

# Corporate Governance

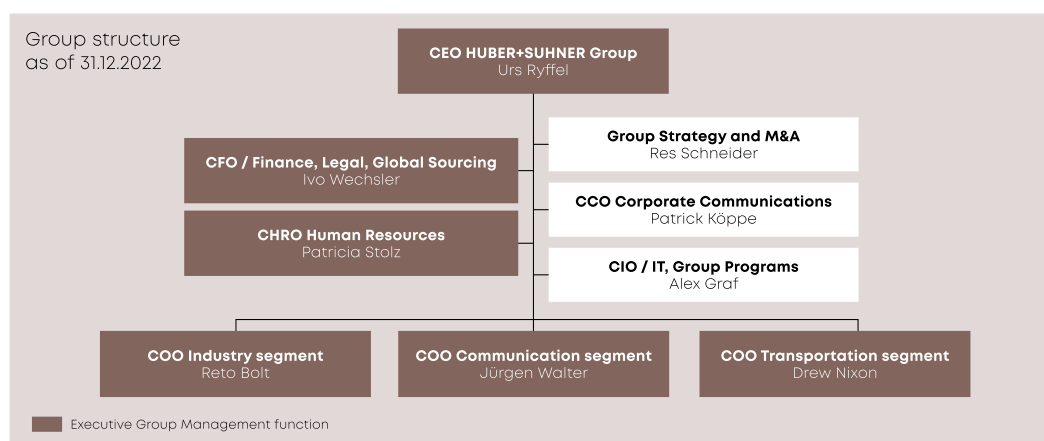
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# Corporate Governance

The term “Corporate Governance” refers to all of the principles and rules aimed at safeguarding sustainable company interests. These principles are intended to guarantee transparency and a healthy balance of management and control while maintaining decision-making capability and efficiency at the highest level of a company.

The following Corporate Governance report is structured in accordance with the Directive on Information relating to Corporate Governance (DCG) issued by SIX Swiss Exchange. All information presented reflects the situation on 31 December 2022, unless otherwise stated.

## 1 Group structure and shareholders



### 1.1 Group structure

The operational management of the HUBER+SUHNER Group consists of the Chief Executive Officer (CEO) and five other Executive Group Management members. It is structured according to the three market segments Industry, Communication and Transportation, and in addition two functional units Finance, Legal, Global Sourcing and Human Resources. At Group level, three further service units – Group Strategy and M&A, Corporate Communications and Information Technology including Group Programs – assist the CEO.

#### Listed Group company

HUBER+SUHNER AG, domiciled in Herisau AR, Switzerland, is the parent company of the HUBER+SUHNER Group. It is incorporated under Swiss law and its shares are listed on the SIX Swiss Exchange in Zurich (Swiss Reporting Standard, VALOR number: 3038073; ISIN: CH0030380734). The market capitalisation as per 31 December 2022 amounted to CHF 1600 million. Further key share data is provided in the chapter [Share Data](#).

#### Non-listed Group companies

The directly and indirectly held companies consolidated in the Group accounts of HUBER+SUHNER AG are shown in the chapter [Group Companies](#).

### 1.2 Significant shareholders

Based on the information available to the company, the following shareholders held 3 % or more of HUBER+SUHNER shares at the end of the fiscal year:

Shareholder	Country	% of shares
EGS Beteiligungen AG	CH	9.24%
S. Hoffmann-Suhner	CH	6.18%
Huwa Finanz- und Beteiligungs AG	CH	3.25%
BlackRock, Inc. (Mother Company) <sup>1)</sup>	US	3.08%

<sup>1)</sup> according to the published disclosure notification as of 21 April 2022

The company holds 1655 799 treasury shares (726 640 treasury stock, 928 084 treasury shares as part of the running share buyback programme 2021, 1075 other treasury shares for remuneration purposes).

HUBER+SUHNER AG has published eight disclosures in connection with shareholder participation in the year under review. Significant shareholder disclosures can be viewed at: [Significant shareholders](#).

The HUBER+SUHNER Board of Directors is not aware of any shareholders' agreements or other arrangements with significant shareholders concerning the registered shares they hold in HUBER+SUHNER or the exercise of their shareholder rights.

### 1.3 Cross-shareholdings

The HUBER+SUHNER Group has no cross-shareholdings of capital or other voting rights with any other company.

## 2 Capital structure

### 2.1/2.2 Capital/Authorised and conditional capital in particular

The HUBER+SUHNER AG share capital, as on the balance sheet date, is fully paid in and stands at CHF 5 050 000. HUBER+SUHNER AG has no authorised or conditional capital.

On 29 October 2021 HUBER+SUHNER AG launched a share buyback programme over a maximum period of three years, for up to 5 % of the registered shares. The shares are being repurchased via a second trading line on the SIX Swiss Exchange for the purpose of capital reduction.

More information regarding the share capital is presented in the Notes to the Financial Statements of the Group, under note [Share Capital](#).

### 2.3 Changes in capital

There were no changes in capital in the last three reporting years.

### 2.4/2.5 Shares and participation certificates/Dividend-right certificates

The share capital is divided into 20 200 000 registered shares, each with a nominal value of CHF 0.25. Each registered share represents one vote. HUBER+SUHNER has issued neither participation nor dividend right certificates.

### 2.6 Limitations on transferability and nominee registrations

In line with the Articles of Association, only persons who are registered in the share register shall be deemed to be shareholders or beneficiaries with voting rights. The Board of Directors may refuse to recognise an acquirer as a registered shareholder with voting rights in the company if:

- a) the acquirer, as a recognised shareholder, were to directly or indirectly acquire more than 5 % of the total number of registered shares;

- b) insofar as, and as long as, the recognition of the acquirer as a shareholder could, on the basis of information available to it, hinder the company from providing shareholder composition information as required by federal law;
- c) the acquirer, following a request by the company, fails to expressly declare that he has acquired and will hold the shares in his own name and for his own account.

Natural persons, legal entities and business partnerships which are associated with each other through capital, voting rights, management, or in some other manner, as well as all natural persons, legal entities and groupings coordinated for the purposes of circumventing the registration limitations in any way are to be considered as one single acquirer. These limitations shall also apply in cases where shares are acquired following the exercise of pre-emptive rights, options or conversion rights. The rescindment of or alterations to the rules regarding registration limitations to registered shares requires a resolution of the Annual General Meeting passed by at least two-thirds of the voting shares present and an absolute majority of the nominal value of the shares represented.

In line with the regulations for registering HUBER+SUHNER AG shareholders in the share register, the Board of Directors may, in exceptional cases, waive the 5 % limit, in particular to facilitate the tradability of registered shares and in connection with corporate mergers and the increase of shareholder stability through new anchor shareholders. In the year under review, the Board of Directors did not grant any exceptions.

Further, in accordance with the regulations for registering HUBER+SUHNER AG shareholders in the share register the registration of nominee as shareholder with voting rights is not admitted.

## **2.7 Convertible bonds and options**

HUBER+SUHNER AG does not have any outstanding convertible bonds or any shareholder or employee options on its books.

## **3 Board of Directors**

### **3.1/3.2 Members of the Board of Directors/Other activities and vested interests**

The Board of Directors of HUBER+SUHNER AG must consist of at least five members. All members of the Board of Directors are non-executive. They do not participate in the executive management of the Group. They also do not have any significant business relationships with HUBER+SUHNER AG or other Group companies. No member of the Board of Directors has served as a member of HUBER+SUHNER Executive Group Management or one of its Group companies in the three financial years preceding the period under review.

At the Annual General Meeting on 6 April 2022 six acting members of the Board of Directors were re-elected.

On 31 December 2022 the Board of Directors comprised the following six members:



#### **Urs Kaufmann**

Chairman of the Board of Directors since April 2017  
and Board of Directors since 2014

1962, Swiss citizen

### Education and professional background

Dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich. Senior Executive Program IMD, Lausanne. Project Manager, Production Manager and Head of Sales of Zellweger Uster AG, Uster and USA, 1987 to 1993. Joined HUBER+SUHNER in 1994: Managing Director of Henry Berchtold AG, a former subsidiary of HUBER+SUHNER AG, 1994 to 1997. Division Head and member of the Management Board of HUBER+SUHNER AG, 1997 to 2000. Member of Executive Group Management since 2001; Chief Executive Officer from 2002 to 31 March 2017.

### Other activities and vested interests

Chairman of the Board of Directors of Schaffner Holding AG, Luterbach (until 10 January 2023). Member of the Board of Directors of SFS Group AG, Heerbrugg; Vetropack Holding AG, Bülach as well as Müller Martini Holding AG, Hergiswil. Executive committee member of Swissmem and the Swiss Employers' Association.



#### **Dr. Beat Kälin**

Deputy Chairman of the Board of Directors  
(Chairman 2015 - until April 2017) and Board of  
Directors since 2009

1957, Swiss citizen

### Education and professional background

Dr. sc. techn., dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich. MBA INSEAD, Fontainebleau. Various management positions with Elektrowatt Group, Stäfa and Zug, 1987 to 1997. SIG Schweizerische Industrie-Gesellschaft Holding AG, Neuhausen am Rheinfall, 1998 to 2004 and member of Executive Group Management as of 1999. Member of the divisional management board for packaging technology at Robert Bosch GmbH, Neuhausen am Rheinfall, 2004 to 2006. COO of the Komax Group, Dierikon, 2006 to 2007; CEO, 2007 to 2015 and Chairman of the Board of Directors, since 2015.

### Other activities and vested interests

Chairman of the Board of Directors of Sevensense Robotics AG, Zurich and member of the Board of Directors of CabTec Holding AG, Rotkreuz.



#### **Prof. Dr. Monika Bütler**

Board of Directors since 2014

1961, Swiss citizen

### Education and professional background

Dipl. math. University of Zurich. Dr. oec. University of St. Gallen. Assistant Professor at the University of Tilburg, Netherlands, 1997 to 2001. Professor at the University of Lausanne, 1999 to 2004. Full Professor of Economics and Public Policy and Director of the Swiss Institute for Empirical Economic Research (SEW) at the University of St. Gallen from 2004 until January 2021. Honorary Professor at the University of St. Gallen from February 2021.

### Other activities and vested interests

Member of the Board of Directors of Schindler Holding Ltd., Hergiswil and of Swiss Life Holding, Zurich as well as AC Immune SA, Lausanne. Vice President of the Foundation Board, Gebert R f Stiftung, Zurich.



### Rolf Seiffert

Board of Directors since 2010

1958, Swiss citizen

### Education and professional background

Dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich. Product development and product management posts with ABB Transportation/Adtranz, Zurich, 1988 to 1998. Various line functions in product development and sales at Siemens Switzerland, Rail Automation, Wallisellen, 1999 to 2010. Vice President Sales at duagon AG, Dietikon, 2011 to 2013. Head of Sales at Ruf Telematik AG, Schlieren, 2013 to 2015. Managing Director at Kummeler+Matter AG, Zurich, 2015 to 2017 and Head of Railway Signaling until 2018. Managing Director of BBR rail automation Swiss AG, Lucerne, 2019 to 2021. CEO of AlpRail GmbH, Gais, since 2014.

### Other activities and vested interests

None



### Dr. Franz Studer

Board of Directors since 2019

1965, Swiss citizen

## Education and professional background

Dr. iur. University of Zurich. Admitted to the Zurich bar. MBA from the University of St. Gallen and International Directors Programme at INSEAD, Fontainebleau. Many years of industry experience in various legal and commercial management positions. Bühler AG, Uzwil, 1999 to 2009. CEO/COO aizo group AG, Zurich/Wetzlar, 2010 to 2011. Investment Director and member of the Executive Committee at EGS Beteiligungen AG\*, Zürich, since 2012.

## Other activities and vested interests

Chairman of the Board of Directors of Kantonsspital Winterthur, Winterthur; FAES AG, Wollerau as well as Roth Gerüste AG, Gerlafingen. Member of the Board of Directors of Sensirion AG, Stäfa.

\*Significant shareholder at HUBER+SUHNER AG



## Jörg Walther

Board of Directors since 2016

1961, Swiss citizen

## Education and professional background

Lic. iur. University of Zurich. Admitted to the Aargau bar. MBA from the University of Chicago. Post-graduate degree from University of St. Gallen in European Economic Law. Advanced Management Program at University of Oxford. Management education in Business Strategy and Finance at Harvard Business School. Acquired many years of industry experience as a legal counsel and M&A expert to various multinational corporations: Danzas Management, Basel, 1991 to 1995. ABB Asea Brown Boveri AG, Baden and Oerlikon, 1995 to 2001. Novartis International AG, Basel, 2001 to 2009. Partner at Schärer Attorneys at Law in Aarau since 2010.

## Other activities and vested interests

Vice-Chairman of the Board of Directors of Zehnder Group AG, Gränichen and AEW Energie AG, Aarau. Member of the Board of Directors of SFS Group AG, Heerbrugg; Kraftwerk Augst AG, Augst; Immobilien AEW AG, Aarau as well as swissVR, Rotkreuz.

## Honorary chairmen

Marc C. Cappis, 1935

David W. Syz, 1944

### **3.3 Rules in the Articles of Association on the number of permitted activities pursuant to Art. 12 para. 1 point 1 OaEC (Ordinance against Excessive Compensation at Listed Joint-Stock Companies)**

As per Article 30 of the Articles of Association, a Member of the Board of Directors may hold up to 5 posts as a Member of the management board or administrative body of other listed legal entities. In addition, a Member of the Board of Directors may hold up to 20 posts as a member of the management board or administrative body offices of non-listed legal entities and up to 10 posts as a member of the management board of foundations and associations.

### **3.4 Elections and terms of office**

According to the legal provisions, all Members of the Board of Directors, the Chairman and the Members of the Nomination and Compensation Committee are elected annually and individually. The Articles of Association do not allow for any deviation from these election rules. The term of office of a Member of the Board runs until the end of the next Annual General Meeting. Re-election is possible. Please refer to 3.1/3.2 for the first election per member. Members of the Board cannot run for re-election at the Annual General Meeting in the year in which they turn 70 years of age. The Annual General Meeting also appoints the independent proxy representative each year. The term runs until the end of the next Annual General Meeting. Re-election is possible.

### **3.5 Internal organisational structure**

The Board of Directors exercises overall management, supervision and control over the running of the Group. Except for the election of the Chairman and the Members of the Nomination and Compensation Committee by the Annual General Meeting, the Board of Directors constitutes itself. The Board of Directors may appoint the Deputy Chairman from among its members. It may also appoint a Secretary from outside the ranks of the Board.

#### **Working practices of the Board of Directors**

The Board of Directors meets as often as business requires, but at least five times a year. The Chairman, or if he is unable to attend, the Deputy Chairman or another Member of the Board, chairs Board meetings. The Chairman convenes Board meetings and sets their agendas. He also ensures that Members receive the agenda at least 10 days in advance of the meeting, and decision material generally one week beforehand. In addition to the CEO, the CFO also attends Board meetings as a representative of Executive Group Management. Depending on the business at hand, other members of Executive Group Management may take part.

Decisions are taken by the Board as a whole. The Board shall constitute a quorum when the majority of its members are present. All decisions require a voting majority. In a tie, the Chairman shall have the casting vote. Voting by proxy is not allowed. All resolutions and agreements are minuted and approved by the Board.

Five regular Board meetings with an average duration of 5 hours, four additional telephone conferences with an average duration of half an hour, as well as one "strategy work-shop" lasting one and a half days, which was also attended by the entire Executive Group Management, were held during the year under review. The meetings took place at regular intervals during the financial year with a 100 % participation rate.

The Chairman of the Board regularly meets with the CEO to discuss current business performance and activities and makes decisions regarding the disclosure of price sensitive facts or the acceptance of posts outside the company by Members of Executive Group Management. In addition, he is responsible for monitoring the implementation and compliance with resolutions taken by the Annual General Meeting and the Board of Directors and keeps the other members of the Board updated in a regular and timely manner. In addition to his core responsibilities, the Chairman performs additional duties for the HUBER+SUHNER Group, including liaising with key stakeholders and with the representative in the Foundation Committee or other organisations.

#### **Committees – composition and working practices**

The areas of responsibility and authority of the Nomination and Compensation Committee and the Audit Committee are defined in the appendix to the HUBER+SUHNER Bylaws. These committees support the Board in its supervisory and



control capacities and function mainly as advisory, assessment and preparatory bodies. The members of the committees are as follows:

	<b>Nomination and Compensation Committee</b>	<b>Audit Committee</b>
Jörg Walther		Committee Chair** (Member*)
Franz Studer		Member**
Monika Bütler	Committee Chair**	(Committee Chair*)
Beat Kölin	Member** (Committee Chair*)	
Urs Kaufmann	(Member*)	

\* until 6 April 2022

\*\* as of 7 April 2022

The committees meet as often as business requires, but at least twice a year. Minutes are taken at each meeting and sent to all meeting participants and to all Members of the Board of Directors. At the subsequent Board meeting, the Committee Chair briefs the Board and puts any motions to it.

### The Nomination and Compensation Committee (NCC)

The committee consists of at least two non-executive Members of the Board elected annually by the Annual General Meeting, one of which will be designated as Chair by the Board of Directors. If the office of one of the members elected by the Annual General Meeting becomes vacant, the Board appoints one of its members to replace the departing member for the remainder of the term.

The committee prepares all the relevant decisions relating to nominating and compensating members of the Board of Directors and Executive Group Management and the Group's compensation policy. The Chairman of the Board attends the meetings. The CEO attends the meetings, except if his own performance is under review or his own compensation is under discussion. Where necessary, the CHRO (Chief Human Resources Officer) is also present. The committee held two meetings with an average duration of 2 hours and a 100 % participation rate during the year under review.

The main duties of the Nomination and Compensation Committee are:

- to manage the selection process and to put forward proposals concerning new Board members and the CEO
- to examine the selection process of the other members of the Executive Group Management as well as to examine the main conditions of their employment contracts
- to prepare the compensation report
- to prepare the proposals for the compensation voting to the Shareholders Meeting according to Art. 23 of the Articles of Association for the attention of the Board of Directors
- to examine and propose the individual compensations of the CEO and of the other members of the Executive Group Management in the frame of the maximum aggregate compensations approved by the Shareholders Meeting
- to approve the annual salary adjustment within the Group proposed by the CEO
- to inform the Board of Directors regarding all NCC-relevant events which are not directly within the responsibility of the Board of Directors
- to perform further tasks assigned to the Committee by the Board of Directors.

### Audit Committee (AC)

The committee consists of at least two members. The Board of Directors appoints the members and designates the Chair annually. It supports the Board with financial management, supervision of accounting, financial reporting, internal auditing and cooperation with the external auditor. It decides on urgent technical matters. Areas of authority and responsibility assigned to the Board of Directors by law and by the Bylaws remain wholly within the Board.

The Chairman of the Board, the CEO, the CFO, the Head of Corporate Controlling and the external auditor usually attend committee meetings. Where necessary, the committee addresses certain agenda items with the external auditor alone. The committee held two meetings with an average duration of 3 hours and a 100 % participation rate during the year under review.

The Audit Committee has the following main tasks:

- reviewing accounting functions (applicable accounting procedures, valuation policies, internal and external financial reporting, liquidity and financing management, assessment of evaluation and financing principles) in terms of suitability, reliability and effectiveness and, if necessary, submission of amendments for the attention of the Board of Directors
- checking of the annual and the half-year reports and of the other financial information to be published
- monitoring the evaluation of corporate risks and reviewing the risk management practices
- verifying the controlling system
- supervising business activities with regard to compliance with resolutions of the Board of Directors, internal regulations and guidelines, principles of corporate policy and instructions as well as with regard to the relevant statutory provisions, especially in terms of stock market legislation (compliance)
- reviewing performance, independence and remuneration of the statutory external auditor as well as giving recommendations for elections to the Board of Directors and/or the Shareholders Meeting
- handling of audit reports; consultation regarding all significant findings and recommendations of the external statutory auditor together with the Chief Executive Officer and the Chief Financial Officer as well as with the external auditors
- monitoring of the implementation of recommendations of the external auditors
- determining the internal audit plan
- handling of audit reports; consultation regarding all significant findings and recommendations of the internal audit together with the Chief Executive Officer and the Chief Financial Officer as well as with the internal audit
- informing the Board of Directors regarding all AC-related events which are not directly within the responsibility of the Board of Directors
- executing further tasks assigned to the Committee by the Board of Directors.

### 3.6 Definition of areas of responsibility

The areas of authority and responsibility of the various bodies are set out in the Bylaws (available under [Corporate Governance](#)).

The Board of Directors issues guidelines for business policy and makes decisions about all matters that are not reserved for, or assigned to, the Annual General Meeting or another company body by law, by the Articles of Association or the Bylaws. In particular, the Board of Directors approves the business strategy and organisation proposed by Executive Group Management, as well as budgets, medium-term plans, acquisitions and other businesses which, by its nature or financial impact, is considered strategically significant. Written requests are prepared for all projects that require a decision by the Board. The Board of Directors delegates the Group's operational management to the Chief Executive Officer (CEO), unless statutory regulations or the Bylaws state otherwise. The Bylaws are periodically reviewed and adapted by the Board, most recently on 22 June 2022.

### 3.7 Information and control instruments vis-à-vis the Executive Group Management

The Board's main information and control instrument is a management information system based on financial accounting according to Swiss GAAP FER. Group financial statements (income statement, balance sheet, cash flow statement) with budget and previous year comparison, consolidated income statements and key management figures for the three market segments are submitted monthly to all Board members.

Regular reporting to the Board by Executive Group Management consists of a monthly written commentary from the CEO on business activities and the Group's result. It is sent to all Board members along with the monthly financial statements, as well as the minutes of monthly Executive Group Management meetings, which are also submitted to the Chairman of the Board of Directors.

The attendance of Executive Group Management members (especially the CEO and CFO) at the Board of Directors' meetings and its committees is reported in Section 3.5 (Internal organisational structure). During Board meetings, the CEO provides information about the current state of business and major business transactions; the CFO explains the annual and half-year financial statements. Each Member of the Board may also ask for information about all matters pertaining to the HUBER+SUHNER Group.

The Board of Directors is also closely involved in the company's planning cycle. In the third quarter of each year, it receives, for its approval, the results of the strategic mid-term plan, which covers a period of 5 years. In the fourth quarter, the Board approves a detailed budget for the coming year. It also receives a forecast of the annual results twice a year.

Internal auditing at HUBER+SUHNER is within the responsibility of Corporate Controlling. The Head is subordinate to the CFO, but reports directly to the Audit Committee regarding these activities. This solution, tailored to the specific situation and size of HUBER+SUHNER, is cost effective and ensures that internal audit findings are available in their entirety to the Controlling team. Based on financial risk considerations, an annual plan of the companies to be audited is drawn up and submitted to the Audit Committee for approval. The main priorities of the audit are compliance with internal policies, processes, reviews and the implementation of the internal control system. The internal auditors discuss the results of each audit in detail with the companies concerned, and concrete measures are agreed upon. Internal audit reports are submitted, together with suggested improvements, to the Audit Committee, the Chairman of the Board, the CEO, the CFO, the respective COO, the management of the audited company as well as the external Group auditor. Audit reports with significant findings are presented to and discussed in the Audit Committee. The Audit Committee ensures, on an annual basis, that issues and recommendations are dealt with.

The external auditor annually assesses the internal control system (ICS) in a comprehensive report to the Audit Committee and the Board of Directors and confirms its existence.

Risk management of the HUBER+SUHNER Group and all Group companies is laid down in the Board of Directors' risk policy and in the Executive Group Management's guidelines on the risk management process. In the reporting year, the Executive Group Management reviewed the progress and effectiveness of the measures taken and has selected and reassessed the most significant financial, operational and strategic risks at Group level. This was based on its own top-down estimates and on bottom-up data from market segments and corporate functions. The risks were categorised according to their probability of occurrence and potential financial impact. In addition, mitigating measures as well as operational responsibilities were defined for each listed risk. The evaluated risks as well as the ongoing and planned compliance measures were presented in the 2022 Risk Report to the Board of Directors for review and approval. After its review, the Board approved the report on 7 December 2022.

## **4 Executive Group Management**

### **4.1/4.2 Members of Executive Group Management/Other activities and vested interests**

Executive Group Management is the highest management level and it assists the CEO with his operational management tasks. It deals with all business and decisions that are important for the company. On 31 December 2022, Executive Group Management consisted of the following six members:



## Urs Ryffel

Chief Executive Officer (CEO)

1967, Swiss citizen

### Education and professional background

Dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich. 1992 to 1999 Head of the Business Development unit at ABB Power Generation Switzerland, Baden and Head of the Hydro Power Plant Service global business unit at ABB Power Generation segment, Zurich. 1999 to 2002 General Manager for the Hydro Power segment at ABB/ALSTOM, Lisbon and for Hydro Power Plants and Systems in Paris. Joined HUBER+SUHNER in 2002 as Head of Rollers business unit. 2004 to 2007 Head of the Cable System Technology business unit. 2007 to 2016, Head of Fiber Optics Division; since 2008 member of Executive Group Management and since 1 April 2017 Chief Executive Officer.

### Other activities and vested interests

Member of the Board of Directors of Bergbahnen Scuol AG, Scuol.



## Reto Bolt

Chief Operating Officer (COO) Industry segment

1966, Swiss citizen

### Education and professional background

Dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich. Joined HUBER+SUHNER in 1993 as Operations Engineer for coaxial connectors, then held several management positions in the Operations department of the Radio Frequency Division. 2004 to 2007 Head of Global Management Systems, from 2007 to 2012 Head of the Cable Systems business unit within the Low Frequency Division. 2012 to 2020 Head of Radio Frequency Division and since 2021 COO Industry segment. Member of the Executive Group Management since 2012.

### Other activities and vested interests

Member of the Board of Directors of Mosmatic AG and Midas AG, Neckertal (from 1 January 2023).



## Drew Nixon

Chief Operating Officer (COO) Transportation segment

1965, American citizen

### Education and professional background

Bachelor in Business Administration, Babson College, Wellesley Massachusetts, USA. 1988 to 2000 working in various management functions for the American companies Charleswater Products INC, Boston Metal Products Corp, Cerplex Mass INC and Decibel Instruments INC. 2000 to 2004 as Director of Finance and Administration at Zettacom INC, Santa Clara, USA. Joined HUBER+SUHNER in 2004 as Finance Director North America, 2008 to 2012 Managing Director North America, Vermont, 2012 to 2015 Managing Director of the Region North Asia, Shanghai. 2015 to 2020 Chief Operating Officer Global Sales and since 2021 COO Transportation segment. Member of the Executive Group Management since 2015.

### Other activities and vested interests

None



## Patricia Stolz

Chief Human Resources Officer (CHRO)

1969, Swiss citizen

### Education and professional background

Human Resources Specialist with certificate of competence and EMBA University of Applied Sciences St. Gallen. 1990 to 2003 assistant in Human Resources at NAW Nutzfahrzeuge AG, Arbon. 2003 to 2007 Head of HR Management at Flawa AG, Flawil. Joined HUBER+SUHNER in 2008 as Human Resources Manager of the Fiber Optics Division. Since 2015 Chief Human Resources Officer and member of the Executive Group Management.

### Other activities and vested interests

None



## Jürgen Walter

Chief Operating Officer (COO) Communication segment

1968, German citizen

### Education and professional background

Dipl. Ing. electrical engineering Technical University of Munich. 1995-2000 with Siemens Management Consulting in Munich. 2000 to 2007 various leading positions in the COM division at Siemens AG, Munich. 2007-2009 Head of the Business Unit 'Converged Core', as of 2010 Head of the Segment 'Business Solutions' and member of the Executive Board at Nokia Siemens Network, Munich. 2012 to 2015 at Fujitsu Technology Solutions, as of 2013 CEO Central Europe and Chairman of the Management Board, Munich. 2015 to 2019 with Kathrein Group, as of 2017 COO and member of the Executive Board at Kathrein SE, Rosenheim. 2019 to 2021 COO at Kathrein Mobile Communication, Rosenheim. Since October 2021 COO Communication segment and member of the Executive Group Management.

### Other activities and vested interests

None



## Ivo Wechsler

Chief Financial Officer (CFO)

1969, Swiss citizen

### Education and professional background

Lic. oec. HSG (University of St. Gallen). 1995 to 1997 at Schweizerische Bankgesellschaft (UBS) in Corporate Finance in Zurich/London. 1998 to 2000 Controller and from 1999, Head of Controlling & Treasury at Sunrise Communications, Rümlang. 2001 to 2007 Head Corporate Controlling and from 2005 in addition Head Corporate Treasury, Ascom Group, Bern. Joined HUBER+SUHNER in 2008 as Head Corporate Controlling. Since 2010 Chief Financial Officer and member of the Executive Group Management.

### Other activities and vested interests

Member of the Board of Directors of Zehnder Group AG, Gränichen.

### 4.3 Rules in the Articles of Association on the number of permitted activities pursuant to Art. 12 para. 1 point 1 OaEC

As per article 30 of the Articles of Association, a member of Executive Group Management may hold up to 3 posts as a member of the management board or administrative body of other listed legal entities. In addition, a member of Executive Group Management may hold up to 5 posts as a member of the management board or administrative body of non-listed legal entities and up to 5 posts as a member of the management board of foundations and associations.

## 5 Compensation, shareholdings and loans

The principles and elements of compensation and shareholding program for the members of the Board of Directors and the Executive Group Management are laid down in Articles 24 to 29 of the Articles of Association and specified in the compensation regulations issued by the Board of Directors. More detailed information about the compensation, shareholding programs as well as loans and the approval procedure by the Shareholder Meeting is set forth in the [Compensation Report](#). Information about the shareholdings of the Board of Directors and Executive Group Management are shown in the Financial Statements HUBER+SUHNER AG, disclosed in [note 7](#).

## 6 Shareholders' participation rights

### 6.1 Voting rights restrictions and representation

One share represents one vote. Each shareholder may be represented either by the independent proxy, a representative authorised by written or electronic power of attorney, or by another individual or legal entity by a power of attorney in writing. Proxy holders do not need to be shareholders.

When exercising voting rights, no shareholder representing another shareholder may, with his own shares and the shares he represents, together account for more than 10 % of the entire share capital. Proxy holders who are not shareholders may not control more than 10 % of the total share capital. Individuals, legal entities and groups with joint legal status which are bound by capital or voting rights, by consolidated management or in another manner, or individuals, legal entities and legal communities which coordinate their action to circumvent the above restrictions are to be considered as one single shareholder. The limitation does not apply to the independent proxy. The Board of Directors may decide on exceptions to restrictions on voting rights and representation. In the year under review, the Board of Directors did not grant any exceptions.

According to Article 13 of the Article of Association a resolution for abolishing voting rights restrictions requires the relative majority of the casted votes.

Powers of representation and voting instructions are granted to the independent proxy representative in accordance with legal provisions. The Articles of Association do not foresee the possibility of electronic participation in the Annual General Meeting.

### 6.2 Quorums required by the Articles of Association

The Annual General Meeting makes its decisions and carries out its elections with a relative majority of votes unless the law determines otherwise. A decision by the Annual General Meeting which assembles at least 2/3 of the represented share votes and the absolute majority of the nominal value of the shares issued, is required for:

1. the alleviating or withdrawal of limitations upon the transfer of registered shares;
2. the conversion of registered shares into bearer shares;
3. the dissolution of the company, followed by liquidation.

## **6.3/6.4 Convocation of the Annual General Meeting/Inclusion of items on the agenda**

Convening the Annual General Meeting and setting the agenda are governed by Articles 699 and 700 of the Swiss Code of Obligations. By way of derogation from the statutory norm, Article 9 of the Articles of Association stipulates that shareholders entitled to vote may place an item of the agenda if they hold shares with a minimum nominal value of CHF 50 000. The Board must be notified of a request to place an item on the agenda and be given the proposals in writing no later than 60 days prior to the Annual General Meeting.

## **6.5 Entries in the share register**

As a general rule, no entries of registered shareholders are made in the share register in the five working days before the Annual General Meeting. The Board of Directors announces the deadline for making entries in the share register in the invitations to the Annual General Meeting. In the year under review the Board of Directors did not grant any exceptions to this rule.

# **7 Changes of control and defence measures**

## **7.1 Duty to make an offer**

The Articles of Association do not entail any rule governing opting-up or opting-out as per the Financial Market Infrastructure Act (FMIA).

## **7.2 Clauses on changes of control**

No contractual clauses governing changes in control exist in the employment contracts with members of either the Board or the Executive Group Management. The share blocking periods are not revoked when members of the Board or Executive Group Management resign. According to the HUBER+SUHNER AG Compensation Policy, the Board may prematurely revoke existing blocking periods only under special circumstances, such as a change of control, and requested by the Nomination and Compensation Committee.

# **8 Auditors**

## **8.1 Duration of the mandate and term of office of the lead auditor**

Ernst & Young AG, Basel, has been the independent auditor of HUBER+SUHNER AG and various Group companies since 2018. The current lead auditor, Mr. Iwan Zimmermann, has been in charge since 1 April 2021. As per article 730a(2) Swiss Code of Obligations, his tenure as lead auditor may not exceed seven years. The auditors are elected by the Annual General Meeting for a term of one year.

## **8.2/8.3 Auditing fees/Additional fees**

Ernst & Young (EY) charged CHF 262 000 for auditing the Group Financial Statements and a few individual financial statements of different Group companies during the reporting year, and CHF 59 000 for additional EY services (e.g. independent assurance for sustainability report).

## **8.4 Information instruments pertaining to the external audit**

The Audit Committee informs the Board of the work performed by and working relationship with the external auditor. Each year, the external auditor submits an audit plan, a "confirmation of analytical review" of the half-year and a comprehensive report on the annual financial statements with conclusions on financial accounting, the internal control system, the Compensation Report (Chapter 5) and the audit results for the attention of the Board of Directors and the Audit Committee. The Audit Committee also assesses the scope of the annual audit and the audit plans, and discusses the audit findings with the external auditor. In the year under review, the external auditor was present at both Audit Committee meetings.



The Audit Committee annually assesses the external auditors' performance, independence and fees and recommends to the Board the external auditing company to be nominated by the Annual General Meeting.

This evaluation is based on the reports and presentations provided by the external auditors, the discussions held in the meetings, their objectivity as well as their technical and operational expertise. The Audit Committee reviews the suitability and scope of the additional services rendered by the external auditor. If the planned additional services exceed the monetary limit set by the Audit Committee, the Audit Committee must be informed in advance.

## 9 Information policy

As a listed company and as a credible and sustainable business partner, HUBER+SUHNER informs its internal and external stakeholders actively, transparently and in good time. Its communication policy is guided by the SIX Swiss Exchange regulations, legal provisions and internal guidelines.

HUBER+SUHNER communicates regularly with its shareholders, the capital market and the public. In accordance with Swiss GAAP FER, Huber+Suhner discloses its business and financial performance on a half-yearly basis in form of an [interim report and an annual report](#) which are published electronically in English. Additionally, shareholders receive half-yearly a short printed version of the management letter in German or English. Also, at the end of January of any given year, HUBER+SUHNER announces sales and order intake figures for the past year. Sales and order intake figures for the first nine months from January to September are published at the end of October of any given year.

HUBER+SUHNER held its first Capital Market Day in September 2022 to present the company's strategic orientation to the financial community and to provide practical information on the strategic growth initiatives in greater depth.

The exact dates and more contact information can be found under chapter [Key Figures and Financial Calendar](#).

Additional information which could affect the share price is published during the year in accordance with SIX Swiss Exchange ad hoc publication requirements. Official announcements and company notices are published in the Swiss Official Gazette of Commerce (SOGC).

The CEO is responsible for corporate communications. He is assisted in his investor relations activities by the CFO.

An important source of current in-depth information on the Group, including products and contact details is the [H+S website](#).

Relevant shareholder information, important dates and news can be found using the links below:

[Ad hoc news](#)

[News](#)

[Investor information](#)

[Articles of Association](#)

[Bylaws](#)

[Subscription to information service](#)

## 10 Quiet periods

At HUBER+SUHNER, the general quiet period starts on the day of the last regular Board meeting of the preceding fiscal year or preceding first half of the fiscal year, as the case may be, and ends two days after the publication of the relevant ad-hoc announcement related to the respective annual report or half-year report.

The following group of persons has signed the "Prohibition of Insider trading" of 22 June 2022 and are affected by the general quiet period:

- Members and Honorary chairmen of the Board of Directors
- Secretariat of the Board of Directors
- Members of the HUBER+SUHNER Executive Group Management including their assistants
- Participants of the Group Meeting\*

- Head of Group Strategy and M&A and team members
- Head of Corporate Communications and Global Sustainability and team members
- Head of Finance and Accounting at Huber+Suhner AG
- Head of Corporate Controlling and team members
- Head of Business Controlling and team members
- Head of Treasury
- General Counsel

\*EGM plus top ~20 global key positions

The CFO sends a written notification of the dates of the general quiet periods yearly and maintains a list of all affected persons.

During a general quiet period, affected persons are prohibited from trading in HUBER+SUHNER AG securities or financial instruments derived therefrom, for themselves or through third parties. This transaction block also applies to transactions falling within the scope of an asset management mandate, regardless of the structure of the latter and the agent's powers.

In addition to the general quiet period, a project specific transaction block in HUBER+SUHNER AG securities may be imposed by the CEO to employees who are aware of specific confidential projects.