

Annual Report and Accounts 2017

Corporate Governance Report

Performance and Strategy

FY 2017 has been an extremely challenging year for ARYZTA. The Board has placed significant focus on reviewing ARYZTA's strategy, and will work closely with our new CEO and his team to address the challenges facing ARYZTA and to deliver the benefits of a revised strategy to all our stakeholders.

Our strategy is to focus on managing, improving and growing our strong international base in B2B Frozen Bakery and European bakery driven food solutions, together with a clear and relentless focus on customers. Implementation of our strategy will be the key significant focus area on the agenda for Board meetings during the coming financial year.

ARYZTA Board and Executive Management

Financial year 2017 was a year of significant change at Board level. At the ARYZTA 2016 Annual General Meeting ('AGM'):

- then Chairman, Denis Lucey retired
- Gary McGann was elected as the Chairman of the Board
- Rolf Watter was elected to the Board as an independent Non-Executive Director
- Shaun B. Higgins retired from the Board

In addition, the following changes to executive management took place during FY 2017:

- 14 February 2017 – Owen Killian, then CEO; Patrick McEniff, then CFO/COO; and John Yamin, then CEO Americas, all then members of ARYZTA Executive Management, tendered their resignations.
- 31 March 2017 – Mr. Killian, Mr. McEniff and Mr. Yamin departed the business. David Wilkinson was appointed as interim CFO, and Dermot Murphy, COO Europe; Ronan Minahan, COO Americas; and Robert O'Boyle, COO APMEA were appointed to the Executive Management team along-side Pat Morrissey, General Counsel, CAO & Group Secretary.
- 20 June 2017 – Mr. Minahan, then COO Americas, departed the business and Keith Cooper was appointed as CEO of the Americas business on an interim basis.

Executive Appointments and Succession

On 18 May 2017, ARYZTA announced the appointment of Kevin Toland as Group CEO. The Board, led by its Governance and Nomination Committee and advised by international recruitment firm, Russell Reynolds Associates, Inc. conducted a rigorous international process to select and recruit a world-class CEO with the necessary blend of skills, experience and expertise to lead ARYZTA. The Board unanimously selected Kevin on the basis of his proven track record; deep international expertise, and, the specific relevance of his background and experience for ARYZTA.

Corporate Governance Report (continued)

Since the end of the financial year, the Board was also successful in finalising the appointment of a CFO, Frederic Pflanz. Frederic brings extensive expertise in global consumer products businesses as well as experience in organisation integration and business consolidation. Frederic will commence his role with ARYZTA in January 2018. David Wilkinson will continue in his role as interim CFO and will ensure that there is a seamless transition. ARYZTA is pleased to have appointed candidates of Kevin and Frederic's calibre to its leadership team. Together with the appointment of the Non-Executive Directors, ARYZTA's Board and senior management team has been significantly strengthened. ARYZTA also continues to make progress in identifying and appointing a new CEO of North America and a Chief People Officer.

Governance Framework

Details of the corporate governance framework adopted by ARYZTA (namely the Articles of Association, Organisational Regulations and Terms of Reference for the Committees of the Board) are available on the Company website at www.aryzta.com/about-aryzta/corporate-governance.

Leadership

The Board

The Board is responsible for stewardship, governance and oversight, and for setting the strategic direction to deliver sustainable value. As we look forward the Board is committed to the highest standards of corporate governance in its management of ARYZTA and its accountability to shareholders and other stakeholders. Strong leadership and strong corporate governance will be integral parts of our corporate culture and the Board will lead by example. Biographical details of the Directors are on pages 34 to 36.

At 31 July 2017, the Board of ARYZTA consisted of the Chairman and six Non-Executive Directors, all of whom are considered by the Board to be independent in character and judgement. Moreover, none of the Non-Executive Directors are party to relationships or circumstances with ARYZTA which, in the Board's opinion, are likely to affect their independence or judgement. To ensure the effective oversight of financial reporting, risk management, remuneration and the future leadership of the business, the Board delegates certain functions to three main Board Committees. Further details on the role of these key Committees are provided on pages 38 to 40.

Board policy is that a majority of its membership consist of independent Non-Executive Directors, as determined in accordance with the Swiss Code of Best Practice for Corporate Governance. The Board confirms that it is fully compliant with this code. When assessing its composition, the Board reviews international best-practice standards and global corporate governance developments

The Chairman

The Chairman is responsible for the effective leadership, operation and governance of the Board and its Committees. He ensures that all Directors contribute effectively in the development and implementation of the Company's strategy whilst ensuring that the nature and extent of the significant risks the Company is willing to embrace in the implementation of its strategy are determined and challenged.

Corporate Governance Report (continued)

Governance and Culture

As a Board, we are committed to ensuring we adhere to best-practice corporate governance principles and apply them in a pragmatic way that adds value to ARYZTA. We see continually enhancing our corporate governance as central to our aim of ensuring the stability of ARYZTA and returning the business to acceptable performance and growth.

Culture is a key focus for us as part of our wider governance framework and the Board will continue to work to ensure that ARYZTA's revised strategy, operating model and remuneration framework are aligned with our corporate culture. The success of our strategy will be dependent on developing a culture across ARYZTA that supports the pursuit of teamwork and excellence. In 2018, we will place a focus on re-stating ARYZTA's core vision and values. We recognise that the Board must lead by example to ensure these values are embedded not just in the boardroom, but are shared and understood throughout the business and form an integral part of interaction with all stakeholders. A healthy culture both protects and generates value for our stakeholders and the Board will regularly review and evaluate the corporate culture at ARYZTA.

Board Refreshment and effectiveness

As detailed in this report, the last twelve months has been a period of significant change for ARYZTA's Board and management. This reflects an ongoing programme of refreshment and renewal and the Board's desire to deepen its skills and expertise. Central to effectively setting and overseeing ARYZTA's strategy and determining our approach to risk is our Board's thorough understanding of our business and industry. Throughout FY17, led by the Governance & Nomination Committee, the Board continued to review its composition to ensure it meets our objective of having the diversity of skills, experience, gender and geographic background relevant to ARYZTA's strategy and business profile. In the context of the challenges facing the business, the priority was to recruit Directors who would add to the existing skills and experience of the Board. Significant emphasis was placed on the skills and expertise required for new appointments and the importance of a strong cultural fit with ARYZTA as it pursues its future strategy and objectives.

As part of the process of refreshment and renewal, the Board was delighted to secure James B. (Jim) Leighton and Juergen Steinemann as candidates to serve as independent Non-Executive Directors. Both Directors will stand for election for the first time at our AGM in December 2017 and their biographical details will be included in the AGM invitation.

The Board is satisfied that its current composition includes an appropriate balance of longer-serving and newly appointed Directors who collectively have the critical skills and experience relevant to the challenges facing ARYZTA. The effectiveness of the Board is also impacted by the relationship between Non-Executive Directors and management. Together with the CEO, the Chairman will spend time in the coming financial year to ensure the flow of information between Non-Executive Directors and senior management is sufficiently robust to allow the Board to be effective in overseeing strategy and management of performance. In 2018, we will review and agree each Director his/her development needs to ensure the Board continues to evolve in line with our strategy and business.

Corporate Governance Report (continued)

Chairman's commitments

As communicated to shareholders in advance of the 2016 AGM, the Chairman committed to reviewing his external positions and reducing his other public directorships within six months of his appointment to ARYZTA's Board. Accordingly, he stepped down from his role as a Non-Executive Director of Smurfit Kappa Group PLC at their AGM on 5 May 2017 and on 5 June 2017 he ceased to be a Director of MPS plc.

Shareholder Engagement

The Board is committed to ongoing dialogue with shareholders to enable clear communication of ARYZTA's objectives and to foster mutual understanding of what is important to the Board and ARYZTA's shareholders. Throughout the year, led by the Chairman of the Board, ARYZTA engaged with institutional shareholders outside of the normal investor relations process and primarily focused on strategy, corporate governance and management transition. This included a series of meetings following his appointment as Chairman, dialogue following the announcement of management changes, and, leading shareholder engagement around the announcement of FY17 half year and full year results. The Board was updated on the outcome of those meetings. In addition, the Board is continually apprised of shareholder interaction by the Investor Relations team consistent with the obligation to develop an understanding of the views and concerns of major shareholders.

The Board is and will be focused on ensuring that the Group's risk management and internal control systems are effective in underpinning robust decision-making on all capital allocation decisions. The Board has continued to debate and develop its understanding of risk, risk appetite and tolerance, risk testing and how we can maximise our business opportunities. Supported by the Audit Committee, we continued to strive for a better understanding of the risks we face.

Compensation Report

At the 2016 Annual General Meeting, the shareholders ratified the 2016 Compensation Report through a separate advisory vote, and in line with Swiss law, shareholders approved the maximum aggregate amount of remuneration of the Board of Directors (for the period up to the 2017 AGM) and Executive Management (for the financial year ending 31 July 2018).

ARYZTA Corporate Governance Report format

The ARYZTA Corporate Governance Report follows the SIX Swiss Exchange Directive on Information Relating to Corporate Governance and takes into account the Swiss Code of Best Practice for Corporate Governance.

The ARYZTA Group consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') and the requirements of Swiss law. The ARYZTA AG Company financial statements are prepared in accordance with the requirements of Swiss Law and the Company's Articles of Association. Where necessary, the financial statement disclosures have been extended to comply with the requirements of the SIX Swiss Exchange Directive on Information Relating to Corporate Governance.

Corporate Governance Report (continued)

In this report, the terms 'ARYZTA' and the 'Company' refer to ARYZTA AG, whereas the 'Group' and the 'ARYZTA Group' refer to ARYZTA AG and its subsidiaries. The 'Board' refers to the Board of Directors of the Company.

To avoid duplication in some sections, cross-references are made to the 2017 Financial Statements (comprising the Group consolidated financial statements and Company financial statements of ARYZTA AG), as well as to the Articles of Association of ARYZTA AG (available on the Company website at www.aryzta.com/about-aryzta/corporate-governance).

Corporate Governance Report (continued)

1 Group structure and shareholders

1.1 Group structure

The ARYZTA General Meeting is the supreme corporate body and the Board is accountable and reports to the shareholders, by whom it is elected. The Board, while entrusted with the ultimate direction of ARYZTA, as well as the supervision and control of management, has delegated responsibility for the day-to-day management of the Group, to the extent allowed under Swiss law, through the Chief Executive Officer ('CEO'), to Executive Management. The Group's management and organisational structure corresponds to its current segmental reporting lines: ARYZTA Europe, ARYZTA North America and ARYZTA Rest of World.

Each segment's management team is responsible for the day-to-day activities of their segment and reports to Executive Management, which in turn reports through the CEO to the Board.

1.1.1 Listed companies of the ARYZTA Group

ARYZTA AG

Name and domicile:	ARYZTA AG, 8001 Zurich, Switzerland
Primary listing:	SIX Swiss Exchange, Zurich, Switzerland
Swiss Security number:	4 323 836
ISIN:	CH0043238366
Cedel/Euroclear common code:	037252298
Secondary listing:	ISE Irish Exchange, Dublin, Ireland
SEDOL Code:	B39VJ74
Swiss Stock Exchange symbol:	ARYN
Irish Stock Exchange symbol:	YZA

Stock market capitalisation as of 31 July 2017:

CHF 2,758,615,019 or €2,443,078,456 based on 88,758,527 registered shares outstanding (i.e. disregarding 3,052,007 treasury shares) and closing prices of CHF 31.08 or €27.525 per share.

Stock market capitalisation as of 31 July 2016:

CHF 3,235,248,309 or €3,027,109,563 based on 88,758,527 registered shares outstanding (i.e. disregarding 3,052,007 treasury shares) and closing prices of CHF 36.45 or €34.105 per share.

1.1.2 Non-listed companies of the ARYZTA Group

Details of the significant subsidiaries and associated companies of ARYZTA (being their company names, domicile, share capital, and the Company's participation therein) are set out in note 35 of the 2017 ARYZTA Group consolidated financial statements on page 147.

Corporate Governance Report (continued)

1.2 Significant shareholders

As at 31 July 2017, the Company has been notified of the following shareholdings or voting rights, which amount to 3% or more of the Company's issued ordinary share capital:

	Number of shares 2017	Number of shares % 2017	Number of shares 2016	Number of shares % 2016
Causeway Capital Management LLC	6,881,741	7.50%	6,881,741	7.50%
Black Creek Investment Management Inc.	4,603,407	5.01%	–	–
ARYZTA Treasury shares	3,052,007	3.32%	3,052,007	3.32%
Cobas Asset Management	2,897,454	3.16%	–	–
Norges Bank	2,848,734	3.10%	2,858,242	3.11%
CI Financial Corp.	2,843,081	3.10%	–	–

Any significant shareholder notifications during the year, and since 31 July 2017, are available from the Group's website at:
www.aryzta.com/investor-centre/shareholder-notifications.

1.3 Cross-shareholdings

The ARYZTA Group has no interest in any other company exceeding five percent of voting rights of that other company, where that other company has an interest in the ARYZTA Group exceeding five percent of the voting rights in ARYZTA.

2 Capital structure

2.1 Capital

The registered share capital of the Company, as at 31 July 2017, amounts to CHF 1,836,210.68 and is divided into 91,810,534 registered shares with a par value of CHF 0.02 per share. The share capital is fully paid-up.

2.2 Authorised and conditional capital

ARYZTA has no conditional share capital.

Pursuant to Article 5 of the Articles of Association (governing Authorised Share Capital for General Purposes), the amount by which the share capital of the Company may be increased for general purposes may not exceed CHF 183,621.06 (through the issue of up to 9,181,053 registered shares). Authority for this purpose expires on 7 December 2017.

The Board has the power to determine the issue price, the period of entitlement to dividends and the type of consideration or the contribution in kind for such an issue. The Board may withdraw the pre-emptive rights and allocate them to third parties in the event of the use of those shares: (1) for acquisitions, subject to a maximum of 9,181,053 registered shares; (2) to broaden the shareholder constituency, subject to a maximum of 4,590,526 registered shares; or (3) or for the purposes of employee participation, subject to a maximum of 3,060,351 registered shares. For further details, refer to Article 5 of the Articles of Association, which is available on the Company website at www.aryzta.com/about-aryzta/corporate-governance.

Corporate Governance Report (continued)

2.3 Changes in capital

Changes in share capital, treasury shares and the allocation of treasury shares to awards granted in connection with the ARYZTA Long-Term Incentive Plans (Matching and Restricted Stock Plan and Option Equivalent Plan) over the last three financial years are as follows:

	Shares in issue	Shares outstanding	Treasury shares	Matching and Restricted Stock Plan Allocation	Option Plan Allocation	Unallocated Treasury shares
As of 31 July 2014	91,810,534	88,174,772	3,635,762	723,000	2,095,500	817,262
Vesting of LTIP awards	–	327,052	(327,052)	(327,052)	–	–
Exercise of LTIP awards	–	256,703	(256,703)	–	(501,000)	244,297
Granting of LTIP awards	–	–	–	–	980,000	(980,000)
Forfeitures of LTIP awards	–	–	–	(395,948)	–	395,948
As of 31 July 2015	91,810,534	88,758,527	3,052,007	–	2,574,500	477,507
Granting of LTIP awards	–	–	–	–	2,624,500	(2,624,500)
Forfeitures of LTIP awards	–	–	–	–	(315,500)	315,500
As of 31 July 2016	91,810,534	88,758,527	3,052,007	–	4,883,500	(1,831,493)
Granting of LTIP awards	–	–	–	182,807	–	(182,807)
Forfeitures of LTIP awards	–	–	–	(4,850)	(1,223,000)	1,227,850
As of 31 July 2017	91,810,534	88,758,527	3,052,007	177,957	3,660,500	(786,450)

Of the 91,810,534 registered shares, 88,758,527 are outstanding and 3,052,007 are classified as treasury shares. While the treasury shares are less than the total 3,838,457 Option Plan and Restricted Stock Plan awards outstanding, treasury shares continue to exceed the 1,565,500 Option Plan Awards vested and eligible for exercise as of 31 July 2017.

2.4 Shares and participation certificates

ARYZTA's capital is composed of registered shares only. As at 31 July 2017, ARYZTA has 91,810,534 fully paid-up, registered shares (including 3,052,007 treasury shares) with a nominal value of CHF 0.02 each. Each share entered in the share register with voting rights entitles the holder to one vote at the General Meeting and all shares have equal dividend rights. ARYZTA has not issued any participation certificates¹.

2.5 Profit-sharing certificates

ARYZTA has not issued any profit-sharing certificates¹.

2.6 Restrictions on transferability and nominee registrations

Article 7 of the Articles of Association deals with the Shareholders' Register and Restrictions on Transferability, and is available on the Company website at www.aryzta.com/about-aryzta/corporate-governance.

¹ Participation and profit-sharing certificates are instruments which have similar features to shares, but may differ with regard to their entitlement to dividend payments, voting rights, preferential rights to company assets or other similar rights.

Corporate Governance Report (continued)

2.6.1 Limitations on transferability

Pursuant to Article 7 b) of the Articles of Association, persons acquiring registered shares are, on application, entered in the share register without limitation as shareholders with voting power, provided they comply with the disclosure requirement stipulated by the Federal Act on Stock Exchanges and Securities Trading (Stock Exchange Act) of 24 March 1995 and expressly declare that they have acquired the shares in their own name and for their own account.

2.6.2 Exceptions granted in the year under review

As part of the establishment of ARYZTA, former holders of IAWS Group plc shares and options received ARYZTA registered shares, delivered initially in the form of Capita Depository Interests and since replaced by CREST¹ Depository Interests ('CDIs')².

A CDI represents an entitlement to an ARYZTA registered share. CDI holders are not the legal owners of the shares represented by the CDIs. They are not in a position to directly enforce or exercise rights like a shareholder. However, CDI holders do maintain an interest in the shares represented by the CDIs.

To facilitate voting by CDI holders, the Company has entered arrangements with Euroclear UK and Ireland to enable, by way of exception, registration of CREST International Nominees Limited ('CREST') in the share register as nominee with voting rights for the number of registered shares corresponding to the number of CDIs on the CDI register. There were no other exceptions to the provisions of section 2.6.1 above granted in the year under review.

CDI holders who wish to be in a position to directly enforce or exercise their rights must have their interests entered in the share register in accordance with Article 7 of the Articles of Association and effectively hold their shares through a member of the Swiss SIS Settlement System.

¹ The CREST system, operated by Euroclear UK and Ireland, is the system for the holding and settlement of transactions in uncertificated (UK, Irish and Channel Island) securities.

² ARYZTA shares are held in trust by Euroclear UK and Ireland for the benefit of CREST members who have been issued with dematerialised interests representing entitlements to ARYZTA registered shares in the form of CDIs.

Corporate Governance Report (continued)

2.6.3 Admissibility of nominee registrations

Pursuant to Article 7 c) of the Articles of Association, nominee shareholders are entered in the share register with voting rights without further inquiry up to a maximum of 1.5% of the outstanding share capital available at the time. Above this 1.5% limit, registered shares held by nominees are entered in the share register with voting rights only if the nominee in question (at the application for registration or thereafter upon request by the Company) discloses the names, addresses and shareholdings of the persons for whose account the nominee holds 0.3% or more of the outstanding share capital available at that time, and provided that the disclosure requirement stipulated by the Stock Exchange Act is complied with. The Board has the right to conclude agreements with nominees concerning their disclosure requirements.

Pursuant to Article 7 d) of the Articles of Association, the limit of registration in Article 7 c) of the Articles of Association described above also applies to the subscription for, or acquisition of, registered shares by exercising option or convertible rights arising from registered or bearer securities issued by the Company, as well as by means of purchasing pre-emptive rights arising from either registered or bearer shares.

Pursuant to Article 7 e) of the Articles of Association, legal entities, or partnerships, or other associations or joint ownership arrangements, which are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships that act in concert with intent to evade the entry restriction, are considered as one shareholder or nominee.

2.6.4 Procedure and conditions for cancelling statutory privileges

Pursuant to Article 7 f) of the Articles of Association, the Company may in special cases approve exceptions to the regulations described in section 2.6.3 above. After due consultation with the person concerned, the Company is further authorised to delete entries in the share register as a shareholder with voting rights, with retroactive effect, if they were effected on the basis of false information, or if the respective person does not provide the information pursuant to Article 7 c) described in section 2.6.3 above.

2.7 Convertible bonds, warrants and options

As of 31 July 2017, ARYZTA has not issued any convertible bonds or warrants.

As of 31 July 2017, a total of 3,660,500 Option Equivalent Plan awards granted to executives and senior management remain outstanding, subject to fulfilment of predefined vesting conditions in connection with the ARYZTA Long Term Incentive Plan.

Please refer to the Compensation Report on pages 49 to 57 of this Annual Report for further information pertaining to the vesting of Long Term Incentive Plan awards granted as an element of Executive Management compensation.

Corporate Governance Report (continued)

3 Board of Directors

3.1 Members of the Board of Directors

At 31 July 2017, the Board of ARYZTA consists of the Chairman and six non-executive directors, all of whom are considered by the Board to be independent in character and judgement. Moreover, none of the non-executive directors are party to relationships or circumstances with ARYZTA which, in the Board of Directors' opinion, are likely to affect their judgement.



Gary McGann (1950, Irish)

Chairman (since December 2016), and non-executive member

BA from University College Dublin; MScMgnt from IMI/TCD and a Fellow of Chartered Association of Certified Accountants

Mr. McGann is the Chairman of Paddy Power Betfair plc. He is also a director of Green REIT plc. He is the former Group Chief Executive Officer of the Smurfit Kappa Group plc, one of the leading providers of paper-based packaging solutions in the world. He is also former CEO of Aer Lingus Group and Gilbeys of Ireland. Gary is also Chairman of Sicon Ltd (Sisk Group) and Aon Ireland, and a former President of IBEC (Irish Business and Employers' Confederation) and CEPI (Confederation of European Paper Industries). In the 'not for profit sector', he is a director of Barnardos.



Charles Adair (1951, American)

Non-executive member

Bachelor of Arts in Biology from North Park College and a Master of Science from Michigan State University in Resource Economics

Charles Adair is retired Vice-Chairman of BMO Capital Markets, a full-service investment bank headquartered in Toronto, Canada. He began his career in the agricultural commodity trading and transportation industries in the U.S. and joined BMO Capital Markets in 1984 in Chicago. He was a leader in the formation of BMO's initial U.S. investment banking effort, as one of the senior members of the Chicago investment banking platform in 1995. In addition, he started BMO's Food & Agribusiness Mergers & Acquisitions practice from Chicago. With over 37 years of experience in the food and agribusiness industries, he continues to consult and invest with food and agribusiness companies globally. He is a non-executive director of Darling Ingredients Inc. and a member of the compensation committee. He became a member of the ARYZTA Board of Directors in December 2010.

Corporate Governance Report (continued)



Dan Flinter (1950, Irish)

Non-executive member

MA in Economics from University College Dublin, Ireland

Dan Flinter is a former CEO of Enterprise Ireland and a former Executive Director of IDA Ireland. He is Chairman of the Boards of PM Group Holdings Ltd, The Irish Times Ltd. and VCIIM. He is a board member of Dairygold Co-Operative and Chairman of its Remuneration Committee. He is a member of the Board of the Institute of Directors, Ireland and joined the Board of the IEDR (Irish Exchange Domain Registry) in July 2017. He is also a former Chairman of the Governing Authority of Maynooth University and of the Centre For Effective Services. He became a member of the ARYZTA Board of Directors in December 2015.



Annette Flynn (1966, Irish)

Non-executive member

Bachelor of Commerce from University College Cork, Ireland, Fellow of Chartered Association of Certified Accountants; Chartered Director

Annette Flynn has held various senior roles in UDG Healthcare plc, including Managing Director of the Packaging & Specialty division and Head of Group Strategy. Prior to joining UDG Healthcare, Annette held senior positions with Kerry Group plc working in their Irish, UK and US operations. She is a non-executive director of Canada Life International Assurance Ireland DAC, where she chairs the Risk Committee and is also a member of the Audit Committee. She is also a non-executive director of Dairygold Cooperative Society Ltd where she chairs the Audit Committee. She was formally an executive and subsequently a non-executive Director of UDG Healthcare plc and a non-executive director of Grafton Group plc. She is a Fellow of Chartered Certified Accountants and a Chartered Director accredited by the Institute of Directors UK. She became a member of the ARYZTA Board of Directors in December 2014.



Andrew Morgan (1956, English)

Non-executive member

BA from the University of Manchester

Andrew Morgan has more than 25 years with Diageo Plc including most recently seven years as President Diageo Europe. Diageo is the world's leading premium drinks business and a FTSE top 10 company. Andrew also spent eight years with the Gillette Company in a number of sales and marketing roles. He has held a succession of marketing, strategy and general management positions with Diageo and has lived in London, Athens, Madrid and Barcelona, as well as managing emerging markets in Latin America, Asia and Africa. He is a member of Council at the University of Leicester and is investing chairman of two start-up companies in the consumer goods sector. He is a former President of AIM, the European Consumer Goods association and served two terms on the Global Advisory Board of British Airways. He became a member of the ARYZTA Board of Directors in December 2013.

Corporate Governance Report (continued)



Rolf Watter (1958, Swiss)

Non-executive member

Doctorate in law from the University of Zurich, Master of Law degree from Georgetown University, Washington D.C., USA

Rolf Watter has been a partner at the Zurich law firm Bär & Karrer since 1994. He specialises in M&A and is an expert in corporate governance questions. He is currently Chairman of PostFinance AG and serves as a non-executive director of AW Faber Castell AG and AP Alternative Portfolio AG and is board member in three charitable foundations. He is a member of the Regulatory Board of the SIX Swiss Exchange and is also a professor of law at the University of Zurich. He is a former chairman of Noble Biocare Holding AG and Cablecom Holdings. In addition, he was a Board member of Zurich Insurance Group AG, Syngenta AG, Forbo Holding AG, and Centerpulse AG. He became a member of the ARYZTA Board of Directors in December 2016.



Wolfgang Werlé (1948, Swiss and German)

Non-executive member

Wolfgang Werlé has held several positions within the Food and Beverage and Services industries including President and CEO of Gate Gourmet International from 1992 to 1995 and as President and CEO of SAir Relations from 1996 to 2001, both within Swissair/SAir-Group. From 2001 to 2008, he then served as CEO and Delegate of the Board of Hiestand International and from 2007 to 2008 as Chairman of Hiestand Holding AG. He also served as a member of the Board of Directors of ARYZTA AG from August 2008 to December 2008. He has also served on the Board of Schweizerische Post/Swiss Post Services from 2002 to 2010 and as a member of the Board of Directors of Grand Resort Bad Ragaz since 2005 and of Cat Holding AG since 2012. He rejoined the ARYZTA Board of Directors in December 2012.



Pat Morrissey (1965, Irish)

Secretary to the Board

Group General Counsel, Company Secretary and Chief Administrative Officer ('CAO')

Bachelor of Civil Law (UCD, NUI); Solicitor, Law Society of Ireland

From 1988 to 1998, Pat Morrissey spent his career with Irish law firm LK Shields, where he was admitted as a partner in 1995. In 2000, he joined IAWS Group plc as General Counsel and was appointed General Counsel and Company Secretary in 2005. He has served as Group General Counsel and Company Secretary of ARYZTA since its establishment and effective August 2013 was appointed CAO of ARYZTA. He also served as Company Secretary of Origin Enterprises from 2007 to October 2015.

Corporate Governance Report (continued)

3.2 Other activities and functions

None of the non-executive members of the Board of Directors has fulfilled any operational management functions for companies of the ARYZTA Group in the three years immediately preceding the period. Related-party transactions with any members of the Board of Directors or Executive Management did not exceed €100,000 in aggregate during the year ended 31 July 2017.

During the year ended 31 July 2016, the Group paid broker related fees totalling €686,000 to J&E Davy, primarily in connection with its placing of Origin shares. J. Brian Davy, a member of the ARYZTA Board of Directors until December 2015, also served as Chairman of J&E Davy, up to his retirement from that board in March 2015. These fees were based on arm's length negotiations and were consistent with costs paid to other providers for similar services.

3.3 Number of activities permitted outside the Group

Pursuant to Article 25 of the Articles of Association, the members of the Board of Directors currently may hold no more than the following number of additional mandates in the supreme executive bodies of companies and organisations outside of the Company:

- up to three mandates in listed companies;
- up to three mandates in non-listed companies;
- up to four mandates in (i) charitable organisations, (ii) associations or foundations and (iii) other non-profit institutions.

A short-term temporary overrun of the limitations set forth above by one mandate is permissible.

For further details, refer to Article 25 of the Articles of Association, which is available on the Company website at www.aryzta.com/about-aryzta/corporate-governance.

3.4 Elections and terms of office

The General Meeting has the competence to appoint and remove the members of the Board. By virtue of the Ordinance, as from the ARYZTA 2014 AGM, all directors are subject to annual election by the General Meeting.

3.5 Internal organizational structure

3.5.1 Allocation of tasks within the Board of Directors

The Board has adopted Organizational Regulations that define the essential roles and responsibilities of the Board, the Chairman, the Committees of the Board and Executive Management. By virtue of Swiss law, as from the ARYZTA 2014 AGM, the office of Chairman and the members of the Remuneration Committee are subject to annual election by the General Meeting. Membership of the Audit Committee, the Governance and Nomination Committee and the respective Chairs thereof, are determined annually by the Board, following the Annual General Meeting, in accordance with the Organizational Regulations, which are available on the ARYZTA website at www.aryzta.com/about-aryzta/corporate-governance.

Corporate Governance Report (continued)

3.5.2 Tasks and areas of responsibility for each Committee of the Board of Directors

ARYZTA has an Audit Committee, a Governance and Nomination Committee and a Remuneration Committee. The powers and responsibilities of each Committee are set out in their respective Terms of Reference, as approved by the Board and which are available on the ARYZTA website at www.aryzta.com/about-aryzta/corporate-governance.

As of 31 July 2017, these Committees are comprised as follows:

	Governance and Nomination Committee	Audit Committee	Remuneration Committee
Gary McGann (Chairman)	X		X
Charles Adair			X ¹
Dan Flinter	X ¹		
Annette Flynn		X ¹	
Andrew Morgan		X	
Rolf Watter	X		X
Wolfgang Werlé		X	

X denotes that the Board Member is on the applicable Committee.

¹ denotes the Board Member who chairs the applicable Committee.

Audit Committee

From 1 August 2016 to 31 July 2017, the Audit Committee was comprised of three non-executive directors, namely Annette Flynn (Chair), Andrew Morgan and Wolfgang Werlé. Each of these directors is considered by the Board to be independent in judgement and character. In the 2017 financial year, the Audit Committee met four times and the average duration of the meetings was approximately three hours.

The Audit Committee's role includes reviewing the Group consolidated financial statements and Company financial statements, the interim and full-year results and the significant financial reporting judgements contained therein. The Audit Committee also reviews the Group's internal controls, and the scope and effectiveness of the Group's Internal Audit function. The Head of Internal Audit has access to the Audit Committee at all times and they, as well as the CFO, regularly attend meetings of the Audit Committee by invitation.

In the financial year 2017, the Audit Committee, operating under its Terms of Reference, discharged its responsibilities by reviewing:

- the Group's draft financial statements and interim results statement prior to Board approval and reviewing the external auditor's reports thereon;
- the appropriateness of the Group's accounting policies;
- the audit and non-audit fees payable to the Group's external auditor;
- the external auditor's plan for the audit of the Group's accounts, which included key areas of extended scope work, key risks to the accounts, confirmations of auditor independence and the proposed audit fee, and approving the terms of engagement for the audit;
- the Group's financial controls and risk systems;

Corporate Governance Report (continued)

- the Internal Audit function's terms of reference, resources, its work programme and reports on its work during the year;
- the arrangements by which staff may, in confidence, raise concerns about possible fraud; and
- the quality of underlying earnings reported by ARYZTA.

Remuneration Committee

From 1 August 2016 until the Annual General Meeting on 13 December 2016, the Remuneration Committee was comprised of three non-executive directors namely Charles Adair (Chairman), Denis Lucey and Shaun B. Higgins. From 13 December 2016 through to 31 July 2017, the Remuneration Committee was comprised of three non-executive directors, namely Charles Adair (Chairman), Gary McGann and Rolf Watter. Each of these directors is considered by the Board to be independent in judgement and character. In FY 2017, the Remuneration Committee met 10 times and the average duration of the meetings was approximately two hours.

The Remuneration Committee is responsible for determining the remuneration of the members of the Board and the CEO, and for approving the remuneration of other members of senior management, upon the recommendation of the CEO. The Group's remuneration policy for executive and non-executive directors and details of directors' remuneration are contained in the Compensation Report on pages 49 to 57 of this Annual Report, in accordance with the Swiss Code of Obligations and the SIX Directive on Information Relating to Corporate Governance.

In financial year 2017 the Remuneration Committee worked extensively with independent expert consulting firms in Europe and North America regarding compensation design and best practices for Executive Management (base, short-term and long-term) as well as fee levels for Board members. The Remuneration Committee also worked collaboratively with the Governance and Nomination Committee as that Committee led the work involved in securing new executive and non executive talent for ARYZTA.

Governance and Nomination Committee

From 1 August 2016 until the Annual General Meeting on 13 December 2016, the Governance and Nomination Committee was comprised of three non-executive directors, namely Dan Flinter (Chairman), Denis Lucey and Shaun B. Higgins. From 13 December 2016 through to 31 July 2017, the Governance and Nomination Committee was comprised of three non-executive directors, namely Dan Flinter (Chairman), Gary McGann and Rolf Watter. Each of these directors is considered by the Board to be independent in judgement and character. In financial year 2017, the Governance and Nomination Committee met seven times and the average duration of the meetings was approximately two hours.

The Governance and Nomination Committee is responsible for nominating for approval of the Board, and ultimately, the shareholders candidates to fill Board vacancies and for the continuous review of senior management succession plans. In addition, the committee is charged with monitoring the Company's compliance with corporate governance best practices and with applicable legal, regulatory and listing requirements and recommending to the Board such changes or actions, as deemed necessary.

Corporate Governance Report (continued)

In the financial year 2017 the Governance and Nomination Committee worked extensively with independent expert recruiting firms in Europe and North America in recruiting new executive talent and on the ARYZTA Board renewal program. The Committee was supported by the Remuneration Committee in the work involved in securing new executive talent for ARYZTA.

Ad hoc committee

In addition, following the FY 2017 year end, the Board has established an ad hoc Committee comprising Gary McGann, Annette Flynn, Rolf Watter and Dan Flinter to review the budgeting and forecasting controls and processes in ARYZTA during FY 2017.

3.5.3 Work methods of the Board and its Committees

Nine Board meetings were held during the financial year 2017. No Board member attended less than 75% of Board and/or Committee meetings. The average duration of regular Board meetings was approximately five hours. At each meeting, the Chairs of the Committees reported to the Board on their activities. Details of the remit of the Committees are set out in section 3.5.2.

Board of Directors

	Eligible to attend	Attended
Gary McGann (Chairman, from 13 December 2016)	8	8
Denis Lucey (Chairman, until 13 December 2016)	1	1
Charles Adair	9	8
Dan Flinter	9	9
Annette Flynn	9	8
Shaun B. Higgins	1	1
Owen Killian	4	4
Andrew Morgan	9	8
Rolf Watter	8	8
Wolfgang Werlé	9	7

Audit Committee

	Eligible to attend	Attended
Annette Flynn (Chair)	4	4
Andrew Morgan	4	4
Wolfgang Werlé	4	4

Governance and Nomination Committee

	Eligible to attend	Attended
Dan Flinter (Chair)	7	7
Shaun B. Higgins	2	2
Denis Lucey	2	2
Gary McGann	5	5
Rolf Watter	5	5

Remuneration Committee

	Eligible to attend	Attended
Charles Adair (Chair)	10	10
Shaun B. Higgins	2	2
Denis Lucey	2	2
Gary McGann	8	8
Rolf Watter	8	8

Corporate Governance Report (continued)

3.6 Definition of areas of responsibility

The Board of Directors is the ultimate governing body. It has the power and competencies afforded by Swiss law (art. 716a of the Swiss Code of Obligation (CO)) including in particular:

- 1) to approve the strategic objectives, annual budget and capital allocations;
- 2) to appoint and remove executive management; and
- 3) to act as the ultimate supervisory authority.

The following fall within the exclusive competency of the Board of Directors:

- To ultimately direct the Company and issue the necessary directives;
- To determine the organisation;
- To organise the accounting, the internal control system, the financial control and the financial planning system, as well as perform a risk assessment;
- To appoint and remove the persons entrusted with the management and the representation of the Company and to grant signatory power;
- To ultimately supervise the persons entrusted with the management, in particular with respect to compliance with the law and with the Articles of Association, regulations and directives;
- To prepare the business report, as well as the General Meeting and to implement its resolutions;
- To inform the judge in the event of over-indebtedness;
- To pass resolutions regarding the subsequent payment of capital with respect to non-fully paid-up shares;
- To pass resolutions confirming increases in share capital and the amendments to the Articles of Association entailed thereby;
- To examine compliance with the legal requirements regarding the appointment, election and the professional qualifications of the external auditors; and
- To execute the agreements pursuant to art. 12, 36 and 70 of Swiss merger law.

The Board has delegated responsibility for the day-to-day management of the Group, through the CEO, to Executive Management, to the extent allowed by Swiss law.

3.7 Information and control instruments pertaining to Group Executive Management

Group Executive Management report to the Board of Directors. In financial year 2017, the CEO and CFO/COO reported to the Board until their departure in March 2017. Since then, the interim CFO reported directly to the Chairman until the commencement of the new Group CEO on September 12.

The Board approves the formal Risk Assessment, as well as the design, implementation and maintenance of the Internal Control System.

The ARYZTA Internal Audit function reported directly to the Audit Committee and to the Group General Counsel, Company Secretary and CAO. Internal Audit may audit all Group activities and regularly meets with Group Executive Management. Internal Audit discusses audit plans with the Audit Committee on at least an annual basis, but may discuss them more frequently should circumstances require.

The external auditors, PricewaterhouseCoopers AG (the Auditors of the ARYZTA Group consolidated financial statements and the Company financial statements), conduct their audits in compliance with the auditing standards referenced in their respective opinions.

Corporate Governance Report (continued)

4 Group Executive Management

4.1 Group Executive Management FY 2017 and FY 2016

For the financial year 2016, the Group Executive Management comprised Owen Killian (Group CEO), Patrick McEniff (Group CFO/COO), John Yamin (CEO of the Americas) and Pat Morrissey (Group General Counsel, Company Secretary and CAO), as well as Hilliard Lombard, until his resignation, effective 31 January 2016.

For the financial year 2017, the Group Executive Management comprised Owen Killian (Group CEO), Patrick McEniff (Group CFO/COO), John Yamin (CEO of the Americas) and Pat Morrissey (Group General Counsel, Company Secretary and CAO), until the resignations of Owen Killian (Group CEO), Patrick McEniff (Group CFO/COO), and John Yamin (CEO of the Americas), effective 31 March 2017.

On 13 March 2017, ARYZTA announced the appointment of David Wilkinson as Interim Group CFO and a revised Executive Management team comprising Pat Morrissey (Group General Counsel, Company Secretary and CAO), Dermot Murphy (COO Europe); Ronan Minahan (COO Americas), and Robert O'Boyle (COO APMEA).

On 18 May 2017, ARYZTA announced the appointment of Kevin Toland as CEO, commencing September 2017.

On 20 June 2017, the Board announced the appointment of Keith Cooper as interim CEO Americas and the resignation of Ronan Minahan as COO Americas.

As of 31 July 2017, the Group Executive Management comprised Pat Morrissey (Group General Counsel, Company Secretary and CAO), Dermot Murphy (COO Europe); and Robert O'Boyle (COO APMEA).

On September 12, 2017, Kevin Toland commenced as Group CEO

Kevin Toland (1965, Irish)

Chief Executive Officer ('CEO')

Fellow of Chartered Institute of Management Accountants; Diploma in Applied Finance from the Irish Management Institute

Kevin Toland joined ARYZTA on September 12, 2017. Mr Toland was previously CEO of daa plc which operates Dublin and Cork airports, ARI (a global retailer in travel retail) and daa International. He previously held the position of Chief Executive and President of Glanbia USA & Global Nutritionals, a division of Glanbia plc, based in Chicago, Illinois. He was a member of the Glanbia plc Board of Directors from 2003 to 2013; and, was based in the US from 2004 to 2012. Kevin is a director of Total Produce, IBEC and Identigen.

Corporate Governance Report (continued)

Pat Morrissey (1965, Irish)

Secretary to the Board

Group General Counsel, Company Secretary and Chief Administrative Officer ('CAO')

Bachelor of Civil Law (UCD, NUI); Solicitor, Law Society of Ireland

From 1988 to 1998, Pat Morrissey spent his career with Irish law firm LK Shields, where he was admitted as a partner in 1995. In 2000, he joined IAWS Group plc as General Counsel and was appointed General Counsel and Company Secretary in 2005. He has served as Group General Counsel and Company Secretary of ARYZTA since its establishment and effective August 2013 was appointed CAO of ARYZTA. He also served as Company Secretary of Origin Enterprises from 2007 to October 2015.

Dermot Murphy (1970, Irish)

COO ARYZTA Europe

Fellow of Chartered Association of Certified Accountants

After leaving KPMG in 1998 Dermot joined the IAWS Group and has fulfilled a number of senior management roles based in Europe and the United States. He was appointed Managing Director for the Food Solutions business in 2012 and has taken full responsibility for the European business since January 2017.

Robert O'Boyle (1975, Irish)

COO ARYZTA APMEA

Bachelor Degree of International Commerce (German) from University College Dublin, Ireland. Fellow of Chartered Association of Certified Accountants

From 1999 to 2008, Robert worked in Andersen and subsequently KPMG. Since 2008, Robert has fulfilled a number of senior management roles in ARYZTA. From 2013 to 2015 he held the role of European Trading Director, moving in 2016 to head of the Group's APMEA activities as regional COO.

Except for the above-mentioned assignments, members of Group Executive Management are currently not involved in other management or supervisory bodies. They are not active in managing or consulting functions with interest groups, nor do they hold public or political office. No member of the Group Executive Management holds management contracts for any company outside the ARYZTA Group.

Pursuant to Article 25 of the Articles of Association, the members of the Executive Management, subject to the approval by the Chairman of the Board, may currently hold no more than the following number of additional mandates in the supreme executive bodies of companies and organisations outside of the Company:

- none in listed companies;
- up to two mandates in non-listed companies;
- up to four mandates upon instruction of the Company in companies that are not directly or indirectly controlled by the Company (such as in pension funds and joint-ventures); and
- up to four mandates in (i) charitable organisations, (ii) associations or foundations and (iii) other non-profit institutions.

For further details, refer to Article 25 of the Articles of Association, which is available on the Company website at www.aryzta.com/about-aryzta/corporate-governance.

Corporate Governance Report (continued)

5 Compensation, shareholdings and loans

Please refer to the Compensation Report on pages 49 to 57 for disclosures pertaining to compensation, as well as the content and method of determining the compensation and share-ownership programmes. Also, see Articles 20 and 21 of the Articles of Association (available at <http://www.aryzta.com/about-aryzta/corporate-governance/>), which govern the responsibilities of the Remuneration Committee and Group Remuneration principles.

Non-executive Directors' and Executive Management's share interests

The Directors and Company Secretary had no interests, other than those shown below, in the ordinary shares in, or loan stock of, the Company or other Group undertakings.

Beneficial interests at 31 July 2017 were as follows:

Shares in ARYZTA at CHF 0.02 each	No. of shares 2017	No. of shares 2016
Directors		
Gary McGann ²	5,650	N/A
Charles Adair	5,000	5,000
Dan Flinter ³	1,200	1,200
Annette Flynn	1,000	1,000
Andrew Morgan	–	–
Rolf Watter ²	7,050	N/A
Wolfgang Werlé	2,336	2,336
Denis Lucey ²	N/A	4,250
Shaun B. Higgins ²	N/A	2,500
Owen Killian ¹	N/A	216,530
Executive Management		
Pat Morrissey	131,922	131,922
Dermot Murphy ¹	35,000	N/A
Robert O'Boyle ¹	10,000	N/A
Patrick McEniff ¹	N/A	558,347
John Yamin ¹	N/A	47,171
Total	199,158	970,256

1 Effective 31 March 2017, Owen Killian, Patrick McEniff and John Yamin resigned from the Executive management, and Dermot Murphy and Robert O'Boyle were appointed to Executive management.

2 Effective 13 December 2016, Denis Lucey and Shaun B. Higgins retired from the Board, and Gary McGann and Rolf Watter were elected to the Board.

3 Effective 8 December 2015 Dan Flinter was elected to the Board.

No loans or advances were made by the ARYZTA Group to members of the Board of Directors or to Executive Management during the financial year, or were outstanding at 31 July 2017 (2016: none).

Corporate Governance Report (continued)

6 Shareholders' participation

6.1 Voting rights

Each ARYZTA share registered as a share conferring a voting right entitles the holder to one vote at a General Meeting. Proxies are entitled to attend shareholders' meetings and exercise all rights of the represented shareholders at such meetings.

As indicated previously in paragraph 2.6.2, ARYZTA pursues arrangements with Euroclear UK and Ireland to enable investors whose interests in ARYZTA are represented by CDIs to exercise their voting rights. CDI holders who wish to be in a position to directly enforce or exercise their rights must have their interests entered in the share register in accordance with Article 7 of the Articles of Association and effectively hold their shares through a member of the Swiss SIS Settlement System.

6.2 Statutory quorums

Pursuant to Article 15 of the Articles of Association, resolutions at the General Meeting calling for a quorum of at least two-thirds of the votes represented are required for:

- The cases listed in art. 704 para. 1 CO and in art. 18 and 64 Merger Act;
- The easement or abolition of the restriction of the transferability of registered shares;
- The conversion of bearer shares into registered shares; and
- Any change to the provisions of article 15 of the Articles of Association.

6.3 Convocation of General Meeting of the shareholders

General Meetings are convened by the Board of Directors and, if need be, by the Auditors. Notice of the General Meeting is given by publication in the Swiss Official Gazette of Commerce and on the Group's homepage (www.aryzta.com) at least 20 days before the date of the meeting. The notice must state, inter alia, the day, time and place of the Meeting and the agenda.

6.4 Agenda

The Board states the items on the agenda. One or more registered shareholders who jointly represent at least ten percent of the share capital of the Company registered in the Commercial Register may request items to be included in the agenda. Such requests must be in writing, specifying the items and the proposals, and be submitted to the Chairman at least 45 days before the date of the General Meeting.

6.5 Entry in the share register

The relevant date to determine the shareholders' right to participate in the General Meeting, on the basis of the registrations appearing in the share register, is set by the Board in the invitation to the General Meeting.

Corporate Governance Report (continued)

7 Change of control and defence measures

7.1 Obligation to make an offer

ARYZTA does not have a provision on opting out or opting up in the Articles of Association. Thus, the provisions regarding the legally prescribed threshold of 33⅓% of the voting rights for making a public takeover offer set out in Article 32 of the Swiss Stock Exchange Act are applicable.

7.2 Change of control clauses

Benefits under the ARYZTA LTIP vest upon a change of control by reference to the fair value of the LTIP instruments. The final determination of such fair value falls to be made by the Board of Directors (acting through the Remuneration Committee thereof) on the basis of independent, external, professional advice. Otherwise, the agreements and plans benefiting the members of the Board or the Group Executive Management are unaffected by a change of control. Further details regarding the benefits under the ARYZTA LTIP are set out in the Compensation Report on pages 49 to 57 of this Annual Report.

8 Auditors

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

Following a formal tender process, PricewaterhouseCoopers AG, Zurich, was elected as statutory auditor and Group auditor in December 2009. The term of office is one year. Sandra Boehm is the lead auditor for the 2017 financial year. Patrick Balkanyi was lead auditor from PricewaterhouseCoopers AG's appointment in 2009 to 2016. The lead auditor rotates every seven years in accordance with Swiss law. At the 2016 AGM, PricewaterhouseCoopers AG, Zurich, was re-elected as statutory auditor and Group auditor for the 2017 financial year.

8.2 Audit fees

The total audit and audit-related fees charged by the Group auditors in financial year 2017 amounted to €2,479,000.

The total audit and audit-related fees charged by the Group auditors in the financial year 2016 amounted to €2,362,000. Non-audit fees paid to the auditor totalled 58% of the audit and audit-related fees

8.3 Additional fees

The Group's policy is to manage its relationship with the Group's external auditor to ensure their independence is maintained. In order to achieve this, the Board has determined limits on the type and scale of non-audit work that can be provided by the auditor. Contracts to the auditor for other non-audit work are deemed to be pre-approved by the Audit Committee, up to an aggregate limit of 75% of the audit fee on average over a three year period. This is subject to the requirement that all contracts for specific pieces of non-audit work with fees exceeding €250,000 be awarded on the basis of competitive tendering. Where the awarding of a contract for non-audit work to the auditor is to be made that is likely to increase total fees for non-audit work above this aggregate limit, the Group CFO consults the Chair of the Audit Committee in advance of such a contract being awarded.

Corporate Governance Report (continued)

Fees for additional services rendered by the auditors to the ARYZTA Group in financial year 2017 totalled €1,429,000 (2016: €1,778,000). A significant portion of these fees related to tax return preparation or review in over 20 countries, covering more than 100 legal entities.

Auditor's remuneration

in EUR '000	2017	2016
– Auditor's remuneration for audit and audit-related services	2,479	2,362
– Auditor's remuneration for tax compliance and related services	1,052	1,164
– Auditor's remuneration for tax consulting services	377	614
– Auditor's remuneration for advisory services	–	–
	3,908	4,140

– Total other fees/Audit and audit-related services	58%	75%
– Tax consulting or advisory services/Audit and audit-related services	15%	26%

8.4 Information tools pertaining to the external audit

PricewaterhouseCoopers presents to the Audit Committee a detailed report on the results of the 2017 Group consolidated and Company financial statement audits, the findings on significant financial accounting and reporting issues, as well as the findings on the Group's internal control system ('ICS').

In the financial year 2017, both PricewaterhouseCoopers and the Group Head of Internal Audit participated in all Audit Committee meetings. The Interim CFO attended and participated in all Audit Committee meetings following his appointment. Other members of the Group Executive Management attended the meetings as invited. In addition, the Group Head of Internal Audit regularly met with the Chair of the Audit Committee for interim updates.

On an annual basis, the Board of Directors reviews the selection of the auditors, in order to propose their appointment to the Annual General Meeting of ARYZTA. The Audit Committee assesses the effectiveness of the work of the auditors in accordance with Swiss law. The lead auditor rotates every seven years in accordance with Swiss law.

During meetings of the Audit Committee, audit and non-audit-related fees to be charged by PricewaterhouseCoopers during the year, are reviewed to mitigate the risk of any potential impairment to PricewaterhouseCoopers' independence. PricewaterhouseCoopers monitors its independence throughout the year and confirms its independence to the Audit Committee annually.

Corporate Governance Report (continued)

9 Investor Communications Policy

Guiding principles

ARYZTA is committed to pursuing an open and consistent communication policy with shareholders, potential investors and other interested parties. The guiding principles of this policy are that ARYZTA gives equal treatment to shareholders in equal situations, that any price-sensitive information is published in a timely fashion and that the information is provided in a format that is as complete, simple, transparent and consistent as possible.

Quarterly announcement cycle

Announcement	News Release	Report	Conference Call	Webcast
First-quarter trading update	x		x	
Half-Year results	x	x	x	x
Third-quarter trading update	x		x	
Full-year results	x	x	x	x
Annual Report	x	x		

All announcements, reports and webcasts are available on the ARYZTA website: www.aryzta.com. An automatic alerting service is also provided through the website.

ARYZTA's Investor Relations programme for institutional investors is carried out in line with the quarterly announcement cycle. These investor communications focus either on recently announced financial results, recent corporate activity or the longer-term strategy of the Group. They do not serve the purpose of disclosing new information that might encourage an investment decision.

Investor relations contact details

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Key dates to December 2018

First-quarter trading update	27 November 2017
Annual General Meeting 2017	7 December 2017
Distribution of scrip dividend	1 February 2018
Announcement of half-year results 2018	12 March 2018
Third-quarter trading update	29 May 2018
Announcement of the 2018 annual results	24 September 2018
First-quarter trading update	26 November 2018
Annual General Meeting 2018	4 December 2018