
Corporate Governance

| | |
|----|--|
| 16 | Introduction |
| 17 | 1. Group structure and shareholders |
| 18 | 2. Capital structure |
| 21 | 3. Board of Directors |
| 31 | 4. Group Executive Committee |
| 34 | 5. Compensation, shareholdings and loans |
| 35 | 6. Shareholders' participation rights |
| 37 | 7. Changes of control and defence measures |
| 38 | 8. Auditors |
| 39 | 9. Information policy |

Introduction

“Corporate Governance” refers to the universe of principles and rules which are geared to shareholder interests and which strive towards transparency and a balanced relationship between management and control while also maintaining decision-making capacity and efficiency at the highest corporate level.

The Corporate Governance Report contains the disclosures required by the Corporate Governance Directive issued by SIX Swiss Exchange effective as at 31 December 2020 and is structured in line with the directive. It also includes disclosures required by law on the compensation and participating interests of the members of the Board of Directors and of the Group Executive Committee.

1. Group structure and shareholders

1.1 Group structure

The Zehnder Group is organised by region – Europe, China and North America. All regions are active in both business areas – ventilation and radiators.

Zehnder Group AG, the holding company of the Zehnder Group, is the only listed company included in the consolidation scope. It has its headquarters in Gränichen (Switzerland). The registered shares A are listed on the SIX Swiss Exchange (Valor number: 27 653 461, ISIN: CH0276534614). The unlisted registered shares B are held directly or indirectly by the Zehnder family and persons closely associated with them. At 31 December 2020, the market capitalisation (registered shares A) was CHF 576.6 million and the total capitalisation was CHF 693.6 million.

All companies included in the consolidation scope of Zehnder Group AG are shown in the [Overview of companies](#) in the consolidated financial statements in the Financial Report.

1.2 Significant shareholders

According to the information available to the Board of Directors, the following shareholders held more than 3% of the share capital of Zehnder Group AG as at the balance sheet date, i.e. 31 December 2020:

- Graneco AG, Gränichen (Switzerland): 15,720 registered shares A and 9,775,600 registered shares B, corresponding to 49.8% of the votes (2019: 49.8%); together with the other registered shares of the company held by the shareholders of Graneco AG, this group holds 51.7% of the voting rights;
- Credit Suisse Funds AG, Zurich (Switzerland): 773,354 registered shares A, corresponding to 3.9% of the votes (2019: 4.5%).

There is a shareholders' agreement between the shareholders of Graneco AG (the Zehnder family and persons closely associated with them), which, among other aspects, includes a voting commitment for all directly and indirectly held registered shares B of Zehnder Group AG.

For notification of disclosure of significant shareholdings, please refer to the website of SIX Swiss Exchange: www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html?companyId=ZEHNDR.

The Articles of Association of Zehnder Group AG provide for an opting-out clause, which is explained in item [7.1 Duty to make an offer](#) of this Corporate Governance Report.

1.3 Cross-shareholdings

There are no cross-shareholdings.

2. Capital structure

2.1 Capital

| | Registered shares A units 2020 | Registered shares B units 2020 | Value CHF 2020 | Registered shares A units 2019 | Registered shares B units 2019 | Value CHF 2019 |
|---|---|---|----------------------|---|---|----------------------|
| Total registered shares A as of 1.1. | 9,756,000 | | 487,800 | 9,756,000 | | 487,800 |
| Total registered shares B as of 1.1. | | 9,900,000 | 99,000 | | 9,900,000 | 99,000 |
| Total at 31.12. | 9,756,000 | 9,900,000 | 586,800 | 9,756,000 | 9,900,000 | 586,800 |

As in the previous year, the total share capital of Zehnder Group AG amounted to CHF 586,800. It is made up of 9,756,000 registered shares A with a par value of CHF 0.05 each and 9,900,000 registered shares B with a par value of CHF 0.01 each.

The unlisted registered shares B (CHF 0.01 nominal value) are all directly or indirectly held by members of the Zehnder family or by persons closely associated with the family. The vast majority of the registered shares B are owned by Graneco AG (Switzerland). On the balance sheet date, Graneco AG and its shareholders held 51.7% of the company's registered shares and voting rights.

2.2 Authorised and conditional capital in particular

There is no authorised and no conditional capital in particular.

2.3 Changes in capital

There were no changes in capital in the last three reporting years, i.e. in the period between 1 January 2018 and 31 December 2020.

All changes in capital since going public in 1986 are set out on our website www.zehndergroup.com/en/investor-relations/corporate-governance.

2.4 Shares and participation certificates

The share capital of Zehnder Group AG consists of 9,756,000 registered shares A listed on SIX Swiss Exchange with a nominal value of CHF 0.05 each (a total of CHF 487,800) and 9,900,000 registered shares B with a nominal value of CHF 0.01 each (a total of CHF 99,000). Total share capital amounts to CHF 586,800 and the total number of shares outstanding is 19,656,000. Each share carries one vote, irrespective of its nominal value. The registered shares A have a 49.6% share of the votes and account for 83.1% of the share capital, the registered shares B a 50.4% share of the votes and 16.9% of the share capital. The dividend per registered share B is one fifth of the dividend per registered share A.

For additional information on shares, please refer to our website www.zehndergroup.com/en/investor-relations/shares.

No participation certificates of the Zehnder Group are outstanding.

2.5 Dividend-right certificates

No dividend-right certificates of the Zehnder Group are outstanding.

2.6 Limitations on transferability and nominee registrations

Limitations on registration of registered shares A

Purchasers of registered shares A in Zehnder Group AG will, upon application, be entered into the share register as a shareholder with voting rights without limitation, provided they explicitly declare that they have purchased these registered shares in their own name and for their own account and provided they are compliant with the statutory reporting obligations.

Persons who do not explicitly declare in their application for registration or on request of the company that they are holding the shares for their own account (nominees) will automatically be registered in the share register with voting rights up to a maximum of 3% of the outstanding share capital.

Beyond this limit, registered shares A of nominees are only registered with voting rights if the relevant nominee, when requesting registration or subsequently upon request of the company, discloses the names, addresses and shareholdings of the persons on whose account he or she holds 0.3% or more of the outstanding share capital, and if the statutory reporting obligations are complied with.

The Board of Directors is authorised to conclude agreements with nominees with respect to their reporting obligations.

Transferability of registered shares B

Registered shares B can be transferred into ownership or into a restricted right in rem only with the agreement of the Board of Directors.

The Board of Directors may refuse a request to approve a share transfer but must give an important reason for doing so. Important reasons are:

- If the purchaser is in competition with the company or one of its affiliated companies;
- If and insofar as the approval of the purchase of registered shares by the applicant might prevent the company from producing evidence of the composition of the shareholder group required by law, in particular in conjunction with the Swiss Federal Law on the Acquisition of Real Estate by Persons Abroad and the associated ordinance.

Furthermore, the Board of Directors may refuse applications for approval if it makes an offer to the seller of the registered shares to purchase the registered shares on behalf of the company, on behalf of other shareholders or on behalf of third parties at their real value at the time of the application.

Further limitations on registration of registered shares A and B

Legal persons and partnerships with legal personality that are interrelated or affiliated through equity or voting interests, through common cooperation or similar means, as well as natural or legal persons or partnerships who act in concert for the purpose of circumventing the restriction on registration, are treated as one purchaser in transfer regulation contexts.

The limitations placed on registration also apply to shares acquired by exercising pre-emptive, option or conversion rights.

The Board of Directors may, after consultation with the party concerned, delete entries from the share register which have been made due to incorrect information from the purchaser. The purchaser must be immediately informed of the deletion of the entry.

Cancellation or easing of the restrictions on the transferability of registered shares B and the registration restrictions on registered shares A requires a resolution of the Annual General Meeting, passed by at least two-thirds of the voting shares represented and an absolute majority of the nominal share value represented.

In the reporting year, the Board of Directors did not grant any exceptions in relation to the limitations on transferability and registration.

2.7 Convertible bonds and options

There are no convertible bonds or options outstanding.

3. Board of Directors

3.1 Members of the Board of Directors



Hans-Peter Zehnder
Chairman of the Board
Swiss citizen, born 1954
first elected 1988

- Executive member until 2018
- Chairman of the Board (since 1993)
- Studied economics (doctorate) at the University of St. Gallen (Switzerland)
- 1981–1984 Gebr. Bühler AG (Switzerland)
- Since 1985 member of the Group Executive Committee of Zehnder Group
- 1986–1988 head of the instrument division
- 1988–1991 head of the radiator division
- 1988–1992 Vice Chairman of the Group Executive Committee
- 1993–31.10.2014 and 5.2.–31.12.2018 Chairman of the Group Executive Committee
- Member of the Board of Directors of AZ Medien AG (Switzerland); CH Media AG (Switzerland); R. Nussbaum AG (Switzerland); and Lagerhäuser der Centralschweiz AG (Switzerland)
- Representative of the Zehnder family



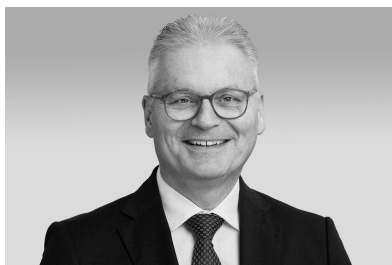
Jörg Walther
Vice Chairman of the Board
 Swiss citizen, born 1961
 first elected 2016

- Non-executive member
- Chairman of the Audit Committee
- 1989 Lic. iur. at the University of Zurich (Switzerland)
- 1990 admitted to the bar
- 1993 post-graduate certificate in European Economic Law at the University of St. Gallen (Switzerland)
- 1999 MBA University of Chicago (USA), Booth School of Business
- 1991–1995 Danzas Management AG, Legal Counsel/General Counsel and Head Legal Services
- 1995–1998 ABB Schweiz AG, Senior Corporate Counsel
- 1999–2001 ABB Asea Brown Boveri AG, Group Vice President M&A
- 2001–2009 Novartis International AG, Senior Corporate Counsel, Global Head Legal M&A and Antitrust, member of the Group Legal Executive Committee
- Since 2010 Partner at Schärer Attorneys at Law, Aarau (Switzerland)
- 2010–2012 Resun AG, General Counsel and Head Corporate Services, member of the Executive Committee
- Member of the Board of Directors and member of the Audit Committee of SFS Group AG, HUBER+SUHNER AG, AEW Energie AG (Vice Chairman); member of the Board of Directors of Swiss Steel Holding Ltd, Kraftwerk Augst AG, Immobilien AEW AG, Proderma AG (Chairman)
- At no time was he a member of the Group Executive Committee of Zehnder Group AG or of any of its subsidiaries.
- Until end of 2020, he provided Zehnder Group AG and its subsidiaries with legal advice on commercial matters. He has no significant business relations with Zehnder Group AG or with any of its subsidiaries.



Urs Buchmann
Member of the Board
Swiss citizen, born 1957
first elected 2010

- Non-executive member
- Member of the Compensation Committee
- Member of the Audit Committee
- Studied law (doctorate) at the University of Bern (Switzerland)
- Long-term career in corporate and investment banking in Asia, and for institutional customers Asia Pacific
- Since 1.1.2021 Vice Chairman of the Hong Kong subsidiary of a leading international bank
- Since 31.12.2017 member of the Board of Directors of Swiss Re Asia Pte. Ltd. (Singapore)
- At no time was he a member of the Group Executive Committee of Zehnder Group AG or of any of its subsidiaries.
- He has no significant business relations with Zehnder Group AG or with any of its subsidiaries.



Riet Cadonau
Member of the Board
Swiss citizen, born 1961
first elected 2013

- Non-executive member
- Chairman of the Compensation Committee
- Master of Arts in economics and business administration from the University of Zurich (Switzerland)
- Advanced Management Programme at INSEAD (France)
- 1990–2001 various management positions at IBM Switzerland, lastly as a member of the Management Board and Director of IBM Global Services
- 2001–2005 member of the Executive Board of the Ascom Group, from 2002 Deputy CEO and General Manager of the Transport Revenue Division, which was acquired by ACS in 2005
- Until 2007 Managing Director ACS Europe + Transport Revenue (later a Xerox company)
- 2007–2011 CEO Ascom Group (Switzerland)
- 2011–2015 CEO Kaba Group (Switzerland)
- Since 2015 CEO dormakaba Group (Switzerland), since 2018 also Chairman of the Board of Directors
- Member of the Board of Directors of Georg Fischer AG (Switzerland)
- At no time was he a member of the Group Executive Committee of Zehnder Group AG or of any of its subsidiaries.
- He has no significant business relations with Zehnder Group AG or with any of its subsidiaries.



Ivo Wechsler
Member of the Board
Swiss citizen, born 1969
first elected 2019

- Non-executive member
- Member of the Audit Committee
- Lic. oec. HSG, University of St. Gallen (Switzerland)
- 1995–1997 Schweizerische Bankgesellschaft (UBS) in Corporate Finance, Zurich (Switzerland)/ London (United Kingdom)
- 1998–2000 Controller, from 1999 Head of Controlling & Treasury at Sunrise Communications, Rümlang (Switzerland)
- 2001–2007 Head Corporate Controlling and from 2005 in addition Head Corporate Treasury, Ascom Group, Bern (Switzerland)
- 2008–2010 Head Corporate Controlling, HUBER+SUHNER Group, Pfäffikon (Switzerland)
- Since 2010 Chief Financial Officer and member of the Executive Group Management, HUBER+SUHNER Group, Pfäffikon (Switzerland)
- At no time was he a member of the Group Executive Committee of Zehnder Group AG or of any of its subsidiaries.
- He has no significant business relations with Zehnder Group AG or with any of its subsidiaries.



Milva Zehnder
Member of the Board
 Swiss citizen, born 1985
 first elected 2016

- Non-executive member
- Member of the Compensation Committee
- 2005–2010 studies of law at University of Lucerne (Switzerland) with a Master of Law degree
- 2008–2009 legal assistant at Geissmann Attorneys at Law, Baden (Switzerland)
- 2009 exchange semester at Fordham University, School of Law, New York (USA)
- 2010–2011 legal intern at Schweiger Attorneys at Law and Notaries, Zug (Switzerland)
- 2012 admitted to the bar, attorney-at-law and notary in the canton of Zug (Switzerland)
- Since 2013 attorney-at-law and notary at Schweiger Attorneys at Law and Notaries, Zug (Switzerland)
- At no time was she a member of the Group Executive Committee of Zehnder Group AG or of any of its subsidiaries.
- She has no significant business relations with Zehnder Group AG or with any of its subsidiaries.
- Representative of the Zehnder family

3.2 Other activities and vested interests

Other activities and vested interests are outlined in the short profiles of the members of the Board of Directors under the previous item **3.1 Members of the Board of Directors**. Beyond these activities, the members of the Board of Directors do not have any dealings with important institutions, hold ongoing executive or advisory roles for interest groups, or hold any official function or political office.

3.3 Rules in the Articles of Association on the number of permitted activities

Each of the members of the Board of Directors is permitted to undertake the following additional activities in the supreme management or administrative bodies of legal entities obligated to be listed in the commercial register in Switzerland or an equivalent register in another country and which are not controlled by the company, do not control the company or are not occupational pension schemes subscribed to by employees of the Zehnder Group:

- Maximum 5 mandates as member of the Board of Directors or member of other supreme management or administrative bodies of companies which are public corporations according to Article 727 Para. 1 Item 1 of the Swiss Code of Obligations; as well as
- Maximum 10 mandates as member of the Board of Directors or member of other supreme management or administrative bodies of companies as defined in Article 727 Para. 1 Item 2 of the Swiss Code of Obligations; as well as

- Maximum 15 mandates as member of the Board of Directors or member of other supreme management or administrative bodies of legal entities which do not meet the criteria outlined above.

Mandates with companies which are controlled by the same entity, or which are subject to the same commercial authorisation, are counted as a single mandate.

3.4 Elections and terms of office

Pursuant to Article 20 of the Articles of Association (number of members and terms of office; www.zehndergroup.com/en/investor-relations/corporate-governance), the Board of Directors is made up of at least three members elected by the Annual General Meeting for a period of one year. Re-election is permissible.

At the Annual General Meeting, there is a separate vote on the election or re-election of each candidate.

The Annual General Meeting elects at least two and no more than four members to the Compensation Committee from the members of the Board of Directors. The terms of office of the members of the Compensation Committee are one year and end at the close of the next ordinary Annual General Meeting. Members are eligible for re-election.

3.5 Internal organisational structure

Pursuant to Article 25 of the Articles of Association (meetings, resolutions, quorum, minutes; www.zehndergroup.com/en/investor-relations/corporate-governance), the Chairman (Hans-Peter Zehnder) or his deputy (Jörg Walther) must convene and chair the meeting. The Board's duties are carried out by the entire Board. Managerial and monitoring tasks are delegated to ad hoc Board committees at regular intervals. For each meeting, all Board members receive relevant documentation one to two weeks in advance. In 2020, the Board met two times, in February and September. The meetings lasted six and a half hours and two days respectively. In addition, the Board held nine telephone conferences, in February, March, April (two), May, June, July, August and December, lasting between fifteen minutes and around four hours each. The attendance rate was 93%.

The members of the Group Executive Committee attended the Board meetings and participated in the telephone conferences as required. Representatives of the auditors or external consultants are called in to advise on individual items on the agenda. To allow the Board to acquire local information directly, a regular rhythm has been established to hold one of the Board meetings on the premises of an operating company of the Group. As a result of the COVID-19 pandemic, no visit to a subsidiary took place in 2020.

Compensation Committee

The Board is supported by a Compensation Committee, consisting of at least two and a maximum of four members of the Board of Directors who are elected individually and annually by the Annual General Meeting. As at 31 December 2020, the Compensation Committee was composed of Riet Cadonau, Chairman, Urs Buchmann, member, and Milva Zehnder, member. The Compensation Committee meets as often as the business requires, generally before the meetings of the full Board of Directors. In 2020, the Compensation Committee held four meetings, in February, April, September and December. The meetings lasted an hour and a half each on average. The attendance rate was 100%.

The Compensation Committee has its own regulations, approved by the Board.

The Compensation Committee has the following tasks in particular:

- Submission of motions to the full Board of Directors relating to the Group's remuneration system;
- Submission of motions to the full Board of Directors relating to targets set for the Group Executive Committee, the achievement of which has an impact on remuneration paid;
- Submission of motions to the full Board of Directors relating to the specific remuneration paid to the Chairman of the Board of Directors and each of the other members of the Board of Directors;
- Submission of motions to the full Board of Directors relating to the specific remuneration paid to the CEO as well as the specific remuneration paid to each of the other members of the Group Executive Committee;
- Submission of motions to the full Board of Directors relating to changes to the Articles of Association affecting the remuneration system compensating the members of the Group Executive Committee.

For further details on the Compensation Committee, please refer to item **1.2 Compensation Committee** in the Compensation Report.

Audit Committee

The Audit Committee consists of at least two members of the Board of Directors. The Board of Directors appoints the members of the Committee each year and designates the Chairperson. The Audit Committee provides support to the Board of Directors in overseeing the completeness of financial statements, compliance with statutory obligations, qualification of the external auditor and the performance of internal and external auditors. The Audit Committee assesses the fitness for purpose of the financial reporting, the internal review system and the general monitoring of business-related risks.

Audit Committee meetings are attended as guests by the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Head of Group Controlling, the Head of Internal Audit & Compliance and representatives of the external auditor. Where necessary, the Audit Committee addresses certain items on the agenda solely with representatives of the external auditor and/or internal auditing staff.

As of 31 December 2020, the Audit Committee was composed of Jörg Walther, Chairman, Urs Buchmann, member, and Ivo Wechsler, member. The Audit Committee convenes at the invitation of the Chairman as often as is required by business activities. In 2020, the Audit Committee convened four times: in February, July, September and December. The meetings lasted two hours on average. The attendance rate for the meetings was 100%.

In particular, the Audit Committee has the following main duties:

- Evaluation of external auditors and recommendations for the attention of the Board of Directors regarding selection of an auditor by the Annual General Meeting;
- Performance assessment of the incumbent auditor and approval of the remuneration budget for auditing submitted by the external auditor;

- Organisation of internal auditing and appointment of the internal auditor; commissioning of work and assessment of performance;
- Review and approval of auditing plans from internal auditing and the external auditor;
- Approval of any services rendered by the external auditor that are not related to auditing;
- Consultation with the Group Executive Committee and the external and internal auditors regarding significant risks, contingencies and other obligations of the Group, as well as evaluation of the measures taken by the Group to deal with them;
- Review and discussion of the annual and interim financial statements of the company and of the Group – including significant items not recognised in the balance sheet – with the relevant members of the Group Executive Committee;
- Discussion of the results of the annual review with the external auditor and discussion of internal auditing reports, as well as issuing of any recommendations or proposals to the Board of Directors;
- Evaluation of and ensuring cooperation between the external and internal auditors.

3.6 Definition of areas of responsibility

The allocation of the areas of responsibility between the Board of Directors and the Group Executive Committee is based on the law (Swiss Code of Obligations), on the company's Articles of Association and on its Organisational Regulations.

Insofar as provision to the contrary has not been made in law, in the Articles of Association or in its Organisational Regulations, the Board of Directors delegates management of the business completely to the Group Executive Committee.

The Board of Directors is responsible for the overall management of the company, supervision and control of the Group Executive Committee. It issues guidelines for business policy and is kept regularly informed of the course of business.

The Board of Directors is the supreme authority in the context of the management structure of the Group. Insofar as is permitted by law, the Board of Directors has the right of initiative, power of oversight and ultimate decision-making authority over the Group companies.

For the Articles of Association and Organisational Regulations, please refer to our website www.zehndergroup.com/en/investor-relations/corporate-governance.

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

As part of regular reporting practice, the Board members receive monthly reports (income statement, key figures, commentary) and quarterly reports (also expanded to include balance sheet). In addition, the Board members receive a quantified medium-term plan and a detailed budget analysis. The strategic opportunities and risks are analysed regularly and in-depth once a year, and appropriate measures decided.

Operating under the guidance of the CFO, the Zehnder Group has a structured risk management process which has been approved by the Board of Directors and systematically monitors risks to the business. In this process, strategic and operational risks are identified every year and analysed in terms of both probability of occurrence and severity, and key risks are defined. Appropriate measures for minimising and

monitoring these risks are then set out. The Board of Directors reviews and approves the risk report once a year. Each member of the Group Executive Committee is responsible for implementation of the measures in his area of responsibility. The Audit Committee supports the Board of Directors in the monitoring of business risks and the assessment of measures introduced by the Group Executive Committee. The Board of Directors is informed periodically of significant changes to the risk assessment as well as being kept abreast of risk management activities that have been undertaken. The internal system for managing financial reporting defines checks and controls that reduce the corresponding risks. Compliance with internal guidelines is monitored by means of internal random checks and regular audits by external specialists.

The financial risks are monitored by the Treasury department of the Zehnder Group under the guidance of the CFO. Risk management focuses on identifying, analysing and mitigating currency, interest, liquidity and counterparty risks, in order to limit the extent to which they can impair cash flow and net profit.

4. Group Executive Committee

4.1 Members of the Group Executive Committee



Matthias Huenerwadel
Chairman of the Group Executive Committee, CEO
Swiss, born 1968

- Bachelor of Science in Mechanical Engineering, Swiss Federal Institute of Technology (ETH) Zurich (Switzerland)
- Master of Science in Industrial Engineering, Swiss Federal Institute of Technology (ETH) Zurich (Switzerland)
- 1996–2005 various leading positions in logistics, IT, customer service, sales and marketing at the Franke Group
- 2005–2017 member of the Executive Board and head of the Movement Systems (2005–2012) resp. Flooring Systems (2013–2017) division, Forbo International SA, Baar (Switzerland)
- Since 12.11.2018 member of the Group Executive Committee of Zehnder Group (CEO Designate), Gränichen (Switzerland)
- Since January 2019 Chairman of the Group Executive Committee, CEO
- Member of the Board of Directors of Daedalus Holding AG (Switzerland)



René Grieder
Chief Financial Officer
Swiss, born 1979

- Bachelor of Science in Business Economics, University of Applied Sciences Lucerne (Switzerland)
- Master of Advanced Studies in Corporate Finance, Institute of Financial Services Zug (Switzerland)
- 1998–2000 Product Manager, Intercycle SA, Sursee (Switzerland)
- 2003–2007 Controller, Pilatus Aircraft Ltd, Stans (Switzerland)
- 2007–2009 Group Controller, Emhart Glass SA, Cham (Switzerland)
- 2009–2010 Manager Group Reporting & Head of Group Reporting, Zehnder Group, Gränichen (Switzerland)
- 2011–2015 Head of Group Controlling, Zehnder Group
- Since August 2015 member of the Group Executive Committee of Zehnder Group (Chief Financial Officer)



Johannes Bollmann
Competence Center
Comfosystems

Swiss/Italian dual citizen, born 1982

- 2003–2006 Bachelor of Science in Mechanical Engineering, Swiss Federal Institute of Technology (ETH) Zurich (Switzerland)
- 2006–2008 Master of Science in Management, Technology and Economics, Swiss Federal Institute of Technology (ETH) Zurich (Switzerland)
- 2007–2013 various functions at ABB in Zurich and Baden (Switzerland) in Marketing, Sales and Internal Audit
- 2013–2019 various functions and managerial tasks at the Zehnder Group in Switzerland in the areas of business development, sales, product and project management; since 2016 Managing Director of the Zehnder Group Schweiz AG
- Since April 2019 member of the Group Executive Committee of Zehnder Group (Head Competence Center Comfosystems), Gränichen (Switzerland)



Jörg Metzger
Competence Center Radiators
German, born 1967

- 1990–1995 studies at the Kaiserslautern University of Applied Sciences in Germany with a degree in civil engineering (Dipl.-Ing.)
- 1995–2009 management functions in various international companies
- 2009–2020 various executive positions at the Elster Group and Honeywell Inc. in the area of business management and transformation
- Since May 2020 member of the Group Executive Committee of the Zehnder Group (Head Competence Center Radiators), Gränichen (Switzerland)



Cyril Peysson
Sales Europe/Middle East/Africa
(EMEA)
French, born 1965

- Diploma from École Supérieure de Commerce et d'Administration, Montpellier (France)
- 1990–2000 various responsibilities in exports and sales for French industrial companies; last position held was head of sales at De Dietrich Heiztechnik (Germany)
- 2000–2005 Head of Zehnder SAS (France)
- Since 2006 member of the Group Executive Committee of Zehnder Group (Sales Europe/Middle East/Africa, EMEA; April 2008 until end 2013 Sales and Marketing Western Europe, previously Sales and Marketing Radiators), Gränichen (Switzerland)

4.2 Other activities and vested interests

Other activities and vested interests are outlined in the short profiles of the members of the Group Executive Committee under the previous item **4.1 Members of the Group Executive Committee**.

4.3 Rules in the Articles of Association on the number of permitted activities

By permission of the Board of Directors, each of the members of the Group Executive Committee is allowed to undertake the following additional activities in the supreme management or administrative bodies of legal entities obligated to be listed in the commercial register in Switzerland or an equivalent register in another country and which are not controlled by the company, do not control the company or are not occupational pension schemes subscribed to by employees of the Zehnder Group:

- Maximum 2 mandates as member of the Board of Directors or member of other supreme management or administrative bodies of companies which are public corporations according to Article 727 Para. 1 Item 1 of the Swiss Code of Obligations; as well as
- Maximum 3 mandates as member of the Board of Directors or member of other supreme management or administrative bodies of companies as defined in Article 727 Para. 1 Item 2 of the Swiss Code of Obligations; as well as
- Maximum 5 mandates in other legal entities which do not meet the criteria outlined above.

Mandates with companies which are controlled by the same entity, or which are subject to the same commercial authorisation, are counted as a single mandate.

4.4 Management contracts

There are no management contracts which transfer management responsibility to companies or individuals outside the Zehnder Group.

5. Compensation, shareholdings and loans

Information about compensation, shareholdings and loans are published in the [Compensation Report](#).

6. Shareholders' participation rights

Please refer to Swiss company law and also to Zehnder Group AG's Articles of Association on our website www.zehndergroup.com/en/investor-relations/corporate-governance.

6.1 Voting rights restrictions and representation

Regardless of its nominal value, every share carries a voting right. The statements made under item **2.6 Limitations on transferability and nominee registration** in this Corporate Governance Report shall apply.

In its invitation to the Annual General Meeting, the Board of Directors will announce the deadline for entry into the share register which is required for the right to vote and participate.

Only another registered shareholder B can act as a proxy for a registered shareholder A at the Annual General Meeting. A registered shareholder A can be represented by the independent proxy or a third person. Regulations governing proxies and instructions are set by the Board of Directors. Written proxy is not required for legal representatives.

The independent proxy has to be elected each year at the Annual General Meeting. Re-election is permissible. The duties of the independent proxy are governed by applicable legal provision.

The Board of Directors did not grant any exceptions or exclude any nominees in the reporting year.

6.2 Quorums required by the Articles of Association

Insofar as provision to the contrary has not been made in law or the Articles of Association, the Annual General Meeting passes its resolutions and holds its elections based on a simple majority of the valid share votes cast. Abstentions, blank votes and invalid votes are not included when the majority is counted. If a vote is tied, the Chairman has the casting vote on resolutions and in elections. Resolutions and elections are open unless provision to the contrary is made by the Chairman.

Supplementary to Article 704 Para. 1 of the Swiss Code of Obligations, a resolution by the Annual General Meeting passed by at least a two-thirds majority of the votes represented and an absolute majority of the nominal value of the shares represented is required for:

- a) The conversion of registered shares into bearer shares and vice versa;
 - b) Amendments to Article 6, Article 7 and Article 17 of the Articles of Association.
-

6.3 Convocation of the Annual General Meeting

As prescribed by law, the Annual General Meeting is convened by the Board of Directors or, if necessary, by the auditor. It is convened at least 20 days before the date on which it is to be held and the invitation to attend is published in the Swiss Official

Gazette of Commerce. If the postal or e-mail address of the shareholders is known, the invitation may also be issued via post or e-mail.

6.4 Inclusion of items on the agenda

The Board of Directors is responsible for listing matters to be discussed on the agenda. Shareholders registered with voting rights who individually or collectively represent at least 5% of the share capital of the company may request that an item be included on the agenda of the Board of Directors. The request for an item to be included on the agenda must be submitted in writing to the Chairman of the Board of Directors at least 45 days prior to the Annual General Meeting, stating the agenda item and the motions.

6.5 Entries in the share register

In its invitation to the Annual General Meeting, the Board of Directors will announce the deadline for entry into the share register which is required for the right to vote and participate.

7. Changes of control and defence measures

7.1 Duty to make an offer

An opting-out clause is laid down in Article 10 of the Articles of Association (www.zehndergroup.com/en/investor-relations/corporate-governance).

7.2 Clauses on changes of control

There are no change-of-control clauses for members of the Board of Directors or for members of the Group Executive Committee.

8. Auditors

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

PricewaterhouseCoopers Ltd (PwC), Lucerne (Switzerland), have been external auditors for Zehnder Group AG since 2019. They also audit the consolidated financial statements of the Zehnder Group. The auditor is elected at the Annual General Meeting for a term of one year. Thomas Ebinger took over as lead auditor on 1 October 2020. The rotation rhythm for the lead auditor corresponds to a maximum term of seven years in accordance with the legal requirement.

8.2 Auditing fees

The financial statements of Zehnder subsidiaries are audited by various auditing firms, including PwC. In the 2020 reporting year, various auditing firms invoiced a total of EUR 849,000 (incl. expenses) for auditing individual accounts and the consolidated financial statements. Of this, EUR 504,000 were paid to PwC. No audit-related services were invoiced.

8.3 Additional fees

A total of EUR 1,914,000 were charged for taxation services, legal services and consulting services relating to M&A activities throughout the Group in 2020. Of this, EUR 240,000 were paid to PwC.

8.4 Information instruments pertaining to the external audit

The auditor attends the meetings of the Audit Committee. At these meetings, it presents significant information on the financial statements of the companies audited. The auditor is evaluated and monitored by the Audit Committee, which makes recommendations to the Board of Directors. In particular, the Audit Committee evaluates the auditing plans from the auditor, as well as the auditor's remuneration and performance. In 2020, PwC attended all four meetings of the Audit Committee.

9. Information policy

The Zehnder Group communicates regularly with its shareholders, the capital market and the public. The CEO and the CFO are the designated contact persons. Annual reports and six-month reports are available online on our website

www.zehndergroup.com/en/investor-relations/reports-and-presentations in German and English. This also offers an opportunity for interested parties to subscribe to news publications and access other information. A meeting for media representatives and financial analysts is held at least once a year.

Additional information including the company calendar can be found under [Further information for investors](#).