

# ARTICLES OF ASSOCIATION SIKA AG

## 1. Company Name, Domicile, Duration, Purpose

<sup>1</sup> Name,	Under the Company name of
Registered	Sika AG
Office,	Sika SA
Duration	Sika Ltd

a public limited liability Company is established for an unspecified time. The registered domicile of the Company is in Baar, Canton Zug, Switzerland. Upon decision of the Board of Directors, the Company is authorized to establish subsidiaries in Switzerland and abroad.

<sup>2</sup> Company Purpose	The purpose of the Company is the participation in companies of all types and particularly the financing of companies for the production of, application of, and trade in and with, special products as well as services for the building trade and the industry in Switzerland and abroad.
------------------------------	---

Furthermore, the Company may conduct any business suitable for promoting and facilitating the development of the Company and the achievement of the purpose of the Company, including the acquisition of real estate.

*Note: This English translation of the Articles of Association of Sika AG is provided for information purposes only. The only legally valid version is the German version filed with the Commercial Registry of the Canton of Zug, Switzerland.*

## 2. Share Capital

- <sup>1</sup> **Share Capital, Classification** The share capital amounts to CHF 1,537,350.51 and is divided into 153,735,051 registered shares with a nominal value of CHF 0.01 each.
- <sup>2</sup> **Payment** All shares are fully paid up.
- <sup>3</sup> **Subscription Rights, Payment under Subscribed Rights** Each shareholder is entitled to the portion of any newly issued shares that corresponds to the shareholder's existing participation. The resolution of the General Meeting on the increase of the share capital may exclude the subscription right in compliance with Article 652b Swiss Code of Obligations (SCO) for important reasons only.
- <sup>4</sup> **Conditional Share Capital (Outside the Capital Band)** The share capital of the Company is increased through the issuance of a maximum of 6,835,429 fully paid-up registered shares with a nominal value of CHF 0.01 each, representing a maximum nominal value of CHF 68,354.29, by exercising option or conversion rights, which were granted on a stand-alone basis or in connection with bonds or other debt financing instruments by the Company or any of its subsidiaries. The pre-emptive right of shareholders is excluded.

Placement of the option or conversion rights may be effected by one or more banks, which subscribe to these rights on a fiduciary basis.

When issuing option or conversion rights, the Board of Directors may limit or revoke the advance subscription right of the shareholders, if such option or conversion rights are used for the acquisition, or the financing of an acquisition, of enterprises, parts of enterprises or participations. In this case, the structure, duration, and, if need be, amount of the bond or other debt financing instrument, as well as the conditions of the option or conversion rights must be fixed by the Board of Directors in accordance with market conditions at the time of issuance, provided that conversion rights and option rights may be exercisable for a maximum period of ten years only.

<sup>5</sup> **Condi-  
tional Share  
Capital  
(Within the  
Capital  
Band)**

Within the capital band pursuant to Art. 2 para. 6 of these Articles of Association, the share capital of the Company is increased through the issuance of a maximum of 7,686,752 fully paid-up registered shares with a nominal value of CHF 0.01 each, representing a maximum nominal value of CHF 76,867.52, by exercising option or conversion rights, which were granted on a stand-alone basis or in connection with bonds or other debt financing instruments by the Company or one of its subsidiaries. The exercise of option and conversion rights and the waiver of such rights may be made in writing, electronically or in any other form. The pre-emptive right of shareholders is excluded.

Placement of the option or conversion rights may be effected by one or more banks, which subscribe to these rights on a fiduciary basis.

Within the framework of Art. 2 para. 6 of these Articles of Association, the Board of Directors may, when issuing option or conversion rights, limit or revoke the advance subscription right of shareholders, if such option or conversion rights are used for the acquisition, or the financing of an acquisition, of enterprises, parts of enterprises or participations. In this case, the structure, duration and, if need be, the amount of the bond or other debt financing instrument, as well as the conditions of the option or conversion rights must be fixed by the Board of Directors in accordance with market conditions at the time of issuance, provided that conversion rights and option rights may be exercisable for a maximum period of ten years only.

<sup>6</sup> **Capital  
Band**

The Company has a capital band between CHF 1,460,482.99 (lower limit) and CHF 1,614,218.03 (upper limit). Within the capital band, the Board of Directors is authorized, until March 28, 2028 or until the earlier expiration of the capital band, to increase or decrease the share capital once or several times and in any amounts. The capital increase or reduction may be effected by the issuance of up to 7,686,752 fully paid-up registered shares with a nominal value of CHF 0.01 each or by cancelling up to 7,686,752 registered shares with a nominal value of CHF 0.01 each or by increasing or reducing the nominal value of the existing registered shares within the capital band.

In the event of a capital increase, the Board of Directors shall determine the number of shares, the issue price, the type of contributions, the time of issuance, the conditions for exercising subscription rights and the start of dividend entitlement. In this context, the Board of Directors may issue new shares by

means of a firm underwriting by a bank or another third party and a subsequent offer to the existing shareholders. The Board of Directors is authorized to restrict or exclude trading in subscription rights. The Board of Directors may allow subscription rights that are not exercised to lapse or place them on the shares for which subscription rights are granted but not exercised at market conditions or otherwise use them in the interest of the Company.

The Board of Directors is authorized to exclude or limit the shareholders' subscription rights in respect of the shares to be issued under this Art. 2 para. 6 and to allocate them to individual shareholders, third parties, the Company or Group companies, in particular:

1. if the issue price of the new shares is determined taking into account the market price; or
2. for the acquisition of companies, parts of companies or participations or for the financing or refinancing of such transactions or the financing of new investment projects of the Company or its Group companies, including the acquisition of products, intellectual property rights or licenses; or
3. for the purpose of expanding the shareholder base in certain geographic financial or investor markets, for the participation of strategic partners; or
4. for the participation of members of the Board of Directors, members of the Group Management, employees, agents, consultants or other persons who provide services to the Company or one of its Group companies; or
5. for a rapid and flexible raising of capital which, without excluding subscription rights of the existing shareholders, would not be possible, or would only be possible with considerable efforts or delay or at substantially worse conditions.

Within the capital band, the Board of Directors may carry out a conditional capital increase in accordance with Art. 2 para. 5 of these Articles of Association. To the extent that, and as long as, rights or obligations to acquire shares are outstanding on the basis of the capital band, the capital band may not be used for any other capital increases to the extent of the maximum number of such shares.

The total number of registered shares issued (i) from conditional capital (within the capital band) pursuant to Art. 2 para. 5 of the Articles of Association under restriction or exclusion of the shareholders' advance subscription

rights and (ii) from the capital band pursuant to Art. 2 para. 6 of the Articles of Association in one or more capital increases under exclusion of the shareholders' subscription rights, may not exceed a total of 7,686,752 new registered shares.

If the share capital increases as a result of a conditional capital increase (outside the capital band) pursuant to Art. 2 para. 4 of these Articles of Association, the upper and lower limits of the capital band shall increase to the extent of the increase in the share capital.

In the event of a reduction of the share capital within the capital band, the Board of Directors shall determine, to the extent necessary, the use of the reduction amount. The Board of Directors may also use the reduction amount for the partial or complete elimination of a situation of negative net worth within the meaning of Art. 653p SCO or simultaneously reduce the share capital and increase it at least to the previous amount within the meaning of Art. 653q SCO.

### **3. Shares, Book-Entry Rights**

**<sup>1</sup> Recognition of the Articles of Association**      The exercise of any rights related to the shares implies recognition of the Articles of Association as amended from time to time.

**<sup>2</sup> Representatives**      The Company recognizes only one representative for each share.

**<sup>3</sup> Certificates, Uncertificated Securities**      The Company issues its shares in the form of individual certificates, general certificates, simple uncertificated securities within the meaning of the SCO (as amended from time to time) or as intermediated securities. To the extent permitted by law, the Company is free to convert its shares to another form at any time without the consent of shareholders. The Company bears the costs of this conversion.

Shareholders are not entitled to printing and execution of share certificates. The Company may print and deliver share certificates (individual certificates or general certificates) at any time. With the consent of the relevant shareholder,

the Company may cancel, without substitution, any issued certificates that have been delivered to it.

<sup>4</sup> **Intermediated Securities** The Company may convert shares to intermediated securities based on individual certificates, general certificates or simple uncertificated securities and it may withdraw registered shares designed as intermediated securities from the depositary.

<sup>5</sup> **Attestation** A registered shareholder entered in the share register may demand from the Company the issuance of a certificate for his registered shares at any time.

#### **4. Share Register**

<sup>1</sup> **Maintenance of Share Register** The Company maintains for the registered shares a share register, 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.

<sup>2</sup> **Fiduciary Acquisition** The Company may refuse registration in the share register if, upon the Company's request, the acquirer does not explicitly declare that the shares have been acquired in his own name and for his own account, that there is no agreement to take back or return the shares concerned and that he bears the economic risk associated with the shares.

Acquirers who do not expressly declare in the application for registration that they hold the shares for their own account (nominees) will be entered without restriction in the share register as shareholders with voting rights up to a maximum of 3% of the share capital. Above this registration limit, nominees will be entered in the share register as shareholders with voting rights if the relevant nominee discloses the names, addresses, nationalities and shareholdings of those beneficial owners for whose account it holds 0.5% or more of the share capital and if the reporting requirements pursuant to the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA) (as amended) are met.

The Board of Directors shall issue the regulations necessary for compliance with the above provisions.

<sup>3</sup> **False Information** 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.

**<sup>4</sup> Providing Evidence** The acquirer must provide a statement declaring that the registered shares were transferred to him in due form.

## **5. [cancelled]**

## **6. The Executive Bodies of the Company**

The executive bodies of the Company are:

- A. The General Meeting
- B. The Board of Directors
- C. The Auditors

## **7. The General Meeting**

### **7.1. Powers**

**Non-transferable Powers** The General Meeting is the supreme executive body of the Company. It has the following non-transferrable powers:

1. the adoption and amendment of the Articles of Association;
2. the appointment of the Chairman and of other members of the Board of Directors;
3. the appointment of the Nomination and Compensation Committee members;
4. the appointment of an independent voting proxy;
5. the appointment of the Auditors;
6. the approval of the management report and the consolidated financial statements;
7. the approval of the annual financial statements, as well as the determination of the allocation of profits shown in the balance sheet, in particular with regard to dividends;
8. the determination of the interim dividend and the approval of the interim accounts required therefor;

9. the passing of resolutions on the repayment of the statutory capital reserve;
10. the approval of the compensations to be paid to the members of the Board of Directors and of the Group Management;
11. the discharge of the members of the Board of Directors;
12. the delisting of the Company's equity securities;
13. the adoption of resolutions concerning all those matters that are reserved to the General Meeting by law or by the Articles of Association.

## **7.2. Convening, Agenda, Documents**

<sup>1</sup> **Regular General Meeting**      The General Meeting is held annually within six months of the close of the fiscal year.

<sup>2</sup> **Convening**      General Meetings are called by the Board of Directors, or, if necessary, by the Auditors. The liquidators and the representatives of the bondholders are also entitled to call a meeting of shareholders.

Extraordinary General Meetings may be called upon the decision of the General Meeting, the Board of Directors or the Auditors.

The General Meeting can also be convened by written request from one or more shareholders, representing together at least 5% of the share capital or voting rights, specifying the items to be included on the agenda and the proposals to be put forward.

<sup>3</sup> **Requests for Agenda Items**      Shareholders representing together at least 0.5% of the share capital or voting rights may, within the deadline published by the Company, demand that an item be put on the agenda to be discussed or request that proposals concerning agenda items be included in the invitation to the General Meeting. Shareholders may submit a brief explanatory statement together with the agenda items or the proposals. This must be included in the invitation to the General Meeting.



**<sup>4</sup> Invitation,  
Documents  
and Venue**

The invitation to the General Meeting must be published in the form provided for in § 17 of the Articles of Association and at least twenty (20) days prior to the meeting. Concurrently, the Board of Directors issues the requirements regarding proof of share ownership.

The invitation shall state:

1. the date, the starting time, the form and the location of the General Meeting;
2. the agenda items;
3. the proposals of the Board of Directors and a brief explanatory statement of such proposals;
4. the proposals of the shareholders, if any, together with a brief explanatory statement;
5. the name and the address of the independent proxy.

The Board of Directors may summarize the agenda items in the invitation, provided that it makes further information available to the shareholders by other means.

At least 20 days prior to the General Meeting, the business report, the report of the Auditors and the compensation report with the Auditors' report as well as the proposal on the allocation of profits as shown on the balance sheet are made available for inspection by the shareholders. If the documents are not available electronically, each shareholder may request that they be sent to him in good time.

The Board of Directors shall decide on the venue for the General Meeting.

The Board of Directors may also determine that the General Meeting be held in various locations at the same time. In this case, the oral contributions must be transmitted directly in sound and vision to all venues. The Board of Directors may provide that shareholders who are not present at the venue of the General Meeting may exercise their rights by electronic means.

Alternatively, the Board of Directors may provide for the General Meeting to be held with no venue by electronic means.

### 7.3. Procedure, Voting, Representation

- <sup>1</sup> **Chairmanship** The Chairman or Vice Chairman of the Board of Directors presides over the General Meeting or, if both of them are unable to be present, the Board of Directors may nominate another person to chair the meeting.
- <sup>2</sup> **Minutes** The minutes of the General Meeting are signed by the Chairman and the Secretary. With the signature, the minutes will be determined with binding effect.
- <sup>3</sup> **Voting Right** Each share entered in the share register with voting right confers the right to cast one vote at the General Meeting.
- <sup>4</sup> **Resolutions** Unless the law or these Articles of Association provide otherwise, the adoption of resolutions and elections requires a majority of votes represented at the General Meeting (not taking into account abstentions, blank votes and invalid votes).

At least a two-thirds majority of the votes represented, and a majority of the par values of shares represented, is required for the adoption of resolutions concerning:

1. modification of the purpose of the Company;
2. consolidation of shares, unless the consent of all shareholders concerned is required;
3. introduction of voting shares;
4. limiting or facilitating the transfer of registered shares;
5. introduction of conditional capital or a capital band;
6. an increase of the capital by conversion of capital surplus, by contributions in kind, by offset with a claim and the granting of special rights;
7. limiting or revoking subscription rights;
8. conversion of participation certificates into shares;
9. change of the currency of the share capital;
10. introduction of the casting vote of the person chairing the General Meeting;
11. a provision in the Articles of Association on holding the General Meeting abroad;
12. the transfer of the registered office of the Company;
13. the introduction of an arbitration clause in the Articles of Association;

- 14. dissolution of the Company;
- 15. conversion of registered shares into bearer shares;
- 16. removal from office of more than one third of the Board of Directors.

<sup>5</sup> **Tie vote** In the case of a tie vote, the Chairman has the deciding vote.

<sup>6</sup> **Voting/  
Election Pro-  
cedure** The Chairman may request an open, written, or electronic vote and election procedure.

<sup>7</sup> **Shareholder  
Proxies** Each shareholder with voting rights may have his shares represented at the General Meeting by a third party. The Board of Directors shall decide on the recognition of the proxy.

<sup>8</sup> **Independ-  
ent Voting  
Proxy** In addition, shareholders can be represented by the Independent Voting Proxy to whom any shareholder may give in writing or electronically power of attorney and instructions. Within the discretion provided by law, the Board of Directors may determine requirements for powers of attorney and instructions. The General Meeting elects the Independent Voting Proxy annually. The term of office ends with the conclusion of the next ordinary General Meeting. Re-election is possible.

## **8. The Board of Directors**

### **8.1. Appointment, Composition**

<sup>1</sup> **Appoint-  
ment and Of-  
fice Term** The General Meeting elects the members of the Board of Directors individually. The term of office ends with the conclusion of the next ordinary General Meeting following the election. Re-election is possible.

<sup>2</sup> **Number** The Board of Directors consists of five or more members.

<sup>3</sup> **Appoint-  
ment of the  
Chairman** The General Meeting appoints a member of the Board of Directors as its Chairman. The term of office ends with the conclusion of the next ordinary General Meeting following the election. Re-election is possible.

<sup>4</sup> **Constitution** Except to the extent that members have been elected by the General Meeting for a specific function, the Board of Directors constitutes itself. The Board of

Directors may appoint a Vice-Chairman from among its members and appoints the Secretary, who does not need to be a member of the Board of Directors.

<sup>5</sup> **Vacant Chairman Position** If the office of the Chairman is vacant, the Vice-Chairman appointed by the Board of Directors takes over the office for the remaining term of office.

## **8.2. Duties**

<sup>1</sup> **In general** The Board of Directors is responsible for the ultimate direction of the Company and the supervision of the Group Management. It represents the Company externally and has all of the competencies that are not expressly reserved by law and/or Articles of Association to other bodies of the Company.

<sup>2</sup> **Non-transferrable and Inalienable Duties** The Board of Directors has the following non-transferrable and inalienable duties:

1. ultimate direction of the Company and issuing of the necessary instructions;
2. determination of the organization;
3. administration of accounting, financial control, and financial planning;
4. appointment and removal of the persons entrusted with management and representation, and determination of their signing powers;
5. ultimate supervision of the persons entrusted with management and representation, also with respect to their compliance with the law, articles of association, regulations, and instructions. To this end, the Board of Directors sees to it that it is regularly informed on the course of business;
6. preparation of the annual report and the compensation report as well as preparation of the General Meeting and the execution of its resolutions;
7. determination of the compensation policies and petition to the General Meeting with regard to approval of the compensation of the members of the Board of Directors and the Group Management;
8. filing of an application for a debt restructuring and notification of the court if liabilities exceed assets;
9. passing of resolutions regarding the stipulation of capital increases and the amendments of the Articles of Association resulting therefrom.

### 8.3. Meetings, Adoption of Resolutions, Minutes

- <sup>1</sup> **Meetings** The Board of Directors will meet as often as business operations require at the invitation of the Chairman. Each member of the Board of Directors may, in written form setting forth the reasons, request that the Chairman call a meeting without delay.
- <sup>2</sup> **Quorum** The quorum for a meeting of the Board of Directors shall be constituted if the majority of the members are present in person, by telephone or video conference or by other electronic means. Meetings may also be held without a venue.
- This quorum is not required for the declaration of the capital increase and decrease, and the related amendments to the Articles of Association.
- <sup>3</sup> **Adoption of Resolutions** The resolutions of the Board of Directors are adopted by the majority of the members present. In the case of a tie vote, the chairman has two votes.
- <sup>4</sup> **Circular Letter Resolution** Unless a member requests an oral discussion, resolutions may also be passed in writing on paper or electronically. If the resolutions are passed electronically, no signature is required.
- <sup>5</sup> **Minutes** Minutes of the proceedings and resolutions are kept and signed by the Chairman and the Secretary.

### 8.4. Activities Outside the Group

- Activities Outside the Group** A member of the Board of Directors may hold up to ten mandates in comparable positions in other undertakings with commercial objects outside the Group, but not more than four mandates at listed entities.
- If mandates are held in several companies of the same group of companies, they count as one mandate; however, they must not exceed forty mandates for any group of companies.
- The acceptance of mandates must not adversely affect the performance of duties to the Company.

## 9. Nomination and Compensation Committee

- <sup>1</sup> **Appointment** The General Meeting appoints each member of the Nomination and Compensation Committee individually. The term of office ends after the next ordinary General Meeting following the election. Only members of the Board of Directors can be elected. Re-election is possible.
- <sup>2</sup> **Number** The Nomination and Compensation Committee consists of two or more members. If the Nomination and Compensation Committee does not have enough members, then the Board of Directors appoints the missing members for the remaining term in office. In all other respects, the Nomination and Compensation Committee constitutes itself.
- <sup>3</sup> **Principles, Responsibilities and Authorizations** With regard to compensation, the Nomination and Compensation Committee has the following duties and responsibilities (principles):
1. preparation of all relevant decisions of the Board of Directors on the compensation of the members of the Board of Directors and the Group Management;
  2. arrangement of the compensation programs according to the principles specified in the Articles of Association;
  3. suggestion of the compensation report to be submitted to the Board of Directors;
  4. determination of the compensation for the Chairman of the Board of Directors;
  5. suggestion of the compensation of each individual member of the Board of Directors and Group Management submitted to the Board of Directors.
- <sup>4</sup> **Additional Duties** The Board of Directors may assign to the Nomination and Compensation Committee additional duties in the area of compensation and human resources and any related areas. Furthermore, the Board of Directors establishes a policy regulating the powers of the Nomination and Compensation Committee.

## 10. Group Management

<sup>1</sup> **Transfer of Management** The Board of Directors may transfer the management and representation of the Company or individual parts thereof to one or several persons, members of the Board of Directors, or other natural persons who do not have to be shareholders.

<sup>2</sup> **Organizational Rules** The Board of Directors issues the organizational rules and organizes the appropriate contractual relationships.

The organizational rules organize the management, determine the bodies responsible for it, describe their duties and regulate in particular the reporting.

<sup>3</sup> **Activities outside of the Group** A member of the Group Management may hold up to five mandates in comparable positions in other undertakings with commercial objects outside of the Group, but not more than two mandates at listed entities. The Nomination and Compensation Committee approves acceptance of each mandate.

If mandates are held in several companies of the same group of companies, they count as one mandate; however, they must not exceed ten mandates for any group of companies.

The acceptance of mandates must not adversely affect the performance of duties towards the Company.

## 11. Compensation

<sup>1</sup> **Board of Directors, Principle** The Board of Directors receives an annual fixed compensation in cash and/or in shares.

**Group Management, Principle** The Group Management receives a fixed and a variable compensation. The variable compensation consists of a performance- and success-based compensation (*Performance Bonus*) paid in cash or potentially also partially in shares (*Share Purchase Plan*) and a success-based compensation in the form of share options (*Long Term Incentive Plan*).

For the CEO, the variable compensation (i.e. the paid-out Performance Bonus and the value of the earned rights under the Long Term Incentive Plan) must

not exceed 300% of the fixed compensation. For the other members of the Group Management, the variable compensation must not exceed 200% of the total fixed compensation.

- <sup>2</sup> Approval by the General Meeting**
- The General Meeting approves annually upon the petition of the Board of Directors:
1. the total fixed compensation of the Board of Directors for the period until the next General Meeting and
  2. the total fixed and variable compensation (Performance Bonus and the granting of share options under the Long Term Incentive Plan) of the Group Management for the new fiscal year.

The Board of Directors may submit to the General Meeting requests for approval with regard to maximum amounts or individual compensation elements for other periods or with regard to additional amounts for special compensation elements as well as additional conditional requests.

If the General Meeting does not approve the request of the Board of Directors with regard to the fixed compensation of the Board of Directors and/or variable compensation of the Group Management, then the Board of Directors may call a new General Meeting.

- <sup>3</sup> Board of Directors, Assignment of Shares**
- The Board of Directors may decide that the compensation of the Board of Directors is in whole or in part linked to shares in accordance with the following principles:
1. the number of assigned shares is specified by the Board of Directors;
  2. the value of the shares is determined by the stock price at the time the number of shares is specified by the Board of Directors;
  3. the Board of Directors determines the rules for the blocking period, which do not apply in the event of a takeover or liquidation of the Company and in the event of disability or death of the entitled person.

- <sup>4</sup> Group Management, Performance Bonus**
- The Board of Directors specifies the Performance Bonus for the members of the Group Management in accordance with the following principles:
1. the Performance Bonus depends on the success of the Group and the achievement of individual performance goals;
  2. the Board of Directors defines the key performance indicators for determining the success of the Group. The Board of Directors annually agrees



- on individual performance goals with each member of the Group Management and determines the individual member's Performance Bonus;
3. if the goals are not achieved or achieved only partially, the Performance Bonus is reduced accordingly. If the goals are exceeded, the effectively paid-out Performance Bonus may, within the limits defined by the Board of Directors, exceed the target Performance Bonus;
  4. the Performance Bonus may be paid in cash or may be granted through the right to acquire shares at a reduced price or free of charge (under the share acquisition program of the Company in accordance with § 11 paragraph 5 of these Articles of Association).

- <sup>5</sup> **Group Management, Share Purchase Plan** The Board of Directors decides about the assignment of shares to members of the Group Management under the Share Purchase Plan in accordance with the following principles:
1. the Board of Directors determines whether and at which conditions members of the Group Management receive part of their Performance Bonus in shares of the Company;
  2. the Board of Directors may determine that, in addition to the purchased shares, further shares may be acquired free of charge;
  3. the purchase price for the shares depends on the stock price during a certain reference period after the end of the fiscal year;
  4. the Board of Directors determines the rules for the blocking period, which do not apply in the event of a takeover or liquidation of the Company and in the event of disability, retirement or death of the entitled person.

- <sup>6</sup> **Group Management, Long Term Incentive Plan** The Board of Directors decides about the assignment of shares to the members of the Group Management under of the Long Term Incentive Plan according to the following principles:
1. at the beginning of each performance period, the Board of Directors specifies for each member of the Group Management a certain number of share options of the Company;
  2. the value of the options depends on the stock price during a reference period before the performance period starts;
  3. the disbursement of the options is linked to the achievement of targets for the Group. During the performance period the options are subject to forfeiture;
  4. after the expiration of the performance period the shares are assigned definitely, based on the effective achievement of the performance goals.

If the goals are not achieved or achieved only partially, the number of shares to be assigned is reduced accordingly. If the goals are exceeded, the number of effectively assigned shares can within the limits defined by the Board of Directors be higher. In exceptional cases, the Board of Directors may approve a cash pay-out;

5. the Board of Directors determines the blocking period for the assigned shares, which does not apply in the event of a takeover or liquidation of the Company and in the event of disability, death or retirement of the entitled party.

<sup>7</sup> **Group Management, Additional Compensation for New Members**      The Board of Directors may approve additional compensation for members of the Group Management who are appointed after the approval of the compensation. The total additional compensation for each new member of the Group Management must not exceed 200% of the average total compensation of the Group Management during the previous fiscal year or 400% in the event of the new election of the CEO. Proven disadvantages from the change of position may be compensated within the framework of this total amount.

<sup>8</sup> **Income from Other Group Companies**      If compensation is paid to members of the Board of Directors or the Group Management for work in companies which are directly or indirectly under the control of the Company or for work which the respective member performs under his or her mandate as member of the Board of Directors or Group Management, then this compensation must be consolidated at the level of the Company and is subject to approval by the General Meeting.

## **12. Pension Benefits, Loans, Credits**

<sup>1</sup> **Pension Benefits**      Pension benefits to members of the Board of Directors and the Group Management are granted only in accordance with the domestic and foreign pension funds and comparable pension plans of the Company or the Group (including management benefit schemes, early retirement plans for Group Management members [Welfare Foundation] and international retirement benefit plans). The benefits to the insured and the employee contributions are specified in the plans or regulations.

<sup>2</sup> **Loans, Credits**      The Company does not extend any loans, credits, guarantees, or other securities to any member of the Board of Directors or the Group Management.

### **13. Duration of Agreements**

**Mandates of the Members of the Board of Directors, Employment Agreements** The duration of the mandate of the Board of Directors' members is determined by their office term and the law. Employment agreements with members of the Group Management may be concluded for a fixed contractual term of up to one year. The termination period for unlimited employment agreements concluded with members of the Group Management may be a maximum of twelve months. Employment agreements with members of the Group Management may contain a post-contractual non-competition clause for which the employee can be compensated. The compensation for non-competition clauses is limited to the average of the compensation of the last three financial years.

### **14. Auditors**

<sup>1</sup> **Appointment** The General Meeting annually elects one or several natural persons or legal entities, who must have special professional qualifications in accordance with Article 727b SCO as Auditors. Their term ends with the conclusion of the next General Meeting. Re-election is possible.

<sup>2</sup> **Rights and Duties** The rights and duties of the Auditors are determined by law.

### **15. Fiscal Year, Accounting, Distribution of Profits**

<sup>1</sup> **Fiscal Year** The fiscal year begins on 1 January and closes on 31 December.

<sup>2</sup> **Financial Statements and Consolidated Statements** The annual financial statements and the group financial statements must be prepared in compliance with applicable law and applicable accounting principles.

<sup>3</sup> **Distribution of Profits** The following rules apply to the distribution of profits: After all write-offs have been made and provisions have been established which are commercially indicated and required by law, the earnings are allocated to the statutory earnings reserve pursuant to Article 672 SCO. The earnings remaining after such allocation are, within the limits provided by law, subject to free disposition by the General Meeting at the request of the Board of Directors. All shares are on the basis of their nominal amounts entitled to the same dividend.

## **16. Dissolution and Liquidation**

<sup>1</sup> **Resolution** The General Meeting may pass a resolution for the dissolution and liquidation of the Company at any time in accordance with the legal and statutory regulations.

<sup>2</sup> **Execution** The liquidation is to be carried out by the Board of Directors, unless transferred by the General Meeting to other persons.

<sup>3</sup> **Liquidation proceeds** The proceeds of the liquidation are to be distributed equally to each share in accordance with its nominal value.

## **17. Publication and Reports**

**Publication, Reports** The Swiss Commercial Gazette is the official publication for the Company.

Reports to shareholders may also be made by letter to the addresses entered in the share register or by electronic means.

[27.05.98]

[revised: Cham, 8 May 2002]

[revised: Baar, 19 August 2003]

[revised: Cham, 21 April 2004]

[revised: Unterägeri, 25 February 2005]

[revised: Cham, 12 April 2005]

[revised: Cham, 20 April 2010]

[revised: Cham, 12 April 2011]

[revised: Cham, 15 April 2014]

[revised: Baar, 11 June 2018]

[revised: Baar, 25 January 2022]

[revised: Baar, 15 February 2022]

[revised: Baar, 14 February 2023]

Revised: Baar, 28 March 2023

**The Chairman:**

**The Recording Secretary:**

---

Dr. Paul Johann Hälg

---

Stefan Mösli