

# INVITATION TO THE ANNUAL GENERAL MEETING OF SIKA AG

Tuesday, March 26, 2024

4.00 p.m., at Waldmannhalle, Baar

Doors open: 3.00 p.m.

DEAR SHAREHOLDERS,

The Board of Directors is pleased to invite you to the Annual General Meeting of Sika AG, to be held on Tuesday, March 26, 2024 at 4.00 p.m. at Waldmannhalle, Baar.

## AGENDA AND PROPOSALS BY THE BOARD OF DIRECTORS

### 1. APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2023

**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 2023 be approved.

**Notes.** The report of the Board of Directors and Group Management is included in the annual report, which is 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 1,207.7 million, an operating result of CHF 563.5 million, a net profit before taxes of CHF 552.7 million and a net profit of CHF 547.6 million. The balance sheet total increased by CHF 3,513.7 million to CHF 10,736.9 million. Shareholders' equity amounted to CHF 4,505.7 million at the end of the year. The consolidated financial statements show a net profit of CHF 1,062.6 million. An operating profit of CHF 1,549.1 million and an operating free cash flow of CHF 1,372.7 million were generated on net sales of CHF 11,238.6 million. In its reports to the Annual General Meeting, KPMG 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 AND DISTRIBUTION OUT OF RESERVES FROM CAPITAL CONTRIBUTION 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 and distribution out of reserves from capital contribution:

in CHF mn	2022	2023
<b>Composition of the retained earnings</b>		
Net profit for the year	492.1	547.6
Results carried forward from prior year	842.0	841.8
<b>Retained earnings</b>	<b>1,334.1</b>	<b>1,389.4</b>
<b>Dividend payment</b>		
Dividend payment out of the retained earnings	492.3	264.8
<b>Results carried forward</b>	<b>841.8</b>	<b>1,124.6</b>

As the general statutory reserve currently exceeds 20% of shareholders' equity, a further allocation to the reserve was waived.

in CHF mn	2022	2023
<b>Distribution out of reserves from capital contribution</b>		
Legal capital reserves qualified as reserves from capital contribution	1,680.6	2,944.7
Distribution out of reserves from capital contribution	0.0	264.8
<b>Reserves from capital contribution carried forward</b>	<b>1,680.6</b>	<b>2,679.9</b>

**Notes.** Provided that the proposal of the Board of Directors is approved, the gross dividend will amount to CHF 3.30 per share (representing a 3.1% increase on the previous year's distribution). Half of the gross dividend, i.e. CHF 1.65, will be distributed from the reserves from capital contribution and the other half, i.e. CHF 1.65, from the retained earnings. The portion of the gross dividend from the reserves from capital contribution is paid out without deduction of the Swiss withholding tax and is exempt from the income tax for individual investors resident in Switzerland who hold the shares as personal assets. After payment of the Swiss withholding tax of 35% on the portion of the gross dividend from the retained earnings, a net dividend in the amount of CHF 2.72 per share will be paid out. The net dividend will be paid as from April 3, 2024. The appropriation of the retained earnings and the distribution of the dividend are based on the annual financial statements audited by the auditors and to be approved under agenda item 1.

### 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.

**Notes.** Pursuant to art. 698 para. 2 section 7 CO, the discharge of the members of the Board of Directors and Group Management is one of the inalienable powers of the General Meeting of shareholders. The Company is not aware of any facts that would oppose a full discharge.

### 4. ELECTIONS

A detailed curriculum vitae of each member of the Board of Directors is provided in the section "Leadership" on pages 159 to 160 of the annual report. The annual report is available on the Internet at [www.sika.com](http://www.sika.com), under the heading Investors.

#### 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 Viktor W. Balli as a member

**Notes.** Viktor W. Balli has been a member of the Board of Directors since 2019. He is considered independent in accordance with the Swiss Code of Best Practice for Corporate Governance of Economiesuisse. Viktor W. Balli is also a member of the Audit Committee and the Sustainability Committee.

##### 4.1.2 Lucrèce Foufopoulos-De Ridder as a member

**Notes.** Lucrèce Foufopoulos-De Ridder has been a member of the Board of Directors since 2022. She is considered independent in accordance with the Swiss Code of Best Practice for Corporate Governance of Economiesuisse. Lucrèce Foufopoulos-De Ridder is also a member of the Audit Committee and the Sustainability Committee.

##### 4.1.3 Justin M. Howell as a member

**Notes.** Justin M. Howell has been a member of the Board of Directors since 2018. He is considered independent in accordance with the Swiss Code of Best Practice for Corporate Governance of Economiesuisse. Justin M. Howell is also the Chair of the Nomination and Compensation Committee.

##### 4.1.4 Gordana Landén as a member

**Notes.** Gordana Landén has been a member of the Board of Directors since 2022. She is considered independent in accordance with the Swiss Code of Best Practice for Corporate Governance of Economiesuisse. Gordana Landén is also a member of the Nomination and Compensation Committee.

##### 4.1.5 Monika Ribar as a member

**Notes.** Monika Ribar has been a member of the Board of Directors since 2011. She is considered independent in accordance with the Swiss Code of Best Practice for Corporate Governance of Economiesuisse. Monika Ribar is also the Chair of the Audit Committee.

##### 4.1.6 Paul Schuler as a member

**Notes.** Paul Schuler has been a member of the Board of Directors since 2021. Due to his function as CEO of Sika AG in the period from 2017 to 2021, Paul Schuler is not considered independent in accordance with the Swiss Code of Best Practice for Corporate Governance of Economiesuisse. Paul Schuler will be member of the Sustainability Committee and proposed for election as a member of the Nomination and Compensation Committee.

##### 4.1.7 Thierry F.J. Vanlancker as a member

**Notes.** Thierry F.J. Vanlancker has been a member of the Board of Directors since 2019. He is considered independent in accordance with the Swiss Code of Best Practice for Corporate Governance of Economiesuisse.

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

**Proposal by the Board of Directors.** The Board of Directors proposes that Thomas Aebischer be newly elected to the Board of Directors for a term of office of one year.

**Notes.** Thomas Aebischer brings many years of international experience in the chemical and construction industries. With his profound knowledge in the fields of financial management, strategy, business development, and M&A, he will make a valuable contribution to the Board of Directors. Until December 2023, he served as interim CFO of Master Builders Solutions, a leading supplier of construction chemicals. From 2021 to 2022, he held the position of CFO at RWDC Industries, a biotech company developing biopolymer solutions and from 2016 to 2019, he served as CFO of LyondellBasell. Prior to that, he spent almost 20 years at

Holcim, from 2011 to 2015 as Group CFO and Member of the Executive Committee. He holds board mandates in the two listed companies Solvay and dormakaba. Thomas Aebischer is a Swiss national born in 1961. He will become a non-executive member of the Board of Directors and is considered independent in accordance with the Swiss Code of Best Practice for Corporate Governance of Economiesuisse.

#### **4.3. Election of the Chair of the Board of Directors**

**Proposal by the Board of Directors.** The Board of Directors proposes that Thierry F.J. Vanlancker be newly elected as Chair of the Board of Directors for a term of office of one year.

**Notes.** For the curriculum vitae of Thierry F.J. Vanlancker, see the introduction to agenda item 4 and the notes to agenda item 4.1.7. Thierry F.J. Vanlancker has many years of experience in the chemical sector and has been active in industries with similar distribution structures, technologies, and sustainability challenges as Sika AG. He has been on the Board of Directors of Sika AG since 2019 and has acquired in-depth knowledge of the company's operational and strategic processes. Therefore, the Board of Directors considers him the best choice for the position of Chair of the Board of Directors.

#### **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 re-elected to the Nomination and Compensation Committee for a term of office of one year:

4.4.1 Justin M. Howell as a member

4.4.2 Gordana Landén as a member

4.4.3 Paul Schuler as a member

**Notes.** For the curricula vitae of Justin M. Howell, Gordana Landén and Paul Schuler, see the introduction to agenda item 4 and notes to agenda items 4.1.3, 4.1.4 and 4.1.6. Justin M. Howell has been a member of the Nomination and Compensation Committee since 2018 and Gordana Landén since 2022. Paul Schuler is newly proposed for election to the Nomination and Compensation Committee. If re-elected as a member of the Nomination and Compensation Committee, Justin M. Howell shall be reappointed as the Chair of this Committee.

#### **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 2024 financial year.

**Notes.** KPMG AG has its registered office in Zug. It has confirmed to the attention of the Board of Directors that it possesses the required independence to exercise the mandate.

#### **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.

**Notes.** Jost Windlin is an attorney-at-law and notary in Zug. He has confirmed to the attention of the Board of Directors that he possesses the required independence to exercise the mandate.

### **5. SUSTAINABILITY REPORT**

**Proposal by the Board of Directors.** The Board of Directors proposes that the 2023 Sustainability Report be approved.

**Notes.** Sika AG is obliged to submit the Sustainability Report to shareholders for approval for the first time this year following the introduction of art. 964a of the Swiss Code of Obligations. The report covers environmental matters, in particular the CO<sub>2</sub> targets, social issues, employee-related issues, respect for human rights and combating corruption, and in particular provides a comprehensive overview of the results achieved by the company in 2023 with regard to its sustainability goals. At the same time, it shows the sustainability impact for further identified material topics, such as operations in Sika AG and its subsidiaries, products and solutions, employees, suppliers, customers, and communities, as well as the planet. The Sustainability Report can be found in the annual report on pages 38 - 151. The annual report is available on the Internet at [www.sika.com](http://www.sika.com), under the heading Investors.

### **6. COMPENSATION**

#### **6.1. Consultative vote on the 2023 Compensation Report**

**Proposal by the Board of Directors.** The Board of Directors proposes that the 2023 Compensation Report be approved.

**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 2023 financial year. The Board of Directors is submitting the Compensation Report to the shareholders for a consultative vote. The Compensation Report can be found on pages 174 – 196 of the annual report. The annual report is available on the Internet at [www.sika.com](http://www.sika.com), under the heading Investors.

## 6.2. 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 equal to the total amount proposed for the previous year of office at the 2023 Annual General Meeting. 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 Chair of the Board of Directors).

<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, 2024 Annual General Meeting; art. 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, 2025 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 2024 and 2025 Compensation Reports, which will be submitted to shareholders for a consultative vote.

The 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 Swiss Code of Obligations. Further details on the principles of compensation for the Board of Directors can be found in the 2023 Compensation Report which is available on the Internet at [www.sika.com](http://www.sika.com), under the heading Investors.

## 6.3. 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 23.0 million in compensation for Group Management consisting of eight members be approved for the financial year 2025.

**Notes.** The total amount comprises fixed compensation including employer contributions to social security and pension funds (BVG), the maximum amount of the performance bonus as well as the Performance Share Unit allocation under the long-term incentive plan, based on the fair value on the allocation date. The proposed total amount was increased by CHF 1.5 million in comparison with the total amount proposed for the financial year 2024 at the 2023 Annual General Meeting. This takes into account the fact that several of the current members of Group Management have taken on new roles in October 2023 in light of the new Growth Strategy 2028 and/or have been promoted to Group Management in recent years. In accordance with Sika's compensation policy, their target compensation was set below the market median at the time of promotion and will be gradually increased to market level over a period of two to five years based on solid performance. The proposed amount assumes a maximum payout of 150% for the performance bonus and accounts for the fair value at grant of the Performance Share Unit. The fair value approach is in line with the methodology applied in the Compensation Report and allows the shareholders to directly compare the compensation awarded in a given fiscal year with the compensation amount approved by the shareholders at the Annual General Meeting. The total amount is expected to break down as follows:

in TCHF

Fixed compensation <sup>1</sup>	9,000
Performance bonus <sup>2</sup>	8,100
Performance Share Units (PSU) <sup>3</sup>	5,900
<b>Total</b>	<b>23,000</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 allocation of Performance Share Units is calculated based on the fair value at grant of the Performance Share Units. The figure given here does not factor in the maximum payout multiplier of 150% nor the share price changes during the vesting period (period between grant date and vesting date).

The compensation actually paid will be disclosed in the 2025 Compensation Report, which will be submitted to shareholders for a consultative vote.

The 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 Swiss Code of Obligations. Further details on the principles of compensation for Group Management can be found in the 2023 Compensation Report, which is available on the Internet at [www.sika.com](http://www.sika.com), under the heading Investors.

## FURTHER INFORMATION

**Annual report.** The 2023 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).

**Attendance at the Annual General Meeting.** Only shareholders entered in the share register as at March 21, 2024 are entitled to vote at the Annual General Meeting. Shareholders have the option of voting in person, through a proxy, or remotely by issuing authorizations and instructions to the independent proxy.

Shareholders entered in the share register up to and including March 18, 2024 as shareholders with voting rights will receive, together with the invitation to the Annual General Meeting, a reply card that they can use to order the admission card or to issue a proxy. Further, they will receive information on e-Voting together with the individual code to access the voting website [www.gvmanager-live.ch/sika](http://www.gvmanager-live.ch/sika). Shareholders are requested to send the reply card to the share register of Sika AG (Sika AG, c/o Devigus Shareholder Services, Birkenstrasse 47, 6343 Rotkreuz) by March 21, 2024 at the latest. Shareholders whose registration in the share register with voting rights is made on or after March 19, 2024 and who wish to attend the Annual General Meeting are asked to contact the share register of Sika AG.

No further registrations of voting rights will be carried out in the period from March 22, 2024 to March 26, 2024. Shareholders who are registered with voting rights as at March 22, 2024, but who sell their shares prior to the Annual General Meeting, will lose their shareholder rights in respect of the shares sold. Shareholders whose shareholding changes between March 22, 2024 and March 26, 2024 and who have already received an admission card will not receive a new admission card but a voting device with their current shareholding at the admission counter of the Annual General Meeting. Proxies will be changed automatically.

**Representation by proxy at the Annual General Meeting.** Shareholders not attending the Annual General Meeting in person may be represented by a third party. In order to grant a proxy to a representative, the shareholder must fully specify the relevant person on the reply card. Shareholders are requested to send the reply card to the share register of Sika AG (Sika AG, c/o Devigus Shareholder Services, Birkenstrasse 47, 6343 Rotkreuz) by March 21, 2024 at the latest. The admission card will then be sent to the proxy. The Board of Directors shall decide on the recognition of the proxy.

**Remote electronic voting by issuing authorizations and instructions to the independent proxy.**

Shareholders may cast their votes remotely by issuing electronic authorizations and instructions to the independent proxy at [www.gvmanager-live.ch/sika](http://www.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, March 24, 2024.

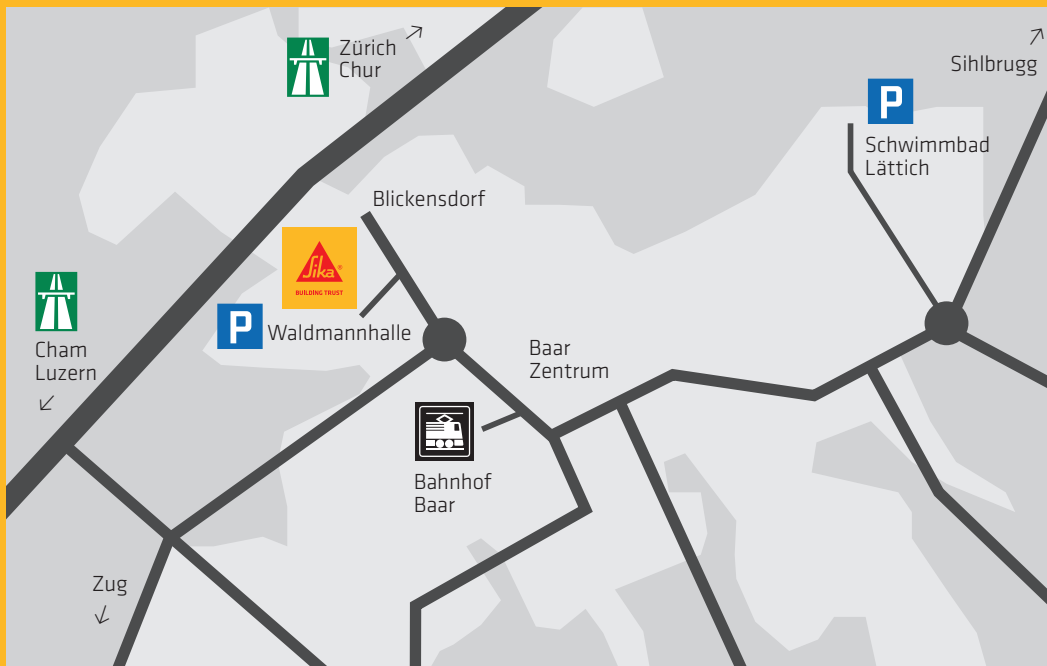
**Live stream and questions of shareholders:** The Annual General Meeting will be broadcast live on the Sika website ([www.sika.com/live](http://www.sika.com/live)). In addition, shareholders will be given the opportunity to ask questions live during the Annual General Meeting via an online platform. Shareholders wishing to ask questions via the online platform 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 March 24, 2024: [www.gvmanager-live.ch/sika](http://www.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 [www.gvmanager-live.ch/sika](http://www.gvmanager-live.ch/sika) and that the online participation opportunity does not constitute a Virtual Annual General Meeting within the meaning of art. 701d CO. Shareholder rights can exclusively be exercised by attending the Annual General Meeting in person or through granting a proxy to a third party or the independent proxy.** 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 speech time.

Baar, February 23, 2024

Sincerely  
Sika AG  
On behalf of the Board of Directors



Dr. Paul J. Hälg, Chairman



#### VENUE

Waldmannhalle, Neugasse 55, 6340 Baar

#### CATERING

At the end of the event, you are invited to a standing reception.

#### HOW TO GET THERE

By public transportation:

Take the S-Bahn from Zurich, Zug or Lucerne to Baar. Doors open at 3.00 p.m. Between 2.30 p.m. and 3.45 p.m. a bus service will be provided from Baar station. A return service will be available until the end of the event.

By car:

Exit A4a, direction Baar

We would like to point out that there is only a limited number of parking spaces available at the Waldmannhalle. More parking is available at the Lättich swimming pool (Schwimmbad Lättich). Please follow the corresponding "Park&Ride" signage.

Between 2.30 p.m. and 3.45 p.m. we also offer a shuttle bus service from Schwimmbad Lättich. Return trips are provided until the end of the event.

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