

# Insider Trading Rules

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## Summary

Generally, Insiders are free to trade shares, but must disclose their motivation when doing so. If they make short-term gains with their trading, the Company can demand that they share up to 75% of these gains with the other shareholders by handing them over to the company.

## Parties

These rules form a binding agreement between:

1. An issuer of shares or other securities («Company»)
2. An employee or board member of the Company («You» or «Insider»)

Employees typically enter into this agreement as part of their employment, making it valid without additional signature as long as it is referred to in the employment agreement and made available to the employee.

## Purpose

The purpose of this agreement is to sterilize the harms of insider trading without preventing an efficient market from forming. Insider trading has the benefit of pushing the market price of a share closer to its true value, a property which economists refer to as market efficiency. A further key ingredient for market efficiency is information. That is why these rules provide an incentive to keep the shareholders informed about the state of the company, even in the absence of formal reporting. That way, shareholders can reach their own judgement about the relevance of a given piece of information and take their own actions. In order to prevent insiders from making unfair trading gains by exploiting their privileged access to information, the agreement contains provisions to socialize these gains.

## Equal Treatment

The Company makes sure that all insiders (employees and board members) are bound to these rules.

## Trading Restrictions and Disclosure of Information

You are free to buy or sell shares through the Brokerbot provided by the Company on its website. When doing so, you must publicly disclose Your trade (number of shares, price and time) and Your motivation (why did you decide to buy or sell?). If You are not allowed to disclose the information Your trade is based on, then You are not allowed to trade. When in doubt whether the relevant information is confidential, You should prepare the relevant

information and ask Your manager for permission to disclose it. Trading on another venue than that provided by the Company itself requires the prior approval of the Company.

## Sharing of Insider Gains

If Your trade results in realized or unrealized gains within seven days ("gain period"), you may be forced to return up to 75% ("sharing quota") of these gains to the other shareholders by handing them over to the company. In case of a buy, the gain is the number of acquired shares times the market price at the end of the gain period minus the amount paid to acquire the shares. In case of a sale, the gain is the averted loss, calculated by multiplying the number of sold shares with the market price at the end of the period and subtracting the product from the sales proceeds. The market price is defined as the last price offered by the Company. In case of multiple trades within the gain period, the relevant gain is the net gain (i.e. it is possible to subtract losses) and the period is prolonged until 90% of the relevant trade volume happened at least seven days ago, whereas the volume of a trade is defined as the number of shares multiplied with their price.

## Enforcement

Upon request from a registered shareholder, the Company can demand from You to share your trading gains as defined in the previous section. To be valid, the request must be filed with the Company within 30 days of the end of the relevant gains period and the requesting shareholder must agree that the Company can share his identity with You under the condition that Your identity is also shared with the requesting shareholder. The Company agrees to notify You within 7 days in case it receives any such request. The decision on whether Your and the requesting shareholders identity is mutually disclosed is left to You. If not exercised, the Company's right to demand a socialization of Your gains expires within two years.

## Failure of Compliance

You are fully liable for all failures to comply with this agreement, directly or indirectly. This includes failures like not convincingly disclose Your trading motivation or the circumvention of these rules through collaboration with a third party. In such cases, you owe the Company 100% of the gains made with any such trades and the relevant gains period is extended to end within seven days after all information the trade was based on became publicly known. Further, the right of the Company to demand a socialization of Your (or the collaborating third party's) gains is extended to five years.

In case of an accidental failure to disclose relevant information, You can cure that failure within three months of the trade by notifying the Company who then can take steps to retroactively disclose that information. In that case, the gain period is extended to end seven days after the relevant information becomes public (and possibly extended according to the extension rules).

## Exceptions

Shares received in the context of an employee incentive program or other form of employee compensation do not fall under this agreement. Also, gains below 500 CHF are exempt from this agreement.

## Termination

Without explicit agreement to the contrary, this agreement ends within two months after You cease to be an employee or board member of the Company. The termination of this agreement does not affect any pending enforcement decisions.