

SIKA  
BUSINESS YEAR

2022

# CORPORATE GOVERNANCE

Sustainability Committee installed consisting of three members of the Board with extensive ESG expertise.

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37.5%

women on the Board

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New

auditor elected at AGM 2022

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# CORPORATE GOVERNANCE

## COMMITMENT TO OPENNESS AND TRANSPARENCY

Good Corporate Governance safeguards the sustainable development and performance of the company. Sika is committed to openness and transparency and provides information on structures and processes, areas of responsibility and decision procedures, as well as rights and obligations of various stakeholders. At Sika, reporting on Corporate Governance follows the SIX Swiss Exchange guidelines.

### Group structure and shareholders

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Sika AG, headquartered in Baar, is the only listed company of the Sika Group. Sika AG's shares are listed on SIX Swiss Exchange under Swiss security no. 41879292 and ISIN CH0418792922. At the end of the year under review, the market capitalization of Sika AG was CHF 34,083.06 million. In the year under review, the Sika Group encompassed unlisted subsidiaries in 101 countries. 215 companies are included in the scope of consolidation. Companies of which Sika holds 50% or less of the voting rights are not consolidated. These are namely HPS North America, LLC, USA, Condensil SARL, France, as well as Chemical Sangyo Ltd., and Seven Tech Co. Ltd., Japan. Detailed information on the Group companies can be found on p.251 et seqq. of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

Sika conducts its worldwide activities based on countries that have been classed into regions with area-wide managerial functions. The heads of the regions are members of Group Management. The regional and national management teams bear full profit and loss responsibility, and – based on the Group strategy – set country-specific growth and sustainability targets and allocate resources.

Furthermore, Sika has geared its internal organization towards eight Target Markets, which offer products and solutions for the construction industry and for industrial manufacturing. These Target Markets are represented by one member of Group Management. Target Market responsibility is well defined in the corporate organization, the regional management teams, and the national subsidiaries. The corporate Target Market managers are responsible for the definition and launch of new products, the implementation of best demonstrated practices, and the product line policies for Group products, i.e., those products offered worldwide, rather than only in one particular country.

The heads of the central Finance, Innovation and Sustainability, as well as Human Resources and Compliance departments are likewise members of Group Management, which therewith consists of eight members. All Group business is consolidated in Sika AG, the holding company, which itself is under the supervision of the Board of Directors. The organizational structures are presented on p.159-165 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

As of the balance sheet date of December 31, 2022, Sika had received notification of four significant shareholders whose voting rights reached at least 3%: (1) BlackRock Inc., which owned 7.7% of all voting rights. (2) William H. Gates III and Melinda French Gates, who held 5.3% of all voting rights via Cascade Investment L.L.C. and Bill & Melinda Gates Foundation Trust. (3) The Capital Group Companies Inc., which held 5.0% of all voting rights via Capital Research and Management Company, Capital Bank and Trust Company, Capital International Limited, Capital International, Inc., and Capital International Sarl. (4) Norges Bank (the Central Bank of Norway), which held 3.01% of all voting rights. During the year under review, no changes in significant shareholdings have been reported to the Disclosure Office of SIX Swiss Exchange.

There are no cross-shareholdings exceeding 3%, either in terms of capital or votes.

## Capital structure

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According to the commercial register entry, the issued share capital as of December 31, 2022 totaled CHF 1,531,272.30 and was divided into 153,127,230 fully paid-in registered shares, with a nominal value of CHF 0.01 each. Taking into account the new shares that were issued as of December 31, 2022 from conditional capital due to partial conversion of the convertible bond, the share capital issued as of December 31, 2022 amounted to CHF 1,537,350.51, divided into 153,735,051 fully paid-in registered shares with a nominal value of CHF 0.01 each. These changes are not yet reflected in the Commercial Register. They must be submitted by the Board of Directors for entry in the Commercial Register no later than three months after the close of the financial year.

In addition, there is a conditional share capital of CHF 68,354.29 as of December 31, 2022, unrestricted in time, divided into 6,835,429 fully paid-in registered shares with a nominal value of CHF 0.01 each, which represents 4.5% of the share capital issued as of December 31, 2022, but not yet reflected in the commercial register. These shares are reserved for the exercise of option or conversion rights. The shareholders' subscription rights are excluded.

Further information on the conditional capital can be found in art. 2 para. 4 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>). Sika AG does not have an authorized capital.

Sika has not issued any participation certificates, dividend right certificates, or stock options.

Option plans do not exist for members of the Board of Directors, Group Management, or employees.

In 2020, neither the ordinary nor the conditional capital has changed. In 2021, 1,263,807 new fully paid-in registered shares with a nominal value of CHF 0.01 each were issued from conditional capital. Accordingly, the ordinary share capital was increased by CHF 12,638.07 from CHF 1,417,811.60 to CHF 1,430,449.67 and the conditional capital was decreased from CHF 155,893.20 to CHF 143,255.13.

At the Extraordinary General Meeting of January 25, 2022, the conditional capital was increased by CHF 32,000.00, corresponding to 3,200,000 registered shares with a nominal value of CHF 0.01 each. The mandatory convertible bond issued in January 2019 was fully converted into 9,940,645 new shares as of January 30, 2022, using the available conditional share capital. In addition, in January 2022, part of the convertible bond issued in May 2018 was converted early from conditional capital into 141,618 new shares. Therefore, the share capital issued as of January 31, 2022 amounted to CHF 1,531,272.30, divided into 153,127,230 fully paid-in registered shares with a nominal value of CHF 0.01 each.

Due to further partial conversions of the convertible bond issued in May 2018 during the reporting year, additional 607,821 new shares with a nominal value of CHF 0.01 each were issued leading to a share capital issued as of December 31, 2022 of CHF 1,537,350.51, divided into 153,735,051 fully paid-in registered shares with a nominal value of CHF 0.01 each. These changes are not yet reflected in the Commercial Register.

With the exception of the treasury shares held by the company, each share registered with voting rights in the share register carries one vote at the General Meeting and each share (whether or not it is entered in the share register) carries a dividend entitlement. The purchase of Sika registered shares is open to all legal persons and individuals. The company maintains a share register for the registered shares in which the legal owners and usufructuaries are registered with their name and address. *Vis-à-vis* the company, the person who is registered in the share register is deemed to be the shareholder or usufructuary. The company may deny registration in the share register if, upon the company's request, the acquirer does not explicitly declare that the shares have been acquired in their own name and for their own account. After consulting the party concerned, the company may cancel the registration in the share register if the registration is the result of false information provided by the acquirer. The acquirer must be informed of the cancellation immediately. The acquirer must provide a statement declaring that the registered shares were transferred to him in due form. According to art. 7.3 para. 4 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>), at least a two-thirds majority of the votes represented, and a majority of the nominal values of shares represented, is required for the adoption of resolutions of the General Meeting limiting or facilitating the transfer of registered shares.

It is the company's current practice to register nominees, i.e., shareholders who acquire shares in their own name but on the account of third parties, as shareholders with voting rights up to a maximum of 3% of the total share capital outstanding at the time. In 2022, the Board of Directors has not registered any nominees with voting rights exceeding 3%.

## Convertible bonds

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As of December 31, 2022, Sika AG had a convertible bond (issued in May 2018) listed on the SIX Swiss Exchange (security no.: 41399024, ISIN: CH0413990240, ticker: SIK185) with an original nominal amount of CHF 1,650,000,000.

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<b>Principal Amount</b>	<b>Current Conversion Ratio</b>	<b>Current Conversion Price</b>	<b>Maturity Date</b>	<b>Coupon</b>
Nominal value of CHF 20,000 each	106.12895 registered shares with a nominal value of CHF 0.01	CHF 188.45	5.6.2025	0.15% payable annually on June 5

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When conversion rights are exercised, new or existing shares of the company may – at Sika AG’s discretion – be delivered.

The maximum number of registered shares of the company to be delivered upon conversion or, respectively, the maximum increase of the company’s share capital upon conversion, correspond to 6.18% of the issued registered shares and, respectively, of the company’s share capital issued immediately before the convertible bond was issued taking into account the company’s capital reduction of 2018.

The remaining maximum number of registered shares of the company to be delivered upon conversion or, respectively, the remaining maximum increase of the company’s share capital upon conversion, correspond to 4.37% of the issued registered shares and, respectively, of the company’s share capital as of December 31, 2022.

As of December 31, 2022, a total of CHF 382,720,000 of the nominal amount of the convertible bond had been converted early into 2,023,878 shares.

Sika may call the bonds at any time:

- after the settlement date at the net principal amount, if less than 15% of the aggregate principal amount of the bond are outstanding at the time of the notice;
- on or after the 21st calendar day after the 5th anniversary of the settlement date at the relevant net principal amount, if the VWAP of the Sika shares is at least 130% of the conversion price on at least 20 out of 30 consecutive trading days.

Further information on the convertible bond can be found on p.234 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

## Board of Directors

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The Board of Directors is Sika’s highest governing body and is mainly responsible for the:

- definition of the corporate mission statement and corporate policies;
- decisions on corporate strategy and organizational structure;
- appointment and dismissal of members of Group Management;
- structuring of finances and accounting;
- assessment of the risk management;
- establishment of medium-term planning as well as the annual and investment budgets.

The members of the Board of Directors are elected by the Annual General Meeting for a term of office of one year. They can be reelected. Detailed information on individual members of the Board of Directors as per the balance sheet date of December 31, 2022, is listed on p.162 and 163 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). The curricula vitae of the members of the Board of Directors over the last five years can be found in the Annual Report 2021 on page 151, in the Annual Report 2020 on pages 71 and 72, in the Annual Report 2019 on pages 63 and 64, in the Annual Report 2018 on page 58, and in the Annual Report 2017 on pages 42 and 43 (all available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). No directorships are maintained with other listed companies on a reciprocal basis.

Further information regarding the election and the composition of the Board of Directors can be found in art. 8.1 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>).

The Board of Directors of Sika AG currently consists of eight members and comprises non-executive members only. One of the Directors, Paul Schuler, was a member of Group Management and held the position as CEO of Sika until April 2021. None of the other seven members of the Board of Directors was a member of Group Management or the executive management of a Sika Group company during the three preceding business years. At the Annual General Meeting on April 12, 2022, Daniel J. Sauter and Christoph Tobler stepped down from the Board of Directors. At the same Annual General Meeting, Lucrèce Foufopoulos-De Ridder and Gordana Landén were elected as new members of the Board of Directors.

Neither the members of the Board of Directors nor any company nor organization represented by a member of the Board of Directors has a significant business connection with Sika AG or any of the Sika Group companies. The Board of Directors convenes at the Chair's request as often as business demands. Meetings are generally held every one to two months. In the business year 2022, the Board of Directors met ten times. The meetings lasted between one and eight hours.

#### **ATTENDANCE OF INDIVIDUAL BOARD MEMBERS**

<b>Board member</b>	<b>Member since</b>	<b>Number of meetings attended</b>
Paul Hälgi	2009	10 of 10
Viktor W. Balli	2019	9 of 10
Lucrèce Foufopoulos-De Ridder (as of April 12, 2022)	2022	6 of 8
Justin M. Howell	2018	10 of 10
Gordana Landén (as of April 12, 2022)	2022	7 of 8
Monika Ribar	2011	9 of 10
Daniel J. Sauter (until April 12, 2022)	2000	3 of 3
Paul Schuler	2021	9 of 10
Christoph Tobler (until April 12, 2022)	2005	3 of 3
Thierry F. J. Vanlancker	2019	10 of 10

The Chief Executive Officer (CEO) participates in the meetings of the Board of Directors in an advisory capacity. The other members of Group Management take part as necessary, also in an advisory capacity. In 2022, the CEO and the Chief Financial Officer (CFO) participated in all ten and the other members of Group Management in three to five of the ten meetings. Company officers report regularly and comprehensively to the Chair of the Board of Directors concerning the implementation of decisions of the Board of Directors. The CEO, as well as the CFO, report to the Board of Directors in writing on the development of business at least once per month. Extraordinary events are reported immediately to the Chair of the Board of Directors or the Audit Committee, insofar as such events relate to the latter's area of responsibility. The Internal Audit staff report to the Chair of the Board of Directors, as well as the Audit Committee, within the scope of the review schedule. In 2022, the Internal Audit participated in all six meetings of the Audit Committee.

Information regarding the number of permitted mandates of members of the Board of Directors outside the Sika Group can be found in art. 8.4 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>).

## Board committees

Sika has three committees of the Board of Directors: the Audit Committee, the Nomination and Compensation Committee, and the Sustainability Committee. The members of the Nomination and Compensation Committee are elected annually by the General Meeting. Reelection is possible. The members of the Audit Committee and the Sustainability Committee, as well as the chairperson of each committee, are (re)elected annually by the Board of Directors. Otherwise, the committees organize themselves. Detailed information on the members of the committees can be found on p.162 and 163 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

### AUDIT COMMITTEE

The Audit Committee mainly reviews the results of internal and external audits, as well as risk management. The committee convenes at the request of its chairperson as often as business demands. Customarily, the Chair of the Board of Directors and the CFO, as well as the CEO if necessary, take part in these meetings in an advisory capacity. Meetings are generally held every two to three months, lasting between three and five hours. In the year under review, the Audit Committee met six times. Monika Ribar and Viktor Balli were present at all six meetings. Christoph Tobler, who stepped down at the General Meeting of April 12, 2022, attended one of the six meetings, and Lucrèce Foufopoulos-De Ridder, who was newly elected to the Board of Directors at the same General Meeting, attended four of the six meetings. The Chair of the Board of Directors, the CFO, and the Internal Audit participated in all six meetings. The CEO attended four of the six meetings. Ernst & Young AG, the auditor up to the General Meeting of April 12, 2022, was present at one of the six meetings. KPMG AG, the auditor that was newly elected at the same General Meeting, participated in three of the six meetings.

More detailed information regarding the competences and activities of the Audit Committee can be found in the Organizational Rules of Sika AG and Sika Group on page 6, section 7 (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>) and in the Charter of the Audit Committee which is included on pages 14 to 16 of the Organizational Rules of Sika AG and Sika Group (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>).

### ATTENDANCE OF INDIVIDUAL AUDIT COMMITTEE MEMBERS

Audit Committee member	Number of meetings attended
Monika Ribar, AC Chair	6 of 6
Viktor W. Balli	6 of 6
Lucrèce Foufopoulos-De Ridder (as of April 12, 2022)	4 of 5
Christoph Tobler (until April 12, 2022)	1 of 1

### NOMINATION AND COMPENSATION COMMITTEE

The Nomination and Compensation Committee prepares personnel planning at the level of the Board of Directors and Group Management and handles matters relating to compensation. One of the central tasks of the Nomination and Compensation Committee is succession planning for the Board of Directors and Group Management. The committee convenes at the request of its chairperson as often as business demands. Usually, the Chair of the Board of Directors and the CEO participate in these meetings in an advisory capacity, insofar as they are not themselves affected by the items on the agenda. Meetings are generally held on a bimonthly or trimonthly basis, lasting between one and a half and two and a half hours. In the year under review, the Nomination and Compensation Committee held five meetings. Justin M. Howell and Thierry F. J. Vanlancker attended all five committee meetings. Daniel J. Sauter, who stepped down at the General Meeting of April 12, 2022, attended two of the five meetings. Gordana Landén, who was newly elected to the Board at the same General Meeting, attended four of the five meetings. The Chair of the Board of Directors and the CEO participated in all five meetings in an advisory capacity. They did not attend when their own compensation and/or performance were being discussed. The external advisor retained to provide services related to executive compensation matters participated in all five meetings of the Nomination and Compensation Committee to attend the discussions on compensation. For more information on the external advisor, reference is made to the compensation report on p.181 of this report (available at <https://www.sika.com/en/investors/>

reports-publications/financial-reports.html). More detailed information regarding the competences and activities of the Nomination and Compensation Committee can be found in art. 9 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>), in the Organizational Rules of Sika AG and Sika Group on page 6, section 6 and in the Nomination and Compensation Committee Charter which is included on pages 12 and 13 of the Organizational Rules of Sika AG and Sika Group (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>), as well as on p.179-181. of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

#### **ATTENDANCE OF INDIVIDUAL NOMINATION AND COMPENSATION COMMITTEE MEMBERS**

<b>Nomination and Compensation Committee member</b>	<b>Number of meetings attended</b>
Justin M. Howell, NCC Chair	5 of 5
Gordana Landén (as of April 12, 2022)	4 of 4
Daniel J. Sauter (until April 12, 2022)	2 of 2
Thierry F. J. Vanlancker	5 of 5

#### **SUSTAINABILITY COMMITTEE**

In February 2022, the Board of Directors decided to install a Sustainability Committee which consists of three members of the Board of Directors with expertise in different areas of ESG. The Sustainability Committee prepares sustainability-related topics for discussion and decision-making in the Board of Directors. The Sustainability Committee focuses on the following areas: assuring a formal ESG risk and opportunity assessment, including the materiality analysis; ensuring measurable goals which are aligned with the strategy; assuring the proper organization and allocation of resources; and assuring appropriate reporting and stakeholder communication. As a general rule, the Chair of the Board of Directors, the CEO, the CFO, and the Chief Innovation and Sustainability Officer attend the meetings of the Sustainability Committee in an advisory capacity. Meetings are generally held every three to four months, lasting between one and a half and two hours. In the year under review, the Sustainability Committee met four times. All committee members attended all four meetings. After each meeting, a report was issued to the full Board of Directors. The Chair of the Board of Directors, the CEO, the CFO and the Chief Sustainability and Innovation Officer all attended all four meetings. Through two of the committee members and the CFO, there is a valuable interlink between non-financial and financial aspects in the areas of reporting, auditing, and risk management.

#### **ATTENDANCE OF INDIVIDUAL SUSTAINABILITY COMMITTEE MEMBERS**

<b>Sustainability Committee</b>	<b>Number of meetings attended</b>
Thierry F. J. Vanlancker, SC Chair	4 of 4
Viktor W. Balli	4 of 4
Lucrece Foufopoulos-De Ridder (as of April 12, 2022)	4 of 4

## Information and control instruments vis-à-vis Group Management

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Within the framework of its non-transferable and inalienable duties, the Board of Directors of Sika supervises Group Management. The CEO, as well as the CFO, report to the Board of Directors in writing on the development of business at least once per month. Extraordinary events are reported immediately to the Chair of the Board of Directors or the Audit Committee, insofar as such events relate to the latter's area of responsibility. In every meeting, the Chair of the Board of Directors, or, at the Chair's instruction, the CEO, informs the Board of Directors about the ongoing business. More detailed information regarding the information and reporting rights can be found in the Organizational Rules of Sika AG and Sika Group on page 5, section 3.4 (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>).

Sika has a comprehensive risk management, as well as an Internal Audit. Details can be found in the chapter "Risk Management and TCFD Recommendations" beginning on page 25 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). As part of its audit plan, the Internal Audit reports to the Chair of the Board of Directors as well as to the Audit Committee.

## Group Management

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Within the framework of the resolutions of the Board of Directors, Sika's operative leadership is incumbent on Group Management. The structure of Group Management is outlined at the beginning of the Corporate Governance section, on p.167 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). The members of Group Management and their functions as per the balance sheet date of December 31, 2022, are listed on p.164 to 165 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). Detailed information on their backgrounds and activities can be found on p.165 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). The curricula vitae of the members of Group Management over the last five years can be found in the Annual Report 2021 on page 153, in the Annual Report 2020 on pages 69 and 70, in the Annual Report 2019 on page 61 and 62, in the Annual Report 2018 on pages 56 to 57, and in the Annual Report 2017 on pages 40 and 41 (all available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

Information regarding the number of permitted mandates of members of Group Management outside the Sika Group can be found in art. 10 para. 3 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>). Sika had no management contracts with third parties in the year under review.

## Regulation of responsibilities

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The powers, tasks, and responsibilities of the Board of Directors and Group Management are set out in detail in the Organizational Rules of Sika AG and Sika Group on pages 3 to 11 (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>). Furthermore, for the tasks and duties of the Board of Directors and Group Management, reference is made to art. 8.2 and art. 10 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>).

## Governance structures in connection with climate-related risks and opportunities

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The Board of Directors is also the highest governance level of climate-related risks and opportunities. It is responsible for reviewing and endorsing the implementation of sustainability policies, while the Chair of the Board of Directors oversees climate-related topics by receiving regular updates from Group Management. The Chair of the Board of Directors is permanently invited to add climate-related topics to the agenda of the CEO and the Board of Directors. The Board of Directors is committed to the Science Based Target initiative (SBTi) to achieve net zero greenhouse gas emissions by 2050.

A summary of the Task Force on Climate-related Financial Disclosure (TCFD) 2022 results and a mapping table are presented in the "Risk Management and TCFD Recommendations" chapter on page 25 et seqq. of this

report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). A detailed TCFD report is available on the corporate website (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/risk-management.html>).

## Compensation, shareholdings, and loans

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With regards to the information on the compensation of the members of the Board of Directors and Group Management, reference is made to the Compensation Report beginning on p.177 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). According to Art. 12 para. 2 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>), the company does not extend any loans, credits, guarantees, or other securities to any member of the Board of Directors or Group Management.

## Shareholder participation rights

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Each shareholder can have his/her/its shares represented by another shareholder with voting rights, or the independent proxy. Proxies and instructions can be issued to the independent proxy in writing or electronically. The Annual General Meeting elects the independent proxy annually for a one-year term until the conclusion of the next Annual General Meeting. Reelection is possible. For more detailed information on the participation, representation, and instruction rights of shareholders, reference is made to art. 3, art. 4, and art. 7.3 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>).

Information on the legal quora can be found in art. 703 et seq. of the Swiss Code of Obligations (CO); information on what constitutes a quorum under the Sika Articles of Association can be found in art. 7.3 para. 4 of the Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>). The Sika Articles of Association also define the resolutions for which a qualified majority (at least two thirds of the votes represented, and an absolute majority of the nominal value of shares represented) is required. The invitation modalities and deadlines for the General Meetings match the legal requirements (art. 699 et seq. CO).

Furthermore, during a period published by the company in the Swiss Official Gazette of Commerce, shareholders representing shares with a nominal value of at least CHF 10,000 can request in writing to have an item placed on the agenda, indicating the proposals to be put forward. The publication of the invitation to the General Meeting is made in the Swiss Official Gazette of Commerce. The invitation also contains the agenda items and the proposals of the Board of Directors. In addition, the invitation to the General Meeting is sent by post to the shareholders. Shareholders will not be registered by the company two business days prior to a General Meeting. Therefore, registered shares acquired or sold between the deadline and a General Meeting are not entitled to be voted.

## Change in corporate control and defense measures

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The Sika Articles of Association (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/articles-of-association.html>) do not provide for an opting out or opting up in the meaning of art. 125 and 135 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA). There are no change of control clauses.

## Auditor

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The auditor of Sika AG is elected by the Annual General Meeting for a term of one year. Ernst & Young AG, served as the auditor since 1995 up to the General Meeting of April 12, 2022. In line with good corporate governance practice, the Board of Directors decided to propose a new auditor as of 2022. The new auditor was selected in a tender process involving three audit firms in total. The choice fell on KPMG AG, mainly due to solid industry knowledge and independency considerations, and the Board of Directors decided to propose the election of KPMG AG to the shareholders. At the General Meeting of April 12, 2022, KPMG AG was newly elected as auditor of Sika. KPMG AG has been listed as auditor in the commercial register since August 19, 2022.

The auditor participates regularly in the meetings of the Audit Committee, providing oral and written reports on the results of its reviews. In 2022, the auditor participated in three of the six meetings of the Audit Committee. The Audit Committee checks and evaluates the auditor and makes recommendations to the Board of Directors. For further information regarding reporting and control of the auditor, reference is made to the Charter of the Audit Committee which is included on pages 14 to 16 of the Organizational Rules of Sika AG and Sika Group (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>).

The independence of the auditor is ensured by various measures. The Audit Committee has defined a percentage threshold for non-audit services in relation to the audit services. Additional services received from the auditor must not exceed 70% of audit fees in any given year and must be below 50% of the three-year average. In addition, services outside the audit which individually exceed CHF 100,000 are subject to prior approval by the Chair of the Audit Committee. As part of its reporting for the consolidated and statutory financial statements, the auditor confirms its independence vis-à-vis Sika AG. In accordance with legal requirements, the lead auditor is replaced after a maximum period of seven years. The current lead auditor has been responsible for the audit mandate since the General Meeting of April 12, 2022. As set out in section 2.4 of the Charter of the Audit Committee which is included on pages 14 to 16 of the Organizational Rules of Sika AG and Sika Group (available at <https://www.sika.com/en/investors/corporate-governance-risk-management/organizational-rules.html>), the Audit Committee reviews any potential conflicts between the audit and non-audit services of the auditor.

The performance of the auditor is evaluated by the Audit Committee as well as by employees of Sika who are in regular contact with the auditor. The assessment is based on criteria such as the professional expertise and know-how, the understanding of the corporate structure and company-specific risks, comprehensibility of the audit strategy proposed by the auditor and diligence in the implementation of the proposed audit strategy, as well as the coordination of the auditor with the Audit Committee and the finance department of the Sika Group.

In addition, the Audit Committee reviews the results of the audit, particularly the audit report for the consolidated annual financial statements and the interim financial statements.

The budget for the audit fees is proposed by the CFO and approved by the Audit Committee. During the year under review, KPMG AG invoiced in total CHF 6.1 million for its services. Thereof, CHF 4.8 million related to audit services, which included the audit of the statutory financial statements of Sika AG and of practically all subsidiaries, as well as the audit of the consolidated financial statements. KPMG AG received additional fees totaling CHF 1.2 million for tax consultancy services as well as CHF 0.1 million for consultancy services related to transfer pricing and the issuance of comfort letters for issued bonds.

## Information policy

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Sika provides extensive information on the development of business in its annual, half-year and quarterly reports, at the annual media and financial analyst conference, as well as at the Annual General Meeting. The continually updated website at [www.sika.com](http://www.sika.com) as well as media releases regarding important developments (<https://www.sika.com/en/media/media-releases.html>) are also integral components in Sika's communication activities. As a company listed on SIX Swiss Exchange, Sika is also obligated to comply in particular with the requirements of ad hoc disclosure, i.e., the publication of price-sensitive facts. Anyone who would like to receive ad hoc publications of Sika can register for the push service on Sika's website under: <https://www.sika.com/en/investors/contact/stay-informed.html>. In addition, Sika maintains a dialogue with investors and the media through special events and roadshows. Official publications of the company are made in the Swiss Official Gazette of Commerce. The contact details of the company are: Sika AG, Zugerstrasse 50, 6340 Baar, Switzerland (phone +41 58 436 68 00, [sikagroup@ch.sika.com](mailto:sikagroup@ch.sika.com), [www.sika.com](http://www.sika.com)).

## FINANCIAL CALENDAR

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55 <sup>th</sup> Annual General Meeting	Tuesday, March 28, 2023
Dividend payment	Monday, April 3, 2023
Net sales first quarter 2023	Tuesday, April 18, 2023
Half-Year Report 2023	Tuesday, July 25, 2023
Results first nine months 2023	Friday, October 20, 2023
Net sales 2023	Wednesday, January 10, 2024
Full-year results 2023	Friday, February 16, 2024

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## Quiet periods

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Sika AG has defined general quiet periods related to the publication of Group results during which insiders may not trade in Sika securities. An insider is anyone who has access to confidential information that can be used for insider trading. The quiet periods for the full-year results and the half-year results begin 60 and 45 days before publication, respectively. The quiet period for the first quarter and nine-month results begins 30 days before publication. If the results are available in the operational reporting system before these dates, the respective quiet period commences on that date. The general quiet periods last until one day after publication of the results. In addition, special quiet periods apply for all material events that may have a material positive or negative impact on the share price, beginning on the date of receipt of the information, or as ordered by the Board of Directors or Group Management, until one day after publication. In the year under review, the general quiet periods lasted from December 17, 2021 to February 22, 2022; March 11, 2022 to April 14, 2022; June 7, 2022 to July 27, 2022; September 20, 2022 to October 24, 2022; and December 16, 2022 to February 21, 2023.