

# INVITATION TO THE ANNUAL GENERAL MEETING OF SIKA AG

Tuesday, April 12, 2022, 4.00 p.m.



DEAR SHAREHOLDERS,

The Annual General Meeting of Sika AG will be held on Tuesday, April 12, 2022 at 4.00 p.m.

**Notwithstanding the fact that the essential protective measures in connection with the coronavirus have been lifted, the Board of Directors has, based on the Ordinance of the Federal Council on measures to prevent coronavirus, decided that it will not be possible for shareholders to physically attend the Annual General Meeting. The Board of Directors took this decision against the background of the difficult situation and in order to protect the health of the shareholders. Accordingly, shareholders are asked to exercise their rights exclusively through the independent proxy.**

The Annual General Meeting will be broadcast live on the Sika website and shareholders will be given the opportunity to ask questions live during the Annual General Meeting via an online platform. We refer to the last page of this invitation for further information.

## AGENDA AND PROPOSALS BY THE BOARD OF DIRECTORS

### 1. APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2021

**Proposal by the Board of Directors.** On the basis of the Report of the Statutory Auditors, the Board of Directors proposes that the annual financial statements and the consolidated financial statements for the year 2021 be approved.

**Notes.** The report of the Board of Directors and Group Management is included in the annual report, which may be obtained by shareholders and is also available on the Internet at [www.sika.com](http://www.sika.com), under the heading Investors.

The income statement of Sika AG shows income of CHF 647.4 million, an operating result of CHF 412.4 million, a net profit before taxes of CHF 402.4 million and a net profit of CHF 398.9 million. The balance sheet total decreased by CHF 394.5 million to CHF 6,741.5 million. Shareholders' equity amounted to CHF 1,699.6 million at the end of the year. The consolidated financial statements show a net profit of CHF 1,048.5 million. An operating profit of CHF 1,391.4 million and operating free cash flow of CHF 908.4 million were generated on net sales of CHF 9,252.3 million. In its reports to the Annual General Meeting, Ernst & Young AG recommends that the annual financial statements of Sika AG and the consolidated financial statements be approved. In the opinion of the auditors, the consolidated financial statements give a true and fair view of the Group's assets, financial situation and earnings in accordance with the International Financial Reporting Standards and comply with Swiss law.

### 2. APPROPRIATION OF THE RETAINED EARNINGS OF SIKA AG

**Proposal by the Board of Directors.** The Board of Directors proposes to the Annual General Meeting the following appropriation of retained earnings:

in CHF mn

<b>Composition of retained earnings</b>	
Net profit for the year	398.9
Results carried forward from prior year	888.9
<b>Total at the disposal of Annual General Meeting</b>	<b>1,287.8</b>
<b>Dividend payment</b>	
Dividend payment out of the profit brought forward	465.3
<b>Results carried forward</b>	<b>822.5</b>

**Notes.** No allocation was made to the general statutory reserve as it currently already exceeds 20% of the share capital. Provided that the proposal of the Board of Directors is approved, the gross dividend will amount to CHF 2.90 per share (representing a 16% increase on the previous year's distribution). After payment of the Swiss withholding tax of 35%, a net dividend in the amount of CHF 1.88 will be paid out. The net dividend will be paid as from April 20, 2022.

### **3. GRANTING DISCHARGE TO THE ADMINISTRATIVE BODIES**

**Proposal by the Board of Directors.** The Board of Directors proposes that the members of the administrative bodies be discharged.

### **4. ELECTIONS**

#### **4.1. Re-election of the Board of Directors**

**Proposal by the Board of Directors.** The Board of Directors proposes that the following persons be re-elected to the Board of Directors for a term of office of one year:

- 4.1.1 Paul J. Hälg as a member
- 4.1.2 Viktor W. Balli as a member
- 4.1.3 Justin M. Howell as a member
- 4.1.4 Monika Ribar as a member
- 4.1.5 Paul Schuler as a member
- 4.1.6 Thierry F.J. Vanlancker as a member

#### **4.2. Election to the Board of Directors**

**Proposal by the Board of Directors.** The Board of Directors proposes that the following persons be elected to the Board of Directors for a term of office of one year:

- 4.2.1 Lucrece Foufopoulos-De Ridder
- 4.2.2 Gordana Landen

**Notes.** Lucrece Foufopoulos-De Ridder holds a master's degree in Polymer and Composites Engineering from the University of Leuven, a master's degree in Materials Science & Engineering from the University of Ghent and executive business education from INSEAD in Paris and IMD in Lausanne. In 2019, she was appointed to the Borealis Executive Board as Executive Vice President Polyolefins and Innovation & Technology. Preceding this appointment, she worked at Eastman Chemical as Vice President & General Manager of the Rubber Additives business unit. Prior to joining Eastman Chemical, Lucrece Foufopoulos-De Ridder held a variety of positions at multinationals, including Dow Chemical, Rohm and Haas, Dow Corning and Tyco. The Board of Directors is convinced that Lucrece Foufopoulos-De Ridder will, thanks to her in-depth expertise in the fields of technology, sustainability and customer orientation and her many years of industry experience, make a valuable contribution to the Board of Directors and support Sika's strategic development in the areas of innovation and sustainability. Lucrece Foufopoulos-De Ridder will become an independent, non-executive member of the Board of Directors. She holds dual Belgian-Swiss citizenship.

Gordana Landen graduated from Stockholm University with a BSc in Human Resource Development and Labour Relations. She joined the Adecco Group in 2019 and has been a Member of the Executive Committee since January 2019. Before joining the Adecco Group, Gordana Landen served as Chief Human Resources Officer at Signify in Amsterdam. In prior roles, she was Senior Vice President for Human Resources at Swedish paper manufacturer SCA and held various managerial positions in human resources at Swedish telecoms company Ericsson in Sweden, the UK, and the United States. Given that the employees and the corporate culture are crucial to Sika's success, the Board of Directors is convinced that Gordana Landen will, with her profound knowledge in the areas of human capital and personnel development and as independent, non-executive member, ideally complement the Board of Directors and make an important contribution to the implementation of Sika's growth strategy. Gordana Landen is a Swedish national.

#### **4.3. Election of the Chairman**

**Proposal by the Board of Directors.** The Board of Directors proposes that Paul J. Hälg be re-elected as Chairman of the Board of Directors for a term of office of one year.

#### **4.4. Election of the Nomination and Compensation Committee**

**Proposal by the Board of Directors.** The Board of Directors proposes that the following persons be elected to the Nomination and Compensation Committee for a term of office of one year:

- 4.4.1 Justin M. Howell
- 4.4.2 Thierry F.J. Vanlancker
- 4.4.3 Gordana Landen

#### **4.5. Election of Statutory Auditors**

**Proposal by the Board of Directors.** The Board of Directors proposes that KPMG AG be elected as Statutory Auditors for the 2022 financial year.

#### **4.6. Election of Independent Proxy**

**Proposal by the Board of Directors.** The Board of Directors proposes that Jost Windlin, attorney-at-law and notary at Bright Law AG in Zug, be elected independent proxy until the close of the next Annual General Meeting.

## 5. COMPENSATION

### 5.1. Consultative vote on the 2021 Compensation Report

**Proposal by the Board of Directors.** The Board of Directors proposes that the 2021 Compensation Report be approved (non-binding consultative vote).

**Notes.** The Compensation Report incorporates the basic principles for the compensation of the Board of Directors and Group Management as well as the remuneration of the members of these two corporate bodies for the 2021 financial year. The Board of Directors is submitting the Compensation Report to shareholders for a consultative vote. The Compensation Report can be found on pages 165–185 of the Annual Report. The Annual Report can be accessed on the Internet at [www.sika.com](http://www.sika.com), under the heading Investors.

### 5.2. Approval of the future compensation of the Board of Directors

**Proposal by the Board of Directors.** The Board of Directors proposes that a maximum total amount of CHF 3.4 million in compensation for the Board of Directors consisting of eight members be approved for a term of office of one year until the close of the next Annual General Meeting.

**Notes.** The proposed total amount is CHF 100,000 higher than the total amount proposed for the previous year of office at the 2021 Annual General Meeting given that it also reflects the compensation for the members of the newly established sustainability committee. The total amount includes the annual board retainer as well as remuneration for work on the three Board committees, and is expected to break down as follows:

in TCHF

Compensation in cash <sup>1</sup>	1,600
Share-based compensation <sup>2</sup>	1,600
Social security contributions <sup>3</sup>	200
<b>Total</b>	<b>3,400</b>

<sup>1</sup> Includes the cash portion of the annual board retainer and the committee fees, as well as the lump sum representation expenses (for the chairman).

<sup>2</sup> Includes the share-based portion of the annual board retainer and the committee fees, based on the market value on grant date (start of year of office, 2022 Annual General Meeting; article 11 para. 3 section 2 of the Articles of Association). The figure given here does not reflect any change in share price between the grant date and definitive allocation (end of year of office, 2023 Annual General Meeting).

<sup>3</sup> Includes expected employer contributions to social security to the extent that they result in a benefit entitlement. Contributions that do not result in an increase of the benefit entitlement are not included.

The compensation actually paid will be disclosed in the 2022 and 2023 Compensation Reports, which will be submitted to shareholders for a consultative vote.

Approval of the maximum total amount of compensation for members of the Board of Directors is in accordance with art. 11 of the Articles of Association and in keeping with the Ordinance against Excessive Compensation in Listed Companies. Further details on the principles of compensation for the Board of Directors can be found in the 2021 Compensation Report which can be accessed on the Internet at [www.sika.com](http://www.sika.com), under the heading Investors.

### 5.3. Approval of the future compensation of Group Management

**Proposal by the Board of Directors.** The Board of Directors proposes that a maximum total amount of CHF 20.5 million in compensation for the Group Management consisting of eight members be approved for the financial year 2023.

**Notes.** The total amount comprises fixed compensation including expected employer contributions to social security and pension funds (BVG), the maximum amount of the performance bonus as well as the maximum value of the Performance Share Unit granted under the long-term participation plan, valued on the grant date. The total amount is expected to break down as follows:

in TCHF

Fixed compensation <sup>1</sup>	8,100
Performance bonus <sup>2</sup>	6,200
Performance Share Units (PSU) <sup>3</sup>	6,200
<b>Total</b>	<b>20,500</b>

<sup>1</sup> Includes fixed compensation, expected employer contributions to social security to the extent that they result in a benefit entitlement (contributions that do not result in a benefit entitlement are not included) as well as expected employer contributions to pension funds (BVG).

<sup>2</sup> Maximum value of bonus payout based on the assumption that all performance targets up to the maximum payout multiplier of 150% have been reached.

<sup>3</sup> The grant of Performance Share Units is calculated on the basis of the determined grant value and the share price on the grant date. The figure given here assumes maximum target attainment, which results in the target number of granted Performance Share Units being multiplied by a maximum payout multiplier of 150%. The figure given here does not factor in share price changes during the vesting period (period between grant date and vesting date).

The compensation actually paid will be disclosed in the 2023 Compensation Report, which will be submitted to shareholders for a consultative vote.

Approval of the maximum total amount of compensation for members of Group Management is in accordance with art. 11 of the Articles of Association and in keeping with the Ordinance against Excessive Remuneration in Listed Companies. Further details on the principles of compensation for Group Management can be found in the 2021 Compensation Report which can be accessed on the Internet at [www.sika.com](http://www.sika.com), under the heading Investors.

## FURTHER INFORMATION

**Issue of the annual report.** The 2021 annual report of Sika AG, comprising the annual and the consolidated financial statements and the report of the Statutory Auditors, can be viewed and downloaded online at [www.sika.com/AnnualReport](http://www.sika.com/AnnualReport). In addition, the 2021 annual report will be available for inspection by shareholders from March 11, 2022 at the company's registered office at Zugerstrasse 50, 6340 Baar. Shareholders may also request by post (Sika AG, Zugerstrasse 50, CH-6340 Baar), by e-mail ([sikagroup@ch.sika.com](mailto:sikagroup@ch.sika.com)) or by phone under +41 (0)58 436 68 00 that a printed copy of the 2021 annual report be sent to them.

**Entitlement to vote at the Annual General Meeting.** Only shareholders entered in the share register as at April 7, 2022 are entitled to vote at the Annual General Meeting. No further registrations of voting rights will be carried out in the period from April 8 to April 12, 2022. Shareholders who are registered with voting rights at April 8, 2022, but who sell their shares prior to the Annual General Meeting, will lose their shareholder rights in respect of the shares sold.

Shareholders entered in the share register up to and including April 4, 2022 as shareholders with voting rights will receive, together with the invitation to the Annual General Meeting, a reply card that they can use to issue a proxy to the independent proxy, Jost Windlin, attorney-at-law and notary, Bright Law AG, Zug. Further, they will receive information on e-voting together with the individual access code for the voting website [gvmanager-live.ch/sika](http://gvmanager-live.ch/sika). Shareholders whose registration in the share register with voting rights is made on or after April 5, 2022, and who wish to exercise their voting rights are asked to contact the share register of Sika AG. Proxies of shareholders whose shareholding changes between March 11, 2022 and April 7, 2022 will automatically be amended.

**Proxy and instructions to the independent proxy. Based on the Ordinance of the Federal Council on measures to prevent coronavirus, it will not be possible for shareholders to physically attend the Annual General Meeting. Shareholders are asked to be represented by the independent proxy Jost Windlin, attorney-at-law and notary, Bright Law AG, Zug and to exercise all shareholder rights exclusively through the independent proxy.** Please send the reply card to the share register of Sika AG (Sika AG, c/o Devigus Shareholder Services, Birkenstrasse 47, CH-6343 Rotkreuz) by April 7, 2022 at the latest. Shareholders may cast their votes remotely by issuing electronic authorizations and instructions to the independent proxy at [gvmanager-live.ch/sika](http://gvmanager-live.ch/sika). Shareholders may use the online proxy voting, or change any instructions they may have issued electronically, up to but no later than 11.59 p.m. on Sunday April 10, 2022.

**Live stream and questions of shareholders.** The Annual General Meeting will be broadcast live on the Sika website ([www.sika.com/live](http://www.sika.com/live)). In addition, shareholders will be given the opportunity to ask questions live during the Annual General Meeting via an online platform. Shareholders wishing to ask questions are requested to complete the registration form available with the individual access code under the following link up to but no later than 11.59 p.m. on Sunday April 10, 2022: [gvmanager-live.ch/sika](http://gvmanager-live.ch/sika). Further information on the right to submit questions, including the authentication process and the use of the data provided by the shareholder can be found under [www.sika.com/speaker](http://www.sika.com/speaker). **Shareholders are explicitly made aware that it is not permitted to exercise shareholder rights through the online platform [gvmanager-live.ch/sika](http://gvmanager-live.ch/sika) and that shareholder rights can exclusively be exercised through the independent proxy prior to the Annual General Meeting.** Shareholders are also made aware that the Board of Directors expressly reserves the right to take position on the questions in aggregated or individual form or to limit the speaking time.

Baar, March 11, 2022

Sincerely  
Sika AG  
On behalf of the Board of Directors



Dr. Paul J. Hälg, Chairman

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