meeting. Apart from these appointments, the Board is self-constituting, and elects from its ranks a Deputy Chairman, the members of its Finance & Auditing committee and the chairs of its two committees. The Board consisted of five members as of 31 December 2014. No Board member currently serves the company in an executive capacity, and no Board member has done so in the past three years.

The Board of Directors has formed two permanent committees: Finance & Auditing and Personnel & Compensation. These committees do not take any decisions themselves: they primarily perform a preparatory and advisory function, helping the full Board to conduct its meetings more efficiently and take swift and well-founded decisions. Their duties are laid down in separate Descriptions of Duties.

The two board committees are currently composed as follows:

Finance & Auditing

Max Walter succeeded Hanspeter Balmer as chair of the Finance & Auditing committee on 1 July 2014 following the latter's retirement from this function and the Board on 30 June. The Board elected Tim Talaat to serve as a third committee member - with existing member Peter Schaub - from 1 July. The Group CEO and CFO also attend all committee meetings as permanent guests. The committee's tasks comprise in particular:

- evaluating the Group's financing and accounting systems in terms of their appropriateness, reliability and effectiveness
- examining the annual and half-yearly accounts and financial statements and other financial information intended for publication, and determining the guidelines, quality standards and content thereof
- monitoring the assessment of corporate risks and the Group's risk management practices
- monitoring the Group's investment and hedging policies
- monitoring the Group's Internal Control System and its effectiveness

- monitoring the Group's business activities in terms of its observance and implementation of Board resolutions, company policy principles and directives and the relevant legal provisions, particularly those relating to stock exchange law
- assessing the work, performance, independence and remuneration of the external group and statutory auditor, and making recommendations on the election of the same to the Board of Directors and the General Meeting, approving the auditing plan, processing audit reports and overseeing the adoption of the external auditor's recommendations
- monitoring the Group's real-estate strategy.

The committee met for three half-day deliberations in 2014.

Personnel & Compensation

The Personnel & Compensation committee comprises Mauro Gabella (chair), Tim Talaat, Christian Wipf and Peter Schaub (personnel affairs only). The Group CEO also attends all committee meetings as a permanent guest, unless his own compensation or other topics relating to him are being discussed. The committee's tasks comprise in particular:

- devising guidelines for the CPH Group's compensation and benefit policy (in particular the compensation principles for the Board and Group Executive Management) on behalf of the Board of Directors
- submitting proposals to the full Board of Directors for the compensation of the same
- assessing the performance of the Group CEO and the further members of Group Executive Management and their achievement of their annual targets, and submitting corresponding proposals for their fixed and variable compensation to the full Board of Directors
- monitoring the implementation of the CPH Group's compensation policy along with groupwide salary developments
- making recommendations to the full Board of Directors on elections to its ranks and the appointment of a new Group CEO and/or further members of Group Executive Management, and on their terms and conditions of employment.

The committee met for four half-day deliberations in 2014.

The Board of Directors met eight times in 2014: for three half-day meetings, four full-day meetings and a two-day strategy meeting. The Group CEO and the CFO are permanent guests at all Board meetings unless topics relating directly to them (such as their compensation) are being discussed. Its own internal issues and further topics, such as the compensation of the Group CEO, are discussed by the Board in separate preliminary in-camera meetings.

The current and future development of each division are discussed in depth at dedicated annual half-day meetings. These are also attended by the full Divisional Management of the division concerned.

The Board's two-day strategy meeting is devoted to strategic issues and the medium-term development of the CPH Group and its constituents. One meeting day is also attended by the full Group Executive Management and members of the three Divisional Management teams.

The Chairman of the Board is in regular contact with the Group CEO to support him in his duties and in the implementation of business strategy.

The Board of Directors

as of 31 December 2014



From left:
Mauro Gabella, Peter Schaub, Max Walter,
Tim Talaat and Christian Wipf

Peter Schaub

Chairman, born 1960, Swiss national, lic. iur., attorney-at-law, first elected in 1994.

Current positions

Partner at Weber Schaub & Partner AG, tax and legal consultants, Zurich; Member of the Board of Directors of Mobimo AG, Lucerne; Deputy Chairman of the Board of Directors of UBV AG, Uetikon; Member of the Board of Directors of Rüegg Cheminée Holding AG, Zumikon; member of the boards of directors of various further unlisted companies; trustee of various foundations.

Previous positions

Tax commissioner at the Cantonal Tax Office, Zurich; junior associate at the Schellenberg Wittmer law firm, Zurich.

Max Walter

Deputy Chairman, born 1945, Swiss national, Dr. iur., attorney-at-law, first elected in 1990.

Current positions

Self-employed attorney (SSW Rechtsanwälte, Zurich); Member of the Board of Directors of UBV AG, Uetikon; Member of the Board of the Swiss Sponsorship Organization for Mountain Communities, Zurich.

Previous positions

Partner at Pestalozzi Rechtsanwälte AG, Zurich.

Mauro Gabella

Born 1952, Swiss and French national, Dr. sc. nat., first elected in 2005.

Current positions

Chairman of the Board of Directors of PME&Co, Luxembourg; CEO of HCS HealthCare Management Solutions, Chesières.

Previous positions

Vice President Organizational Excellence & Project Management Europe for Sanofi-Aventis, Paris; Vice President Central & Southern Europe for Sanofi-Aventis, Paris.

Tim Talaat

Born 1960, Swiss national, MSEE and MBA, first elected in 1994.

Current positions

CEO of Looser Holding AG, Arbon; chairman/member of the boards of directors of various subsidiaries of Looser Holding AG; Member of the Board of Directors of Bachofen AG, Uster.

Previous positions

Managing Partner at Swiss Industrial Finance AG, Pfäffikon SZ; CEO of SR Technics Switzerland and Member of the SR Technics Group Executive Board, Zurich Airport.

Christian Wipf

Born 1957, Swiss national, lic. oec. HSG, first elected in 2008.

Current positions

Chairman and Delegate of the Board of Directors & CEO of Wipf Holding AG, Volketswil; Chairman of the Board of Directors of Wipf AG, Volketswil; Chairman of the Board of Directors of Elco AG, Brugg; Chairman of the Board of Directors of Swiss Direct Marketing AG, Brugg.

Previous positions

CEO of Wipf AG, Volketswil; Executive Management of Seetal Schaller AG, Brugg.

Group Executive Management

as of 31 December 2014



From left:
Alois Waldburg-Zeil, Wolfgang Grimm, Peter Schildknecht,
Klemens Gottstein and Manfred Häner

Peter Schildknecht
Group CEO

Peter Schildknecht, who is a Swiss national, was born in 1962. A doctor of science, he joined CPH in 2008 and has been its Group CEO since 2009.

Dr. Schildknecht is a Member of the Board of Euro-Graph (the European Association of Graphic Paper Producers), Deputy Chairman of the Board of the Central Switzerland Chamber of Industry & Commerce and Deputy President of the MTEC Foundation to promote research and education in business science at the Swiss Federal Institute of Technology (ETH), Zurich.

Between 1995 and 2001 Peter Schildknecht held various functions in the Von Roll Group, including CEO of Von Roll Betec AG and Head of Industrial Services and a Member of Executive Management at Von Roll Infratec Holding AG, Bern. From 2001 he served as a Member of Group Executive Management at Sarna Kunststoff Holding AG, Sarnen, and led various group divisions, most latterly Sarnafil.

Klemens Gottstein
Head of the Paper Division

Industrial engineer and paper manufacturer Klemens Gottstein, who is a German national, was born in 1961. The holder of an MBA, he joined CPH as its Head of Paper in 2012.

Between 1989 and 2011 Klemens Gottstein held various functions at the Myllykoski Group, including HR Director, General Manager of its Dachau and Ettringen works and Director of Business Development for Coated Papers. He most latterly served as Executive Vice President Operations and a Member of the Executive Management of Myllykoski Europe, with responsibility for its six European plants and Human Resources Europe.

Wolfgang Grimm
Head of the Packaging Division

Wolfgang Grimm, who is a German national, was born in 1957 and holds a BA Diploma in Business Administration. He joined the then Perlen Group as its Head of Packaging in 1998, and was appointed to his present position in 2003.

Wolfgang Grimm was Sales Director at VAW Europack Export GmbH, Teningen (Germany) from 1993 to 1995. He then moved to Schüpbach AG, Burgdorf (Switzerland), where he rose to become Vice President Sales Central Europe for Danisco Flexible Schüpbach AG.

Manfred Häner
Head of Finance, Investor Relations, Real Estate & IT / CFO

Manfred Häner, who is a Swiss national, was born in 1956. The holder of a Swiss Federal Diploma as an Accounting & Controlling Specialist, he joined CPH as its Group CFO in 2012.

From 1999 to 2010 Manfred Häner served as CFO and Deputy CEO of Micronas Semiconductor Holding AG. He commenced his professional career in 1975 with Sulzer, with which he went on to hold various finance and controlling functions over the next 23 years culminating in his serving as CFO and Deputy CEO of the Sulzer International division. His Sulzer service also included several years of secondment to New York and Madrid.

Alois Waldburg-Zeil
Head of the Chemistry Division

Alois Waldburg-Zeil, who is an Austrian national, was born in 1963. A doctor of law, he joined CPH as its Head of Chemistry in 2010.

Alois Waldburg-Zeil began his professional career as an auditor, and served with KPMG from 1993 to 1997. Between 1997 and 2009 he held a range of management functions with the Süd-Chemie Group (which is now part of Clariant), including Head of the General Secretariat and Public Relations, Sales Manager EMEA, Global Financial Manager for Süd-Chemie Performance Packaging in Paris (France), CEO of Süd-Chemie UK in Manchester (UK) and CEO of Süd-Chemie Zeolites GmbH in Bitterfeld (Germany).

The Board of Directors supervises Group Executive Management through structured reporting and controlling processes. The Board receives a comprehensive monthly written report on current business trends, financial results, market developments, emerging risks and other key events. The Group CEO also reports on the latest business trends and performance and all further issues of relevance to the Group at every Board meeting. Further details of CPH's Internal Control System (ICS) will be found in the annex to the consolidated financial statements on page 72. The external auditor supports the Board of Directors and its Finance & Auditing Committee in their control and monitoring functions.

Group Executive Management

Group Executive Management is CPH's supreme executive body, and is charged with the Group's operational management. Group Executive Management is tasked primarily with implementing the strategy defined by the Board of Directors, applying corporate policy and managing and coordinating the activities of the Group's business divisions. The members of Group Executive Management are appointed by the Board of Directors. Group Executive Management generally meets once a month. It also conducts an annual two-day retreat; and a further one-and-a-half-day management meeting is held every year together with the full managements of the Group's three business divisions.

Remuneration

For the remuneration paid to the Board of Directors and Group Executive Management, please see the Remuneration Report on page 33.

Shareholders' rights and change of control

Details of shareholders' rights and change-of-control clauses will be found in the additional corporate governance information on page 68.

External auditor

Statutory and group auditor

PricewaterhouseCoopers AG, Zurich

First elected: 1971

Current term: the 2014 financial year

Auditor-in-charge

René Rausenberger (since 2009)

The remuneration paid to the external auditor is shown on page 70. The Board of Directors' Finance & Auditing Committee examines the reports of the external auditor and assesses its work. The Committee then reports on this to the full Board. One meeting of the Finance & Auditing Committee in 2014 was also attended by representatives of the external auditor.

Information for shareholders

Share price trends

The price of the CPH share closed at CHF 1 129 on 30 December 2014, an 8.2% decline on its price at the end of 2013. CPH shares thus performed below general market trends: the Swiss Performance Index (SPI) rose 13.0% over the same 12-month period.

CPH share price developments in 2014



CPH 2014-2019 2.75% bond price developments in 2014



Securities information	Share	Bond
Securities number	162 471	24 761 122
ISIN	CH0001 624 714	CH0247 611 228
Reuters	CPH.S	
SIX Swiss Exchange	CPHN	CPH14

Investor relations agenda

27 February 2015	Publication of 2014 Annual Report; media conference & investors' meeting
1 April 2015	Ordinary General Meeting
July 2015	2015 Half-Year Report (to 30 June)

CPH's communications on its business trends and performance, its letters to shareholders and key ad-hoc disclosures may be obtained via an email service that is available from the www.cph.ch website (under Investors -> Communications). The latest CPH corporate communications and interim reports will also be found on the www.cph.ch website, together with further corporate information.

Investor relations contact

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