

Corporate Governance

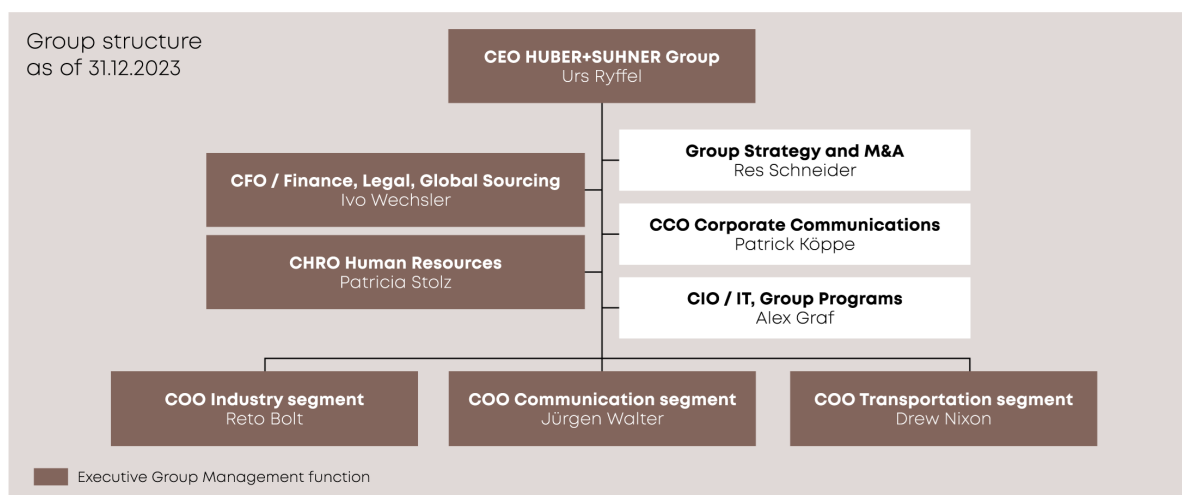
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Corporate Governance

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 2023, 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 2023 amounted to CHF 1 255 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	9.25%
S. Hoffmann-Suhner	CH	6.18%
Huwa Finanz- und Beteiligungs AG	CH	3.25%

The company holds 1 748 640 treasury shares (726 640 treasury stock, 1 010 000 treasury shares as part of the concluded share buyback programme 2021, 12 000 other treasury shares for remuneration purposes).

HUBER+SUHNER AG has published twelve 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, capital band 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 not introduced a capital band or conditional capital.

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.

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 programme was successfully concluded by 30 March 2023 via a second trading line on the SIX Swiss Exchange. The shares acquired under this programme will be proposed for cancellation by means of a capital reduction at the next Annual General Meeting on 27 March 2024.

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 record an acquirer as a shareholder with voting rights in the company if:

- a) the acquirer, as a recognised shareholder, was 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, that no agreement to redeem or return such shares exists and that he shall bear the economic risk associated with the shares.

Individuals, legal entities and groups with joint legal status which are related by capital, voting rights, management, or in some other manner, as well as all individuals, legal entities and groups with joint legal status coordinated for the purposes of circumventing the registration limitations are to be considered as one single acquirer. These limitations shall also apply in cases where shares are acquired following the exercise of subscriptions, 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 represented votes and the majority of the represented share per value.

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 29 March 2023 the six acting members of the Board of Directors were re-elected. Marina Bill and Kerstin Günther were elected as new members of the Board of Directors.

On 31 December 2023, the Board of Directors comprised the following eight members:



Urs Kaufmann

Chairman of the Board of Directors since 2017
Member of the Board of Directors since 2014

1962, Swiss citizen

Education

Dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich
Senior Executive Program IMD, Lausanne

Professional background

HUBER+SUHNER Group

- 2002-2017 Chief Executive Officer
- 2001-2002 COO Polymer Systems Sector, since 2001 Member of Executive Group Management
- 1997-2000 Division Head materials technology and member of the Management Board
- 1994-1997 Managing Director, Henry Berchtold AG (CH)

Previous employments

- 1987-1993 Project Manager, Production Manager and Head of Sales, Zellweger Uster AG, Uster (CH) and USA

Other activities and vested interests

- Vice-Chairman of the Board of Directors of SFS Group AG, Heerbrugg (CH)
- Member of the Board of Directors of Bucher Industries AG, Niederweningen (CH)
- Member of the Board of Directors of Vetropack Holding AG, Bülach (CH) (until 25 April 2024)
- Member of the Board of Directors of Müller Martini Holding AG, Hergiswil (CH)



Dr. Beat Kälin

Deputy Chairman of the Board of Directors
(Chairman 2015 - 2017)
Member of the Board of Directors since 2009

1957, Swiss citizen

Education

Dr. sc. techn., dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich
MBA INSEAD, Fontainebleau

Professional background

- Since 2015 Chairman of the Board of Directors, Komax Group, Dierikon (CH)
- 2007-2015 CEO, Komax Group, Dierikon (CH)
- 2006-2007 COO, Komax Group, Dierikon (CH)
- 2004-2006 Member of the divisional management board for packaging technology, Robert Bosch GmbH, Neuhausen am Rheinfall (CH)
- 1998-2004 Member of Executive Group Management, SIG Schweizerische Industrie-Gesellschaft Holding AG, Neuhausen am Rheinfall (CH)
- 1987-1997 Various management positions, Elektrowatt Group, Stäfa and Zug (CH)

Other activities and vested interests

- Member of the Board of Directors of CabTec Holding AG, Rotkreuz (CH)



Marina Bill

Member of the Board of Directors since 29 March 2023

1973, Swedish-Swiss dual citizen

Education

Master of Science in Industrial Engineering and Management, Royal Institute of Technology Stockholm
Commercial Law Basics, Stockholm University, Stockholm

Professional background

- Since 2018 Group Vice President, Global head of Marketing & Sales, ABB Robotics Division, Zurich (CH), in addition since July 2023, Global Head of Product Line Software and Digital
- 2016-2018 Group Vice President, Global Sales & Marketing, ABB Grid Automation, Zurich (CH)
- 2013-2015 Group Vice President, Global Product Group Manager, ABB Power Generation Automation Products, Zurich (CH)
- 1997-2012 Various product- and sales manager positions ABB (PH, SE, UK, DE, CH)

Other activities and vested interests

- Member of the Board of Directors of Piab AB, Danderyd (SE)
- President of IFR (International Federation of Robotics), Frankfurt am Main (D)



Prof. Dr. Monika Bütler

Member of the Board of Directors since 2014

1961, Swiss citizen

Education

Dipl. math. University of Zurich. Dr. oec. University of St. Gallen

Professional background

- Since 2021 self-employed economist
- 2004-2021 Full Professor of Economics and Public Policy and Director of the Swiss Institute for Empirical Economic Research (SEW) at the University of St. Gallen (CH)
- 1999-2004 Professor at the University of Lausanne (CH)
- 1997-2001 Assistant Professor at the University of Tilburg (NL)

Other activities and vested interests

- Vice-Chair of the Board of Directors of AC Immune SA, Lausanne (CH)
- Member of the Board of Directors of Schindler Holding Ltd., Hergiswil (CH)
- Member of the Board of Directors of Swiss Life Holding, Zurich (CH)
- Vice President of the Foundation Board, Gebert Rüt Stiftung, Zurich (CH)



Kerstin Günther

Member of the Board of Directors since 29 March 2023

1967, German citizen

Education

Master of Science in Electronics, Technical University, Wrocław

Master of Business Administration with specialisation in International Management, University of Cleveland

Professional background

- 2019-31 March 2023 Chief Financial and Technology Officer, Helmholtz Zentrum München, München (DE)
- 2015-2017 Managing Director, Deutsche Telekom Pan-Net S.R.O., Bratislava (SK)
- 2012-2016 Senior Vice President Technology Europe (CTIO), Deutsche Telekom AG, Bonn (DE)

- 2010-2012 Senior Vice President Network and Investment Planning, Deutsche Telekom Technik GmbH, Bonn (DE)
- 2003-2009 Various managerial positions, Deutsche Telekom AG, Bonn (DE)
- 1991-2002 Various positions in the telecommunication industry in Slovakia, Hungary and Germany

Other activities and vested interests

None



Rolf Seiffert

Member of the Board of Directors since 2010

1958, Swiss citizen

Education

Dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich

Professional background

- Since 2014 CEO, AlpRail GmbH, Gais (CH)
- 2019-2021 Managing Director, BBR rail automation Swiss AG, Lucerne (CH)
- 2018-2019 Head of Railway Signaling, Kummler+Matter AG, Zurich (CH)
- 2015-2017 Managing Director, Kummler+Matter AG, Zurich (CH)
- 2013-2015 Head of Sales, Ruf Telematik AG, Schlieren (CH)
- 2011-2013 Vice President Sales, duagon AG, Dietikon (CH)
- 1999-2010 Various product development and sales functions, Siemens Switzerland, Rail Automation, Wallisellen (CH)
- 1988-1998 Product development and product management posts, ABB Transportation/Adtranz, Zurich (CH)

Other activities and vested interests

None



Dr. Franz Studer

Member of the Board of Directors since 2019

1965, Swiss citizen

Education

Dr. iur. University of Zurich
 Admitted to the Zurich bar
 MBA from the University of St. Gallen
 International Directors Programme at INSEAD, Fontainebleau

Professional background

- Since 2012 Investment Director and member of the Executive Committee, EGS Beteiligungen AG*, Zürich (CH)
- 2010-2011 CEO/COO, aizo group AG, Zurich (CH)/Wetzlar (DE)
- 1999-2009 Industry experience in various legal and commercial management positions, Bühler AG, Uzwil (CH)

Other activities and vested interests

- Chairman of the Board of Directors of Kantonsspital Winterthur, Winterthur (CH)
- Chairman of the Board of Directors of FAES AG, Wollerau (CH)
- Member of the Board of Directors of Roth Gerüste AG, Gerlafingen (CH) (until 12 April 2023 Chairman of the Board of Directors)
- Member of the Board of Directors of Sensirion AG, Stäfa (CH)
- Member of the Board of Directors of DV Bern AG, Bern (CH)

*Significant shareholder at HUBER+SUHNER AG



Jörg Walther

Member of the Board of Directors since 2016

1961, Swiss citizen

Education

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

Professional background

- Since 2010 Partner at Schärer Attorneys at Law, Aarau (CH)
- 2001-2009 Global Head Legal M&A and Antitrust, member of the Group Legal Executive Committee, Novartis International AG, Basel (CH)

- 1999-2001 Group Vice President M&A, ABB Asea Brown Boveri AG (CH)
- 1995-1998 Senior Legal Counsel, ABB Schweiz AG (CH)
- 1991-1995 Senior Legal Counsel and Head Legal Services, Danzas Management, Basel (CH)

Other activities and vested interests

- Vice-Chairman of the Board of Directors of Zehnder Group AG, Gränichen (CH)
- Vice-Chairman of the Board of Directors of AEW Energie AG, Aarau (CH)
- Member of the Board of Directors of SFS Group AG, Heerbrugg (CH)
- Member of the Board of Directors of Kraftwerk Augst AG, Augst (CH)
- Member of the Board of Directors of Immobilien AEW AG, Aarau (CH)
- Member of the Board of Directors of Apotheke im Stadtspital Zurich AG, Zurich (CH)
- Member of the Board of Directors of Aare-Apotheke Rombach AG, Rombach (CH)
- Member of the Executive Board of swissVR, Rotkreuz (CH)

Honorary chairmen

Marc C. Cappis, 1935

David W. Syz, 1944

3.3 Number of permitted activities

As per Article 30 of the Articles of Association, a Member of the Board of Directors may hold up to 5 mandates in comparable positions at other listed companies. In addition, a Member of the Board of Directors may hold up to 10 mandates in comparable positions with non-listed companies with an economic purpose. The acceptance of outside mandates shall not interfere with the member's performance of his duties to the company.

3.4 Elections and terms of office

In line with 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. For the first election per member please refer to 3.1/3.2. 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.

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, 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. The Board of Directors may use electronic means for the meetings. Decisions are taken by the Board as a whole. The Board shall constitute a quorum when the majority of its members are present. A Member of the Board of Directors is also deemed present when attending via telephone or via video conference or by other electronic means. A majority quorum is not necessary for determining a capital increase,

capital reduction or change of the currencies of the share capital and the related amendments to the Articles of Association. 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 6 hours, one additional telephone conferences with a duration of an hour, as well as one “strategy work-shop” lasting two 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 financial performance and business activities and makes decisions regarding the disclosure of ad hoc announcements. 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 participating as a member of 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:

	Nomination and Compensation Committee	Audit Committee
Monika Bütler	Chairwoman	
Marina Bill	Member*	
Beat Kölin	Member	
Jörg Walther		Chairman
Kerstin Günther		Member*
Franz Studer		Member

* as of 29 March 2023

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.

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 to 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 attend committee meetings. For sustainability topics and non-financial reporting the Head Global Sustainability is present. Where necessary, the committee addresses certain agenda items with the external auditor alone. The committee held two meetings with an average duration of 4 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 to 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
- reviewing of the non-financial reporting including the sustainability report
- 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 their 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). The Bylaws are periodically reviewed and adapted by the Board, most recently on 29 March 2023.

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

Management information system (MIS)

The Board's main information and control instrument is a management information system based on financial accounting according to Swiss GAAP FER.

On a monthly basis, the Board of Directors receives a written commentary from the CEO on business activities and financial performance including key financial figures from the Group and the three market segments. The minutes of monthly Executive Group Management meetings are also submitted to the Chairman of the Board of Directors.

Additionally, on a quarterly basis, the Board of Directors receives a comprehensive Group financial status (income statement, balance sheet, cash flow statement, capital expenditure) and key financial figures per legal entity and the three market segments.

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 audit

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 recommendations, 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 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 system

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 assessment 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 top risk. The evaluated risks as well as the ongoing and planned compliance measures were presented in the 2023 Risk Report to the Board of Directors for review and approval. After its review, the Board approved the report on 6 December 2023.

Whistleblowing platform

HUBER+SUHNER is committed to conduct business responsibly. Therefore, HUBER+SUHNER Group operates its whistleblowing platform, provided by a third party provider, to promote a speak-up culture and to combat any non-compliant or non-ethical behaviour that might violate the HUBER+SUHNER Code of Responsible Business Conduct or the HUBER+SUHNER Supplier Code of Conduct or any underlying business or ethics principles. The platform is accessible for all HUBER+SUHNER employees (internal channel via the intranet or posters with a QR code) and for all other stakeholders (external channel via the HUBER+SUHNER website), ensuring anonymity if desired. Submitted complaints are handled by the Whistleblowing Steering Committee and a anonymized monthly summary is provided to the CEO and CFO.

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 2023, Executive Group Management consisted of the following six members:



Urs Ryffel

Chief Executive Officer (CEO)

1967, Swiss citizen

Education

Dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich

Professional background

HUBER+SUHNER Group

- Since 1 April 2017 Chief Executive Officer
- 2007-2016 Head of Fiber Optics Division, since 2008 Member of Executive Group Management
- 2004-2007 Head of the Cable System Technology business unit
- 2002 joined HUBER+SUHNER as Head of Rollers business unit

Previous employments

- 1999-2002 General Manager Hydro Power segment, ABB/ALSTOM, Lisbon (PT) and Hydro Power Plants and Systems, Paris (F)
- 1992-1999 Head of the Business Development unit, ABB Power Generation Switzerland, Baden (CH); Head of the Hydro Power Plant Service global business unit at ABB Power Generation segment, Zurich (CH)

Other activities and vested interests

Member of the Board of Directors of Bergbahnen Scuol AG, Scuol (CH)



Reto Bolt

Chief Operating Officer (COO) Industry segment

1966, Swiss citizen

Education

Dipl. Ing. ETH (Swiss Federal Institute of Technology) Zurich

Professional background

HUBER+SUHNER Group

- Since 2021 COO Industry segment
- 2012-2020 Head of Radio Frequency Division, since 2012 Member of the Executive Group Management
- 2007-2012 Head of the Cable Systems business unit within the Low Frequency Division
- 2004-2007 Head of Global Management Systems
- 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

Other activities and vested interests

Member of the Board of Directors of Mosmatic AG and Midas AG, Neckertal (CH)



Drew Nixon

Chief Operating Officer (COO) Transportation segment

1965, American citizen

Education

Bachelor in Business Administration, Babson College, Wellesley Massachusetts

Professional background

HUBER+SUHNER Group

- Since 2021 COO Transportation segment
- 2015-2020 Chief Operating Officer Global Sales, since 2015 Member of the Executive Group Management
- 2012-2015 Managing Director of the Region North Asia, Shanghai (CN)
- 2008-2012 Managing Director North America, Vermont (USA)
- Joined HUBER+SUHNER in 2004 as Finance Director North America (USA)

Previous employments

- 2000-2004 as Director of Finance and Administration, Zettacom INC, Santa Clara (USA)
- 1988-2000 working in various management functions for the American companies Charleswater Products INC, Boston Metal Products Corp, Cerplex Mass INC and Decibel Instruments INC (USA)

Other activities and vested interests

None



Patricia Stolz

Chief Human Resources Officer (CHRO)

1969, Swiss citizen

Education

Certificate of competence and EMBA University of Applied Sciences St. Gallen

Professional background

HUBER+SUHNER Group

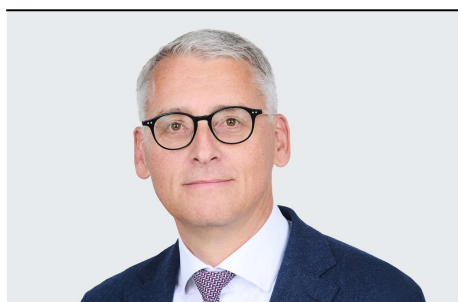
- Since 2015 Chief Human Resources Officer and member of the Executive Group Management
- Joined HUBER+SUHNER in 2008 as Human Resources Manager of the Fiber Optics Division

Previous employments

- 2003-2007 Head of HR Management at Flawa AG, Flawil (CH)
- 1990-2003 Assistant in Human Resources at NAW Nutzfahrzeuge AG, Arbon (CH)

Other activities and vested interests

None



Jürgen Walter

Chief Operating Officer (COO) Communication segment

1968, German citizen

Education

Dipl. Ing. electrical engineering Technical University of Munich

Professional background

HUBER+SUHNER Group

- Joined HUBER+SUHNER in 2021 as COO Communication segment and member of the Executive Group Management

Previous employments

- 2019-2021 COO at Kathrein Mobile Communication, Ericsson, Rosenheim (DE)
- 2015-2019 Solution Business Unit Manager, Kathrein Group, as of 2017 COO and member of the Executive Board at Kathrein SE, Rosenheim (DE)
- 2012-2015 Business Transformation Officer and as of 2013 CEO Central Europe and Chairman of the Management Board, Fujitsu Technology Solutions, Munich (DE)
- 2010-2012 Head of the Segment Business Solutions and member of the Executive Board at Nokia Siemens Networks, Munich (DE)
- 2007-2009 Head of the Business Unit Converged Core, Nokia Siemens Networks, Munich (DE)
- 1995-2007 various consulting and commercial positions, Siemens Gruppe, Munich (DE)

Other activities and vested interests

None



Ivo Wechsler

Chief Financial Officer (CFO)

1969, Swiss citizen

Education

Lic. oec. HSG (University of St. Gallen)

Professional background

HUBER+SUHNER Group

- Since 2010 Chief Financial Officer and member of the Executive Group Management
- Joined HUBER+SUHNER in 2008 as Head Corporate Controlling

Previous employments

- 2001-2007 Head Corporate Controlling and from 2005 in addition Head Corporate Treasury, Ascom Group, Bern (CH)
- 1998-2000 Controller and from 1999, Head of Controlling & Treasury at Sunrise Communications, Rümlang (CH)
- 1995-1997 at Schweizerische Bankgesellschaft (UBS) in Corporate Finance in Zurich/London (CH, UK)

Other activities and vested interests

Member of the Board of Directors of Zehnder Group AG, Gränichen (CH)

4.3 Number of permitted activities

As per Article 30 of the Articles of Association, a Member of the Executive Group Management may hold up to 3 mandates in comparable positions at other listed companies. In addition, a Member of the Executive Group Management may hold up to 5 mandates in comparable positions with non-listed companies with an economic purpose. The acceptance of outside mandates shall not interfere with the member's performance of his duties to the company. As per Article 4.2 of the Bylaws outside mandates of the Members of the Executive Group Management need the approval of the Chairman of the Board of Directors.

4.4 Management contracts

No management contracts exist that transfer management responsibility to companies or individuals outside the HUBER+SUHNER Group.

5 Compensation, shareholdings and loans

The principles and elements of compensation and shareholding programme 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 programmes and shareholdings of the Board of Directors and the Executive Group Management as well as loans and the approval procedure by the Annual General Meeting is set forth in the [Compensation Report](#).

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 entire 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 Annual General Meeting appoints the independent proxy representative each year. The term runs until the end of the next Annual General Meeting. Re-election is possible. As per Art. 9 para 7 of the Articles of Association the Board of Directors may make a provision for the Annual General Meeting to be held by electronic means without a venue.

6.2 Quorums required by the Articles of Association

The Annual General Meeting makes its decisions and carries out its elections with the majority of casted votes unless the law determines otherwise. In line with the legal provisions a decision by the Annual General Meeting passed by at least 2/3 of the represented votes and the majority of the represented shares par value is in particular required for:

1. an amendment in the purpose of the company
2. the consolidation of shares, unless this does not require the approval of the shareholders concerned
3. a capital increase from equity, against contributions in kind or by offsetting against a claim and the granting of special advantages
4. the restriction or cancellation of subscription rights
5. the adoption of a conditional capital or the adoption of a capital band
6. the conversion of participation certificates into shares
7. the restriction of transferability of registered shares
8. the adoption of voting shares
9. a change to the currency of the share capital
10. the introduction of a casting vote by the chairperson at the Shareholders Meeting
11. the inclusion of a provision in the Articles of Association on holding the Shareholders Meeting abroad
12. the delisting of the company's equity securities
13. the relocation of the company's registered office
14. the introduction of an arbitration clause in the Articles of Association
15. the conversion of registered shares into bearer shares
16. 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. In line with the legal provisions, Article 9 para 3 of the Articles of Association stipulates that shareholders entitled to vote may place an item of the agenda or request proposals relating to agenda items included in the announcement of the convening of the Annual General Meeting if together they represent at least 0.5 % of the share capital or votes. 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 if 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 para 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 328 000 for auditing the Group Financial Statements and selective individual financial statements of different Group companies during the reporting year, CHF 50 000 for an independent assurance for the sustainability report, and CHF 50 000 for additional EY services (mainly forensic services).

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 "high level review" of the half-year figures 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 Annual or a Half-year report](#) which are published electronically in English. Additionally, shareholders receive a short printed version of the Management Report / Letter to Shareholders in German or English half-yearly. 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.

The exact dates can be found under [investors](#).

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.

Registered office
HUBER+SUHNER AG
Degersheimerstrasse 14
9100 Herisau (CH)
Phone +41 71 353 41 11

Relevant news, shareholder information and legal documents can be found using the links below:

[News & Ad hoc news](#)

[Investors](#)

[Articles of Association](#)

[Bylaws](#)

[Information service](#)

An important source of current information on the Group, including products and further contact details is the [HUBER+SUHNER website](#).

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 (usually early December) or preceding first half of the fiscal year (usually late June), 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 "Guideline on the prohibition of insider trading" of 22 June 2022 and is 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 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 and the three further service units assisting the CEO (see [Group Structure](#)) plus top ~25 global key positions

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 the year under review there were no exception of this rule.

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

These general quite periods also apply to HUBER+SUHNER Group itself. The purchase of HUBER+SUHNER shares (e.g. for remuneration purposes) must take place outside quite periods.

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.