

**ARTICLES OF ASSOCIATION**

**of**

**Tornos Holding AG  
(Tornos Holding S.A.)  
(Tornos Holding Ltd.)**

**4/11/2018**

The General Meeting of Shareholders has adopted the present Articles of Association in the original version hereof in the French language, which is the official one.

## I. NAME, MAIN OFFICE, DURATION, AND PURPOSE OF THE COMPANY

Company name, main office, and duration

### Art. 1

Under the Company name of  
Tornos Holding AG.  
(Tornos Holding S.A.)  
(Tornos Holding Ltd.),

a corporation is created with unlimited duration under Articles 620, *et seq.* of the Swiss Code of Obligations (CO), having its main office in Moutier.

Purpose

### Art. 2

The Company has the purpose of holding equity stakes in companies in Switzerland and abroad.  
The Company may perform all manner of commercial and financial transactions necessary to further its purpose.  
It may hold equity in other enterprises and create branches or subsidiaries.

## II. CAPITAL STOCK AND SHARES

Capital stock

### Art. 3

The capital stock of the Company is CHF 69,571,848.50 divided into 19,877,671 registered shares with a par value of CHF 3.50 each. The capital stock has been fully paid in.

The registered shares may be converted into bearer shares, and vice versa, by decision of the General Meeting of Shareholders.

Contingent capital

### Art. 3a

The capital stock is augmented to the extent of CHF 2,473,317.00, with exclusion of subscription rights or, respectively, preemptive subscription rights of the shareholders for good cause (employees share ownership), by means of the issuance of registered shares, to be fully paid in, at a par value of CHF 3.50, of up to 706,662 shares, at a par value of CHF 3.50 each, for a maximum amount of CHF 2,473,317.00, by means of exercise of the option rights granted to the members of the Board of Directors and to freelance workers or employees of the Company within the context of an employee share ownership plan.

The detailed conditions of the option are to be defined by the Board of Directors considering the conditions referred to above.

Shares

Art. 4

Shares are issued in book-entry form. Shareholders may at any time ask the Company to make a written statement concerning the shares owned by them. However, shareholders have no right to the printing and delivery of share certificates.

On the other hand, the Company may at any time print and issue securities in lieu of book-entry rights (individual or global securities, certificates) and may cancel securities that have been remitted to it without replacing them and replace them with another type of security or book-entry right.

Securities must bear the facsimile signature of the Chairman of the Board of Directors.

The transfer of uncertificated securities is subject only to the Uncertificated Securities Act. A transfer of book-entry rights that cannot be characterized as uncertificated securities is made by assignment, and such assignment must be reported to the Company.

Registration of shares and duty of reporting

Art. 5

The Company keeps a register of shares recording the names, addresses, and nationalities (main offices for legal persons) of the owners and usufruct holders of the registered shares. In order to be so recognized in their relations with the Company, shareholders or usufruct holders must be recorded in the register of shares. The Company recognizes only one representative per share.

Upon request, an acquirer of shares is recorded in the register of shares as a shareholder with the right to vote if the acquirer can substantiate the acquisition.

The Board of Directors may decide to cancel a recording in the register of shares with retroactive effect as of the date of recording if the shareholder was registered on the basis of false assertions. The shareholder must be heard. The shareholder is to be informed immediately as to such cancellation.

The Board of Directors decides as may be necessary with respect to the keeping of the register. It may delegate its duties.

No recording in the register of shares can be made commencing from the tenth day before the General Meeting of Shareholders and up to the day subsequent to it.

Anyone who directly, indirectly, or in concert with third parties acquires or disposes of Company shares for its own account and who, as a result of such transaction, holds a stake that reaches, exceeds, or falls

below the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50%, or 66 2/3% of the voting rights, whether or not entitled to make use thereof, must so declare to the Company and to the stock exchanges on which the shares are listed within a period of four trading days. The procedure and the scope of the duty of reporting are determined by the provisions of law.

### III. COMPANY BODIES

Bodies

#### Art. 6

The Company bodies are:

- a) General Meeting of Shareholders
- b) Board of Directors
- c) Auditing Body.

#### **a) General Meeting of Shareholders**

Holding of the General Meeting of Shareholders; regular and extraordinary General Meeting of Shareholders

#### Art. 7

The General Meeting of Shareholders is the supreme body of the Company.

The regular General Meeting of Shareholders is held every year within 6 months of the closing of the fiscal year. An extraordinary General Meeting of Shareholders may be held if the Board of Directors or the Auditing Body so deems necessary or upon decision by the General Meeting of Shareholders. Furthermore, one or more shareholders altogether representing at least 10% of the capital stock may require the convening of an extraordinary General Meeting of Shareholders by means of a written demand containing the subject matter to be deliberated upon and the proposal or, in the case of an election, the names of the candidates proposed.

Notice of meeting

#### Art. 8

A General Meeting of Shareholders is called by the Board of Directors at the latest 20 days before the day of the meeting, by publication in the publication medium. Notice of the meeting may also be given by mail to all of the shareholders recorded in the register of shares.

The meeting notice must indicate the date, the time, and the place of the meeting, as well as the items on the meeting agenda and the proposals of the Board of Directors and of the shareholders who have called for the holding of a General Meeting of Shareholders or the inclusion of an item on the agenda.

The General Meeting of Shareholders cannot make any decision on items not appearing in the meeting agenda except requests to convene an extraordinary General Meeting of Shareholders or for the execution of a special audit.

Shareholders whose shares represent a par value of CHF 1,000,000.00 or more may require that an item be included on the meeting agenda. A written request containing the items to be included, as well as the proposals, must be sent at least 45 days prior to the General Meeting of Shareholders.

Powers

Art. 9

The General Meeting of Shareholders has the following non-transferable powers:

1. to adopt and modify the Articles of Association;
2. to elect and remove members of the Board of Directors and of the Auditing Body;
3. to elect and remove the Chairman of the Board of Directors;
4. to elect and remove the members of the Remuneration Committee;
5. to elect and remove the Independent Representative;
6. to approve the annual report and accounts of the group;
7. to approve the annual accounts and decide on the use of the profit as shown on the balance sheet, and, in particular, to set the dividend;
8. to discharge members of the Board of Directors;
9. to vote on the remuneration of the Board of Directors and of the senior management;
10. to make all of the decisions reserved to it by law or by the Articles of Association.

Voting rights and representation

Art. 10

Each share recorded in the Company's register of shares as having the right to vote is entitled to one vote at the General Meeting of Shareholders.

Shareholders may only be represented in the General Meeting of Shareholders by means of their legal representatives, another shareholder entitled to vote, or by the independent representative. A written proxy is necessary except in the case of a voting instruction given electronically to the independent representative. The Board of Directors may issue requirements concerning participation and representation.

Decisions and elections

Art. 11

The General Meeting of Shareholders makes its decisions and holds elections by an absolute majority of the votes validly represented,

provided that the mandatory provisions of the law or the Articles of Association do not require otherwise.

If in an election no candidate obtains an absolute majority on the first ballot and there is more than one candidate, a second vote is held by a relative majority.

Votes and elections are held by a show of hands, provided that the General Meeting of Shareholders or the Chairman does not order a vote or election by secret ballot. The vote or election may also be held electronically, by decision of the General Meeting of Shareholders or the Chairman.

If the Chairman is of the opinion that a vote or election by show of hands has had an outcome that is not clear, he may order that the vote or election be repeated in writing or electronically. In such case, the vote or election by show of hands is deemed void.

A decision of the General Meeting of Shareholders adopted by at least two thirds of the votes attributed to the shares represented and an absolute majority of the par value represented is required for:

1. modification of the Company purpose;
2. creation of shares with preferred voting rights;
3. restriction on the transferability of registered shares;
4. restriction on the exercise of the right to vote, and any modification or elimination of such restriction;
5. an authorized or contingent increase in the capital stock;
6. increasing the capital stock using own capital, on the basis of a contribution in kind, or for the purpose of acquisition of assets and of a granting of special advantages;
7. a limitation or elimination of preemptive subscription rights;
8. moving the main office of the Company;
9. dissolution of the Company.

Methods of voting at the General Meeting of Shareholders on the remuneration of the Board of Directors and of the senior management

#### Art. 12

The methods of voting at the General Meeting of Shareholders on the remuneration of the Board of Directors and of the senior management are as follows:

- The General Meeting of Shareholders votes annually on compensation;
- The General Meeting of Shareholders votes separately on the overall amounts granted to the Board of Directors, on the one hand, and to the senior management, on the other;
- The vote of the General Meeting of Shareholders is binding.

The General Meeting of Shareholders votes on the future remuneration of the Board of Directors and of the senior management.

When the General Meeting of Shareholders refuses to approve the overall amount of the compensation for the Board of Directors and/or for the senior management, the Board of Directors may submit a new proposal during the same General Meeting of Shareholders. If it does not submit a new proposal or if it is rejected, it calls a new General Meeting of Shareholders within a period of three months.

Office of Chairman, and  
Minutes

Art. 13

The General Meeting of Shareholders is chaired by the Chairman or, in the event of impediment, by the Vice Chairman or another designated member of the Board of Directors.

The Chairman appoints the Secretary of the Minutes and the Scrutineers, who need not be shareholders; these two functions may be performed by the same person.

The Chairman may take all such measures as he may deem necessary so that the General Meeting of Shareholders is held properly and is undisturbed.

The minutes must contain information on the decisions and elections, as well as on shareholder input. They must be signed by the Chairman and by the Secretary of the General Meeting of Shareholders. The minutes are available to the shareholders for consultation at the Company's main office.

**b) Board of Directors**

Composition and term of office

Art. 14

The Board of Directors is composed of at least three members.

The General Meeting of Shareholders elects the members of the Board of Directors individually. The terms of office terminate at the end of the following regular General Meeting of Shareholders. The right of early dismissal or of removal is reserved.

Reelection of the members of the Board of Directors is possible.

Chairman of the Board of  
Directors

Art. 15

The General Meeting of Shareholders elects the Chairman of the Board of Directors from among the members of the Board of Directors. The terms of office terminate at the end of the following regular General Meeting of Shareholders. Reelection of the Chairman of the Board of Directors is possible. The right of early dismissal or of removal is reserved.

When the office of Chairman of the Board of Directors is vacant, the Board of Directors designates a new Chairman for the period running up to the end of the term of office.

Composition

Art. 16

With the exception of its Chairman, the Board of Directors creates its own composition. It chooses, if necessary, one or more Vice Chairmen, deputies, as well as the Secretary. The Secretary need not be a member of the Board of Directors.

Notice of meeting

Art. 17

The Board of Directors meets upon notice of the meeting from the Chairman or Vice Chairman as often as the business of the Company so requires or whenever a member so requests.

Decisions

Art. 18

The Board of Directors may validly resolve when a majority of its members is present. Attendance by telephone or by electronic means is also allowed. No attendance quorum is required for the execution of a capital increase and a decision to make the corresponding amendment to the Articles of Association.

Decisions are made by a majority of the votes present. In the event of tied votes, the Chairman has a casting vote.

The Board of Directors may also adopt decisions on a given item in written form, either by fax or by electronic data transmission, provided that no member requests that oral debate take place.

A record of the debates and decisions is kept; it must be signed by the Chairman and the Secretary and distributed to all of the members of the Board of Directors.

Powers and committees

Art. 19

The Board of Directors may make decisions on all matters that are not reserved to the General Meeting of Shareholders or to another Company body by law or in accordance with the Articles of Association.

The Board of Directors has the following non-transferable and inalienable powers:

1. to act as the top management of the Company and issue the necessary instructions;
2. to establish how the Company is organized;
3. to establish the principles for the accounting and financial audits, and the financial plan as well;
4. to appoint and dismiss persons conferred duties of operational management and of representation;



5. to exercise ultimate supervision over the persons conferred the duties of operational management in order to make sure, in particular, that they comply with the law, the Articles of Association, the rules, and the instructions given;
6. to create the business report, prepare the General Meeting of Shareholders, and execute its decisions;
7. to create the remuneration report;
8. to inform the court in the event of insolvency.

The Board of Directors may delegate the preparation and execution of its decisions or business supervision to committees or to individual members. It must make sure that reports are made regularly to its members.

Organizational rules Art. 20  
The Board of Directors may delegate all or part of the business management of the Company to one or more of its members or to other individuals to the extent provided for by the organizational rules.

Asset management may be delegated to an legal person to the extent provided for by the organizational rules.

The organizational rules contain the rules on Company operational management, respectively the rules on the delegation of operational management, determining the positions necessary for such management and establishing their specifications, as well as, in particular, governing the manner of subordinate reporting.

#### **c) Auditing Body**

Appointment and tasks Art. 21  
The General Meeting of Shareholders appoints an Auditing Body for a term of one year.

The tasks, rights, and duties of the Auditing Body, as well as the qualifications and independence thereof, are established by law.

#### **IV. INDEPENDENT REPRESENTATIVE**

Independent Representative Art. 22  
The General Meeting of Shareholders elects the Independent Representative. The terms of office terminate at the end of the following regular General Meeting of Shareholders. Reelection of the Independent Representative is possible. The right of early dismissal is reserved.

	<p>The General Meeting of Shareholders can only remove the Independent Representative at the end of the General Meeting of Shareholders.</p>
Granting of powers and issuance of instructions	<p>When the Company has no Independent Representative, the Board of Directors designates one for the following General Meeting of Shareholders.</p> <p>Powers and instructions can only be granted for the upcoming General Meeting of Shareholders.</p> <p>The Independent Representative abstains from voting when he has not received any instructions.</p>

## V. REMUNERATION COMMITTEE

Composition and terms of office	<p><u>Art. 23</u> The Remuneration Committee is composed of at least two members of the Board of Directors.</p> <p>The General Meeting of Shareholders elects the members of the Remuneration Committee individually. Only members of the Board of Directors are eligible. The terms of office terminate at the end of the following regular General Meeting of Shareholders. Reelection of the members of the Remuneration Committee is possible.</p> <p>When the Remuneration Committee has vacancies, the Board of Directors designates the new members for the period running up to the end of the terms of office.</p>
Principles governing the tasks and powers of the committee	<p><u>Art. 24</u> The Remuneration Committee has the following tasks and powers (principles):</p> <ul style="list-style-type: none"><li>- Establishment and periodic review of the policy and principles of remuneration as well as the purposes and criteria for granting additional remuneration linked to performance, periodic review of the implementation thereof, and submission of proposals and recommendations relating thereto to the Board of Directors;</li><li>- Submission of proposals to the Board of Directors concerning compensation, under Article 14, paragraph 2, of the Ordinance Against Excessive Remuneration in Listed Companies, granted to members of the Board of Directors and of the senior management;</li><li>- Submission of proposals to the Board of Directors concerning the share participation program.</li></ul>

The Board of Directors may assign to the Remuneration Committee supplementary tasks relating to remuneration, human resources, and any other subject connected to remuneration and human resources.

The Board of Directors governs the organization, operation, tasks, and scopes of authority of the Remuneration Committee in the Company's organizational rules.

**VI. OFFICE-HOLDING ALLOWED TO MEMBERS OF THE BOARD OF DIRECTORS AND MEMBERS OF SENIOR MANAGEMENT**

Number of office-holdings allowed to members of the Board of Directors

Art. 25

The members of the Board of Directors may hold a maximum of five offices as directors or members of the senior management of another listed company.

To the extent it is compatible with the duty of diligence provided for in Article 717 of the Code of Obligations, the members of the Board of Directors may hold maximum fifty mandates, whether as members of boards of directors or as members of senior management, in unlisted companies that are required to enroll in the commercial register and are not controlled by the Company or do not control the Company.

Number of office-holdings allowed to members of senior management

Art. 26

In principle, members of senior management cannot hold any mandate/employment other than the one covered by their employment contract with the Company or an entity belonging to the Company.

In exceptional cases and subject to the approval of the Board of Directors, one or more members of senior management may hold mandate/employment as a director or employee of a company other than Tornos Holding Ltd. or not belonging to Tornos Holding Ltd.

**VII. MAXIMUM TERM AND MAXIMUM NOTICE PERIOD IN CONTRACTS PROVIDING FOR REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND OF SENIOR MANAGEMENT**

Maximum term and maximum notice period in contracts providing for remuneration of members of the Board of Directors and of senior management

Art. 27

The maximum term of fixed-duration employment contracts that provide for remuneration of the members of the Board of Directors and of senior management is one year.

The maximum notice period for indefinite-duration employment contracts that provide for remuneration of the members of the Board of Directors and of senior management is one year.

## VIII. SUPPLEMENTARY REMUNERATION

Art. 28  
Granting of remuneration linked to performance Remuneration linked to performance may be granted to the members of the Board of Directors and of senior management, in particular. Such remuneration is granted on the basis of achieving established targets and financial results.

Art. 29  
Granting of stock, conversion rights, and option rights Stocks, conversion and option rights may be granted to the members of the Board of Directors and of senior management, in particular. Such stocks, conversion and option rights may be granted on the basis of achieving established targets and financial results.

Art. 30  
Supplementary amount to ensure remuneration of members of senior management appointed after approval of remunerations by the General Meeting of Shareholders For the eventuality that new members of senior management are appointed between two regular General Meetings of Shareholders, in order to ensure their remuneration, the present Articles of Association provide for a supplementary amount equivalent to 40% of the total amount of the compensation for senior management approved by the General Meeting of Shareholders.

The supplementary amount can only be used when the total amount of the remuneration decided upon by the General Meeting of Shareholders is not enough to cover the remuneration of the new member(s).

The supplementary amount can only be used for the period running up to the following vote on remuneration held by the General Meeting of Shareholders (*pro rata*, in terms of time, up to the following General Meeting of Shareholders).

Art. 31  
Compensation remunerating activities of members of the Board of Directors and of senior management in enterprises directly or indirectly controlled by the Company The payment of compensation remunerating the activities of members of the Board of Directors and of senior management in enterprises directly or indirectly controlled by the Company is authorized.  
Such compensation is included in the total amount of the compensation voted on by the General Meeting of Shareholders.

## IX. APPLICATION OF PROFITS

Application of profits

Art. 32  
The profit as shown on the balance sheet is available to the General Meeting of Shareholders, subject to the requirements of law on applying profits, particularly Articles 671, *et seq.*, of the Code of Obligations.

Dividends can only be established after the allocations to legal reserves as provided by law have been made. Dividends not collected within 5 years subsequent to their payability revert to the Company and are allocated to the general reserve.

## X. FISCAL YEAR AND ANNUAL ACCOUNTS

Fiscal year and annual accounts

Art. 33  
The fiscal year for accounting purposes ends on December 31.

For each fiscal year, the Board of Directors issues a management report containing the annual accounts, comprising the balance sheet, income statement and attached notes, annual report, and consolidated accounts of the group.

## XI. DISSOLUTION AND LIQUIDATION

Dissolution and liquidation

Art. 34  
The General Meeting of Shareholders may decide to dissolve and to liquidate the Company at any time to the extent provided for by law and by the Articles of Association.

The Board of Directors carries out the liquidation if the General Meeting of Shareholders does not designate specific liquidators.

## XII. COMMUNICATIONS

Medium of publication and communications to shareholders

Art. 35  
The Company's medium of publication is the *Feuille officielle suisse du commerce* (FOSC) (Swiss Official Gazette of Commerce). The Board of Directors may decide on other media of publication.

The Company's communications to shareholders are done in the Company's publication media.  
Communications to shareholders may also be done by mail, to the addresses recorded in the register of shares.

## XIII. GENERAL PROVISIONS

Art. 36

Contribution in kind / takeover of assets     *Abrogated*

Art. 37

Further contributions in kind     Upon the authorized increase in capital stock of May 2, 2011 and according to the contribution agreement of that date, the Company takes over, from GOLDEN EAGLE TRADING LTD, a company organized in the form of a "Private Company" under the law of Mauritius and having its main office in Port Louis (Republic of Mauritius), 3,870,000 registered shares of Cyklos S.A., a corporation organized under the law of Mauritius and having its main office in Port Louis, with a par value of CHF 1.00 each, for a total price of CHF 3,870,000.00, in exchange for which GOLDEN EAGLE TRADING LTD receives 300,000 registered shares in the Company with a par value of CHF 4.50, fully paid in.

The present Articles of Association were approved by the Board of Directors today and replace the Articles of Association of 5/30/2013.

In Moutier, on April 16, 2014

**The Chairman:**

*Signature of François Frôté*

.....

François Frôté