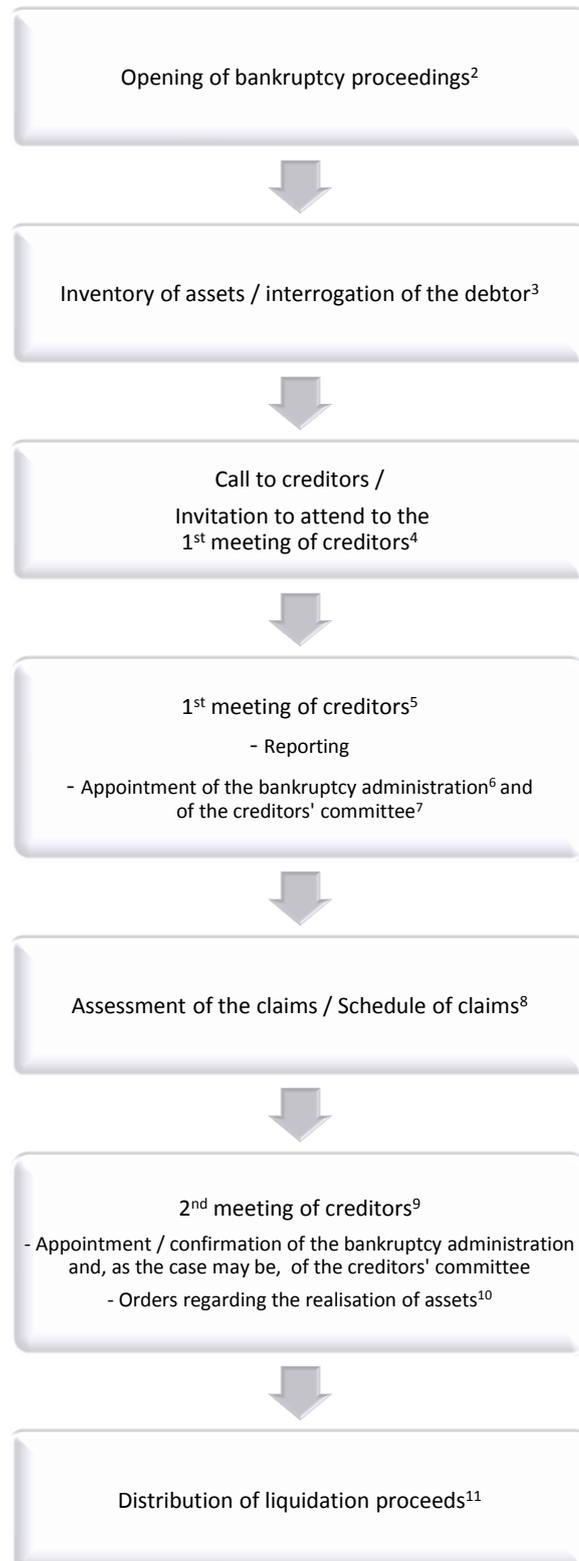


Bankruptcy proceedings according to the Swiss Debt Enforcement and Bankruptcy Law ("SchKG")¹



Explanations of the procedure

- 1) Bankruptcy proceedings are regulated by law in Art. 197 - 270 of the [Swiss Debt Enforcement and Bankruptcy Law](#) ("[SchKG](#)"; SR 281.1).
- 2) The [opening of bankruptcy proceedings](#) for a company limited by shares ("[Aktiengesellschaft](#)") can take place for various reasons. In the case of envion AG, this occurred by a court decision issued on 14 November 2018 because it did not had an auditor and therefore suffered from a so-called organisational deficiency.
- 3) Upon the opening of bankruptcy proceedings, the bankruptcy office draws up an [inventory of the assets](#) belonging to the bankrupt company and takes any measures necessary for their safeguarding. Assets that have a stock exchange or market price may be realised immediately. As part of its investigations of assets and liabilities, the bankruptcy administration also questions the former organs of the bankrupt company. The bankruptcy administration can call in an auxiliary person for these activities. In the present case, due to the volume of the proceedings and the complexity of the questions to be clarified, the Bankruptcy Office of Zug called in Wenger Plattner Attorneys at Law as an auxiliary person.
- 4) With the so-called [call to creditors](#), the latter are called upon, among other things, to announce their claims with the corresponding means of proof against envion AG to the bankruptcy administration within one month. The same applies to persons who assert claims on assets held by envion AG. Furthermore, the bankruptcy administration [invites the known creditors](#) to the first creditors' meeting.
- 5) At the [first creditors' meeting](#), the auxiliary person Wenger Plattner Attorneys at Law will report to the creditors on the status of the assets and liabilities and inform them of the intended further action in the bankruptcy proceedings. If the meeting has a quorum (1/4 of the known creditors present / represented), the organs of the bankruptcy proceedings are also elected. The bankruptcy administration may then be authorised to liquidate the assets before the second creditors' meeting.
- 6) The [bankruptcy administration](#) handles the proceedings. In particular, it is responsible for the realisation of the assets, the preparation of the schedule of claims and the distribution of the proceeds to the creditors. Creditors have the option of choosing an extra-official bankruptcy administration instead of the state bankruptcy office. This makes sense especially in complex and large bankruptcy proceedings. If the first creditors' meeting does not have a quorum, the appointment can also be made by circular resolution.

7) On the one hand, the [creditors' committee](#) has the function of supervising the bankruptcy administration. On the other hand, certain transactions fall within its decision-making authority: this concerns in particular the authorisation of the bankruptcy administration to initiate proceedings and conclude settlements, as well as to approve the schedule of claims and order partial payments (see section 11 below).

8) Within the framework of the [schedule of claims](#) ("*Kollokationsplan*"), which is made available for inspection by all creditors, the bankruptcy administration decides on the admission of the registered claims. Any creditor wishing to contest the schedule of claims with respect to his or another creditor's claim bring an action ("*Kollokationsklage*") before the court within the time period during which the schedule of claims has being made available for inspection. Upon the opening of bankruptcy proceedings, the Swiss courts of the place of the bankruptcy proceedings have exclusive jurisdiction to assess bankruptcy claims.

9) At the [second creditors' meeting](#), the bankruptcy administration and, as the case may be, the creditors' committee shall be confirmed in office or, if necessary, replaced by other persons if there is a quorum. Then the creditors order everything else for the execution of the bankruptcy, including in particular the adoption of a resolution on the type and time of realisation of the assets involved in the bankruptcy, insofar as this has not yet taken place.

10) The [realisation of assets](#) generally occurs by means of so-called freehand sales ("*Freihandverkäufe*"). In the case of assets of significant value, creditors are given beforehand the opportunity to make higher bids. Any creditor may, for the purpose of asserting his claims for his own account and risk, request the assignment of disputed claims or claims which are difficult to collect and which the bankrupt's estate does not pursue itself.

11) As soon as all assets have been realised and a legally binding schedule of claims has been drawn up, the liquidation proceeds are distributed to the creditors after deduction of the liquidation costs. The [distribution list](#) shows the amount of the bankruptcy dividend and the amount each creditor receives. Each creditor is entitled to a certificate of shortfall for the part of his claim not covered. If the proceedings are protracted and the legal requirements are met, partial distributions can also be made to the creditors.