

SIKA
BUSINESS YEAR

2021

CORPORATE GOVERNANCE

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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. Reporting at Sika follows the SIX Swiss Exchange guidelines.

Group structure and shareholders

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 54,385.70 million. In the year under review, the Sika Group encompassed unlisted subsidiaries in 101 countries. 225 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 page 237 et seqq. of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

Sika conducts its worldwide activities according to 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, from the construction industry and from industrial manufacturing. These Target Markets are represented by one member of Group Management. Target Market responsibility is well defined in the regional management teams and the national subsidiaries as well. The relevant 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 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 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 pages 149 to 153 of the download version 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, 2021, 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 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, 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. A list of changes in significant shareholdings reported to the Disclosure Office of SIX Swiss Exchange during the year under review can be found at [https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.](https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/)

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

Capital structure

According to the commercial register entry, the issued share capital as of December 31, 2021 totaled CHF 1,417,811.60 and was divided into 141,781,160 fully paid-in registered shares, each with a nominal value of CHF 0.01. Taking into account the new shares that were issued as of December 31, 2021 from conditional capital due to partial conversion of the convertible bonds, the share capital issued as of December 31, 2021, but not yet fully reflected in the commercial register, amounted to CHF 1,430,449.67, divided into 143,044,967 fully paid-in registered shares with a nominal value of CHF 0.01 each. One share represents one vote at the General Meeting.

In addition, there is a conditional share capital of CHF 143,255.13 as of December 31, 2021, unrestricted in time, divided into 14,325,513 fully paid-in registered shares with a nominal value of CHF 0.01 each, which represents 10.0% of the share capital issued as of December 31, 2021, but not yet fully 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 2019 and 2020, neither the ordinary nor the conditional capital has changed. In the reporting year, 1,263,807 new fully paid-in registered shares with a par 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. These changes have not yet been entered in the Commercial Register. According to the law, such changes 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.

Significant events related to capital structure having occurred after the balance sheet date are described at the end of this chapter under "Significant changes since balance sheet date".

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. 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. Above this limit of 3%, the Board of Directors decides on a case-by-case basis. In 2021, the Board of Directors has not registered any Nominees with voting rights exceeding 3%.

Convertible Bonds

As of December 31, 2021, Sika AG had the following convertible bonds outstanding:

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

Principal Amount	Current Conversion Ratio	Current Conversion Price	Maturity Date	Coupon
Nominal value of CHF 20,000 each	105.76415 registered shares with a nominal value of CHF 0.01	CHF 189.10	5.6.2025	0.15% payable annually on June 5

When conversion rights are exercised, new or existing shares of the company may – at Sika AG’s discretion – be delivered. The respective 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 6.15% of the issued registered shares as of December 31, 2020, respectively, the company’s share capital immediately issued before the convertible bond was issued taking into account the company’s capital reduction of 2018.

As of December 31, 2021, a total of CHF 241,000,000 of the nominal amount of the convertible bonds have been early converted into 1,262,387 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 bonds 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 AG’s shares is at least 130% of the conversion price on at least 20 out of 30 consecutive trading days.

(2) In January 2019, Sika AG has issued a subordinated mandatory convertible note listed on the SIX Swiss Exchange (security no.: 45929742, ISIN: CH0459297427, ticker: SIK19) with a total outstanding nominal amount of CHF 1,300,000,000.

Principal Amount	Current Conversion Ratio	Current Conversion Price	Maturity Date	Coupon
Nominal value of CHF 200,000 each	Minimum 1,420.25280	Minimum CHF 125.17	30.1.2022	3.75% payable annually on January 30
	Maximum 1,597.82696	Maximum CHF 140.82		

The notes will be mandatorily converted into new or existing registered shares of Sika AG at maturity. The maximum number of registered shares of the company to be delivered upon mandatory conversion of the notes, respectively, the maximum increase of the company’s share capital upon mandatory conversion of the notes, correspond to 7.33% of the issued registered shares as of December 31, 2020, respectively, the company’s share capital immediately issued before the convertible notes were issued (based on the minimum conversion price of CHF 125.17). The conversion period for noteholders began on July 1, 2021. As of December 31, 2021, a total of CHF 200,000 of the nominal amount of the mandatory convertible notes have been early converted into 1,420 shares.

Sika may, at its sole discretion, elect to defer (in whole or in part) any payment of interest on the notes.

Further information on the convertible bonds can be found on page 156 and 157 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

Board of Directors

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, 2021, is listed on page 151 of the download version 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 2020 on

pages 71 and 72, in the Annual Report 2019 on pages 63 and 64, in the Annual Report 2018 on page 58, in the Annual Report 2017 on pages 42 and 43, and in the Annual Report 2016 on pages 19 and 20 (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 20, 2021, Frits van Dijk stepped down from the Board of Directors. At the same Annual General Meeting, Paul Schuler was elected as a new member of the Board. On October 11, 2021, Sika announced the proposal to elect Lucrèce Foufopoulos-De Ridder to the Board of Directors at the next Annual General Meeting, to be held on April 12, 2022. Significant events related to the composition of the Board of Directors having occurred after the balance sheet date are described at the end of this chapter under "Significant changes since balance sheet date".

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 2021, the Board of Directors met eleven times. The meetings lasted between one and six hours.

ATTENDANCE OF INDIVIDUAL BOARD MEMBERS

Board Member	Member since	Number of meetings attended
Paul Hälgi	2009	11 of 11
Viktor W. Balli	2019	11 of 11
Frits van Dijk (until April 20, 2021)	2012	4 of 4
Justin M. Howell	2018	11 of 11
Monika Ribar	2011	10 of 11
Daniel J. Sauter	2000	10 of 11
Paul Schuler (as of April 20, 2021)	2021	6 of 7
Christoph Tobler	2005	11 of 11
Thierry F. J. Vanlancker	2019	11 of 11

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 2021, the CEO participated in ten and the other members of Group Management in three to eleven of the eleven meetings. Company officers report regularly and comprehensively to the Chair of the board concerning the implementation of decisions of the Board of Directors. The CEO, as well as the Chief Financial Officer (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 2021, the Internal Audit participated in five of the five 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 two committees of the Board of Directors: the Audit Committee and the Nomination and Compensation Committee. The members of the Nomination and Compensation Committee are elected annually by the General Meeting. Re-election is possible. The members of the Audit 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 page 151 of the download version of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

Significant events related to Board committees having occurred after the balance sheet date are described at the end of this chapter under "Significant changes since balance sheet date".

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 five times, with all members present at all meetings. The Chair of the Board of Directors, the CEO, the CFO, and the Internal Audit participated in five of the five meetings. The auditor participated in three of the five 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 AC MEMBERS

Audit Committee Member	Number of meetings attended
Monika Ribar, AC Chair	5 of 5
Viktor W. Balli	5 of 5
Christoph Tobler	5 of 5

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 ordinary meetings. All members attended all Committee meetings. The Chair of the Board of Directors participated in all of the five meetings in an advisory capacity. Paul Schuler attended two of the five meetings which took place before he stepped down from his position as CEO. Thomas Hasler joined four of the five meetings, one for on-boarding and three after he was elected as CEO. They all 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 five of the 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 page 169 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 page 151 et seqq. of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

ATTENDANCE OF INDIVIDUAL NCC MEMBERS

Nomination and Compensation Committee Member	Number of meetings attended
Justin M. Howell, NCC Chair	5 of 5
Daniel J. Sauter	5 of 5
Thierry F. J. Vanlancker,	5 of 5

Information and control instruments vis-à-vis Group Management

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 23 of the download version 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

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 page 155 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, 2021, are listed on pages 152 to 153 of the download version of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>). During the reporting year, Paul Schuler, who was elected as a new member of the Board of Directors at the Annual General Meeting on April 20, 2021, stepped down as CEO as of April 30, 2021. He was succeeded by Thomas Hasler who assumed the CEO position as of May 1, 2021. As of November 1, 2021, Patricia Heidtman succeeded Frank Höfflin as a member of Group Management in the newly created position of Chief Innovation and Sustainability Officer. Frank Höfflin simultaneously stepped down from Group Management to assume the newly created position of Head Operations, Quality and EHS. Detailed information on their backgrounds and activities can be found on page 153 of the download version 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 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, in the Annual Report 2017 on pages 40 and 41, and in the Annual Report 2016 on pages 16 and 17 (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

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

The Board of Directors is also the highest governance level of climate-related risks and opportunities. It is responsible for reviewing and endorsing the development and implementation of sustainability policies and strategies and the Chair of the Board steers and oversees climate-related topics by receiving regular updates from the Group Management. The Chair of the Board is permanently invited to add climate-related topics to the agenda of the Chief Executive Officer (CEO) and the Board of Directors. The Board of Directors has approved the Group's climate ambition to reduce scope 1 and 2 CO₂e emissions by 50% until 2030 and to achieve net zero greenhouse gas emissions by 2050.

Significant events related to the governance structures in connection with climate-related risks and opportunities having occurred after the balance sheet date are described at the end of this chapter under "Significant changes since balance sheet date".

More information on Sika's approach towards the implementation of the recommendations of TCFD (Task Force on Climate related Financial Disclosure) can be found on page 23 et seqq. of the download version of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

Compensation, shareholdings, and loans

With regards to the information on the compensation of the members of the Board of Directors and the Management Board, reference is made to the compensation report beginning on page 165 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

Shareholder participation rights

Each shareholder can have his 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 resolutions for which a qualified majority (at least two thirds of the votes represented, and an absolute majority of the par value of shares represented) is required are defined therein. The invitation modalities and deadlines for the General Meetings match with 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 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 convening of the General Meeting is made in the Swiss Official Gazette of Commerce. The convening 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

The Articles of Association of Sika AG (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 in 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

The auditor of Sika AG is elected by the Annual General Meeting for a term of one year. In the year under review, Ernst & Young AG, listed as auditor in the commercial register since February 7, 1995, served in this capacity.

The auditor participates regularly in the meetings of the Audit Committee, providing oral and written reports on the results of its reviews. In 2021, the auditor participated in three of the five 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 3-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 2015. 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, Ernst & Young AG invoiced in total CHF 6.0 million for its services. Thereof, CHF 5.2 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. Ernst & Young AG received additional fees totaling CHF 0.8 million for tax consultancy services.

Information policy

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 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 dialog 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, www.sika.com).

FINANCIAL CALENDAR

Net sales first quarter 2022	Tuesday, April 12, 2022
54 th annual general meeting	Tuesday, April 12, 2022
Dividend payment	Wednesday, April 20, 2022
Half-year report 2022	Friday, July 22, 2022
Results first nine months 2022	Friday, October 21, 2022
Net sales 2022	Wednesday, January 11, 2023
Full-year result 2022	Friday, February 17, 2023

Quiet periods

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 end 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 19, 2020 to February 22, 2021; March 20, 2021 to April 21, 2021; June 7, 2021 to July 25, 2021; September 22, 2021 to October 25, 2021; and December 18, 2021 to February 21, 2022.

Significant changes since balance sheet date

At the Extraordinary General Meeting on January 25, 2022, the conditional capital was increased by CHF 32,000.00, corresponding to 3,200,000 registered shares with a par value of CHF 0.01 each. The mandatory convertible note 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 other convertible bond was converted early from conditional capital into 141,618 new shares. Therefore, the share capital issued as of January 31, 2022, but not yet fully reflected in the commercial register, 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. As of January 31, 2022, the conditional capital amounted to CHF 74,432.50, divided into 7,443,250 fully paid-in registered shares at a nominal value of CHF 0.01 each, representing 4.9% of the share capital issued as of January 31, 2022, which is not yet fully reflected in the commercial register.

After the balance sheet date, on January 25, 2022, Sika informed about the proposal to elect Gordana Landen to the Board of Directors at the next Annual General Meeting on April 12, 2022.

In February 2022, the Board of Directors decided to install a Sustainability Committee (SC) which will consist of three Board members with expertise in different areas of ESG. The SC will assist the Board in defining the Group's strategy and overseeing its activities in the area of sustainability with a special focus on: sustainable solutions, climate performance, community engagement, energy, waste and water, occupational health and safety, product stewardship, as well as responsible sourcing. The SC will present findings and proposals to the Board (where applicable) on the following matters: the Group's strategy regarding sustainability, annual sustainability-related targets and their achievements in consultation with the NCC, sustainability-related reporting in consultation with the AC, and the Group's annual Sustainability Report. The SC will meet at least three times a year. As a general rule, the Chair of the Board, the CEO, CFO, and the Chief Innovation and Sustainability Officer will attend the SC meetings in an advisory capacity.

Further material changes having occurred between the balance sheet date (December 31, 2021) and the editorial deadline for the Annual Report are referenced on page 236 of this report (available at <https://www.sika.com/en/investors/reports-publications/financial-reports.html>).

IMPRINT

PUBLISHED BY

Sika AG
Zugerstrasse 50
6340 Baar
Switzerland

Tel +41 58 436 68 00
Fax +41 58 436 68 50
sikagroup@ch.sika.com
www.sika.com

PROJECT TEAM

Corporate Communications & Investor Relations and Corporate Finance,
Sika AG, Baar, Switzerland

CONCEPT, DESIGN, REALIZATION

Sika AG, Baar, Switzerland
Linkgroup AG, Zurich, Switzerland

COPY

Sika AG, Baar, Switzerland

EDITORIAL WORK

Sika AG, Baar, Switzerland
Linkgroup AG, Zurich, Switzerland

PRINT

Kalt Medien AG, Zug, Switzerland

PHOTOGRAPHY

Jos Schmid, Zurich, Switzerland

All Sika Annual Report content is available in German and English,
and can also be accessed on our website www.sika.com/annualreport.
The German download version of this report is legally binding.

Sika AG
Zugerstrasse 50
6340 Baar
Switzerland

Contact
Tel +41 58 436 68 00
Fax +41 58 436 68 50
www.sika.com

