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# Corporate Governance

<b>16</b>	Introduction
<b>17</b>	1. Group structure and shareholders
<b>19</b>	2. Capital structure
<b>22</b>	3. Board of Directors
<b>37</b>	4. Group Executive Committee
<b>43</b>	5. Compensation, shareholdings and loans
<b>44</b>	6. Shareholders' participation rights
<b>46</b>	7. Changes of control and defence measures
<b>47</b>	8. Auditors
<b>48</b>	9. Information policy
<b>49</b>	10. Blackout periods

# Introduction

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Corporate Governance refers to the universe of principles and rules that 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 Exchange Regulation AG effective as at 31 December 2022 and is structured in line with the directive. The **Compensation Report** is set out in a separate section of the Annual Report.

The Zehnder Group publishes on its website the Articles of Association and Organisational Regulations to which this report refers, as well as the Code of Conduct. These may be viewed at [www.zehndergroup.com/en/investor-relations/corporate-governance](http://www.zehndergroup.com/en/investor-relations/corporate-governance).

# 1. Group structure and shareholders

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## 1.1 Group structure

Until 2021, Zehnder Group was divided into the geographical regions of Europe, China and North America. In connection with the increased share of ventilation sales in total sales due to acquisitions and in line with the “Growth for ventilation – harvest for radiators” strategy, the Group has been organised group-wide by business areas, i.e. ventilation and radiators, since 2022.

Zehnder Group AG, the holding company of the Zehnder Group, is the only listed company included in the consolidation scope. It is headquartered in Gränichen (CH). The registered shares A are listed on the SIX Swiss Exchange (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 2022, the market capitalisation (registered shares A) was CHF 544.4 million and the total capitalisation was CHF 654.9 million.

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

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## 1.2 Significant shareholders

According to the information available to the Board of Directors, the following shareholder held more than 3% of the share capital of Zehnder Group AG as at the balance sheet date; i.e. 31 December 2022:

- Graneco AG, Gränichen (CH): 9,480 registered shares A and 9,811,200 registered shares B, corresponding to 50.0% of the votes (previous year: 49.8%); together with the other registered shares of the company held by the shareholders of Graneco AG, this group holds 51.8% of the voting rights.

A shareholders' agreement between the shareholders of Graneco AG (the Zehnder family and persons closely associated with the Zehnder family) includes, inter alia, a voting commitment for all directly and indirectly held registered shares B of Zehnder Group AG. It is the intention of this group of persons to secure significant influence on Zehnder Group AG over the long term. For important decisions they vote together, putting the successful development of the Zehnder Group before their own interests. The agreement was renewed on 23 November 2022 and runs until at least 31 December 2032.

As of 31 December 2022, Zehnder Group AG held 401,948 of its own registered shares A. These were mainly acquired as part of the employee shareholding plan and the share buyback programme launched on 24 March 2021.

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=ZEHNDER](http://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html?companyId=ZEHNDER).

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

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### 1.3 Cross-shareholdings

There are no cross-shareholdings.

## 2. Capital structure

### 2.1 Capital

	Registered shares A units 2022	Registered shares B units 2022	Nominal value CHF 2022	Registered shares A units 2021	Registered shares B units 2021	Nominal value CHF 2021
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
<b>Total at 31.12.</b>	<b>9,756,000</b>	<b>9,900,000</b>	<b>586,800</b>	<b>9,756,000</b>	<b>9,900,000</b>	<b>586,800</b>

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 them. The vast majority of the registered shares B are owned by Graneco AG (CH). On the balance sheet date, Graneco AG and its shareholders held 51.8% of the company's registered shares and voting rights.

### 2.2 Authorised and conditional capital in particular

There is no authorised or 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 2020 and 31 December 2022.

All changes in capital since going public in 1986 are set out on our website [www.zehndergroup.com/en/investor-relations/shares](http://www.zehndergroup.com/en/investor-relations/shares).

### 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](http://www.zehndergroup.com/en/investor-relations/shares).

No participation certificates of the Zehnder Group are outstanding.

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## 2.5 Dividend-right certificates

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

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## 2.6 Limitations on transferability and nominee registrations

### Limitations on registration of registered shares A

Under Article 6 (Restrictions on registering registered shares A) of the Articles of Association, purchasers of registered shares A in Zehnder Group AG will, on 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 registered with voting rights only if the relevant nominee, when requesting registration or subsequently on request of the company, discloses the names, addresses and shareholdings of the persons on whose account they hold 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

Under Article 6 (Transferability of registered shares B) of the Articles of Association, 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 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 B by the applicant might prevent the company from producing evidence of the composition of the circle of shareholders 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 B to purchase these 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

Under Article 8 (Further limitations on registration of registered shares A and B) of the Articles of Association, legal persons and partnerships with legal personality that are interrelated or affiliated through equity or voting interests, common cooperation or similar means, or 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 that 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 require 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.

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## 2.7 Convertible bonds and options

No convertible bonds or options are outstanding.

## 3. Board of Directors

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We refer to the Articles of Association and Organisational Regulations of Zehnder Group AG set out on our website [www.zehndergroup.com/en/investor-relations/corporate-governance](http://www.zehndergroup.com/en/investor-relations/corporate-governance).

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### Skills and expertise of the Board of Directors

In accordance with the Swiss Code of Best Practice for Corporate Governance for a balanced composition of the Board of Directors, the members of the Board of Directors have a broad range of educational backgrounds, professional experience and technical expertise from various sectors.

Alongside the diversity of ages, genders and geographic origins, the Board of Directors evaluates its own level of diversity using a competence matrix drawn up by the Nomination and Compensation Committee. This matrix contains the following professional skills and expertise:

- International business management (including China and North America);
- Corporate governance/compliance/law;
- Finance/audit/risk management;
- Heating, ventilation, air conditioning (HVAC)/related industries;
- Strategy/transformation/M&A;
- Information technology/digitalisation, including new business models (driven by digitalisation);
- Personnel management and compensation;
- Sustainability – environmental, social and governance (ESG).

Evaluation of the Board of Directors' competence is based on the three most important skills of each member of the Board of Directors. The Nomination and Compensation Committee verifies the composition and balance of the Board of Directors annually by way of self-evaluation on the basis of the features listed above and the strategy of the Zehnder Group, in order to obtain confirmation of whether the Board of Directors remains in possession of the necessary skills and expertise to exercise its duties. The results and any resulting recommendations are discussed by the Board of Directors.

All the skills required are present within the Board of Directors. Details of the professional background and education of the individual members of the Board of Directors as of 31 December 2022 are set out as biographical data under the following item [3.1 Members of the Board of Directors](#).



### 3.1 Members of the Board of Directors



**Dr Hans-Peter Zehnder**  
Chairman of the Board of Directors

Swiss citizen, born 1954

First elected 1988

Non-executive member since 2019

#### Professional background and education

- 1993–31.10.2014 and 5.2.–31.12.2018 Chairman of the Group Executive Committee, Chief Executive Officer (CEO) of the Zehnder Group, Gränichen (CH)
- 1988–1992 Vice Chairman of the Group Executive Committee, head of the radiator division of the Zehnder Group, Gränichen (CH)
- 1985–1988 Member of the Group Executive Committee, head of the instrument division (1986–1988) of the Zehnder Group, Gränichen (CH)
- 1981–1984 Head of Finance, Gebr. Bühler AG, Uzwil (CH)
- 1974–1980 Dr. oec. HSG, University of St. Gallen (CH)
- Until the end of 2018 he was part of Zehnder Group AG management.
- He retains individual directorships of subsidiaries that are being transferred to the CEO Matthias Huenerwadel. Beyond this, he has no significant business relations with Zehnder Group AG or its subsidiaries.

#### Other activities and vested interests

- Chairman of the Board of Directors of R. Nussbaum AG (CH), member of the Board of Directors of AZ Medien AG (CH), CH Media AG (CH) and Lagerhäuser der Centralschweiz AG (CH)
- Chairman of the Board of Directors of Graneco AG (CH), which together with its shareholders holds 51.8% of Zehnder Group AG voting rights
- Chairman of the Board of Directors of Granarium AG (CH), which holds the majority of the capital and voting rights in Graneco AG (CH)



**Jörg Walther**  
**Vice Chairman of the Board of Directors**

Swiss citizen, born 1961

First elected 2016

Non-executive member

Chairman of the Audit Committee

### Professional background and education

- Since 2010 Business lawyer and partner, Schärer Attorneys at Law, Aarau (CH)
- 2010–2012 General Counsel and Head Corporate Services, member of the Executive Committee, Resun AG, Aarau (CH)
- 2001–2009 Senior Corporate Counsel, 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, Zurich (CH)
- 1995–1998 Senior Corporate Counsel, ABB Schweiz AG, Baden (CH)
- 1991–1995 Legal Counsel/General Counsel and Head Legal Services, Danzas Management AG, Basel (CH)
- 1999 MBA University of Chicago (US), Booth School of Business
- 1997 Advanced Management Programme, University of Oxford (UK)
- 1993 Post-graduate certificate in European Economic Law, University of St. Gallen (CH)
- 1990 Admitted to the bar
- 1989 lic. iur., University of Zurich (CH)
- At no time has he been 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. Since then, he has had no significant business relations with Zehnder Group AG or with any of its subsidiaries.

### Other activities and vested interests

- Vice Chairman and member of the Audit and Finance Committee of AEW Energie AG (CH), member of the Board of Directors and Chairman of the Audit Committee of HUBER+SUHNER AG (CH) and SFS Group AG (CH), Vice Chairman of the Board of Directors of Immobilien AEW AG (CH), member of the Board of Directors of Kraftwerk Augst AG (CH)
- Member of the Board of the swissVR association (CH)



**Dr Urs Buchmann**  
**Member of the Board of Directors**  
Swiss citizen, born 1957  
First elected 2010  
Non-executive member  
Member of the Audit Committee

#### Professional background and education

- Since 1985 Long-term career at Credit Suisse in corporate and investment banking in Asia and in servicing institutional customers in the Asia-Pacific region, currently Vice Chairman of Credit Suisse (Hong Kong) Ltd.
- 1977-1984 Studied law (doctorate) at the University of Bern (CH)
- At no time has he been 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.

#### Other activities and vested interests

- Member of the Board of Directors of Swiss Re Asia Pte. Ltd. (SG)



**Riet Cadonau**  
**Member of the Board of Directors**  
Swiss citizen, born 1961  
First elected 2013  
Non-executive member  
Chairman of the Nomination and  
Compensation Committee

### Professional background and education

- 2015–2021 CEO, dormakaba Group, Rümlang (CH)
- 2011–2015 CEO, Kaba Group, Rümlang (CH)
- 2007–2011 CEO, Ascom Group, Dübendorf (CH)
- 2005–2007 Managing Director, ACS Europe + Transport Revenue (later a Xerox company), Glattbrugg (CH)
- 2001–2005 Member of the Executive Board, Ascom Group, Bern (CH), from 2002 Deputy CEO and General Manager of the Transport Revenue Division, which was acquired by ACS in 2005
- 1990–2001 Various management positions at IBM Switzerland, Zurich (CH), most recently as a member of the Management Board and Director of IBM Global Services
- 2007 Advanced Management Programme at INSEAD (FR)
- 1985–1988 Master of Arts in economics and business administration (lic. oec. publ.), University of Zurich (CH)
- At no time has he been 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.

### Other activities and vested interests

- Chairman of the Board of Directors of dormakaba Holding AG (CH), member of the Board of Directors of Georg Fischer AG (CH)
- Chairman of the Board of Directors of Swiss-American Chamber of Commerce (CH)



**Sandra Emme**  
**Member of the Board of Directors**  
German-Swiss dual citizen, born  
1972  
First elected 2022  
Non-executive member  
Member of the Nomination and  
Compensation Committee

### Professional background and education

- Since 2011 Google Online Marketing, Global Business Development, Digital Transformation Consulting, currently Industry Leader Cloud at Google Switzerland GmbH, Zurich (CH)
- 2008–2009 CEO, Swixpert GmbH, Zurich (CH)
- 2000–2008 Co-founder and CEO, SoftThinks SA, Lille (FR) and SoftThinks USA Inc, San Jose (US)
- 1997–2000 Co-founder and Business Development Director, AS Media, Marseille (FR) and London (UK)
- 2022 ESG Designation Program for Board Members, Competent Boards (CA)
- 2020 Cybersecurity Program, Massachusetts Institute of Technology (US)
- 2017–2019 Corporate Governance Programme, University of St. Gallen (CH)
- 2015 Leading Digital Business Transformation, IMD Business School, Lausanne (CH) and Singapore (SG)
- 1993–1995 Ecole Supérieure de Commerce, Marseille (FR)
- 1991–1995 MA in Business and International Management, City University of Applied Sciences, Bremen (DE)
- At no time has she been 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.

### Other activities and vested interests

- Member of the Board of Directors of Belimo Holding AG (CH)
- Member of the Steering Committee of digitalswitzerland (CH)



**Milva Inderbitzin-Zehnder**  
**Member of the Board of Directors**

Swiss citizen, born 1985

First elected 2016

Non-executive member

Member of the Nomination and  
Compensation Committee

### Professional background and education

- Since 2013 Attorney-at-law and notary, Schweiger Attorneys at Law and Notaries, Zug (CH)
- 2010–2011 Legal intern, Schweiger Attorneys at Law and Notaries, Zug (CH)
- 2008–2009 Legal assistant at a law firm in Baden (CH)
- 2012 Admitted to the bar, attorney-at-law and notary in the canton of Zug (CH)
- 2005–2010 Law studies at University of Lucerne (CH) with a Master of Law degree
- 2009 Exchange semester at Fordham University, School of Law, New York (US)
- At no time has she been 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.

### Other activities and vested interests

- Representative of the Zehnder family shareholders
- Member of the Board of Directors of Granarium AG (CH), which holds the majority of the capital and voting rights in Graneco AG (CH)



**Ivo Wechsler**  
**Member of the Board of Directors**  
 Swiss citizen, born 1969  
 First elected 2019  
 Non-executive member  
 Member of the Audit Committee

### Professional background and education

- Since 2010 Chief Financial Officer and member of the Executive Group Management, HUBER+SUHNER Group, Herisau (CH)
- 2008–2010 Head Corporate Controlling, HUBER+SUHNER Group, Herisau (CH)
- 2001–2007 Head Corporate Controlling and from 2005 in addition Head Corporate Treasury, Ascom Group, Bern (CH)
- 1998–2000 Controller, from 1999 Head of Controlling & Treasury at Sunrise Communications, Rümlang (CH)
- 1995–1997 In Corporate Finance at Schweizerische Bankgesellschaft (UBS), Zurich (CH)/London (UK)
- 1989–1994 lic. oec. HSG, University of St. Gallen (CH)
- At no time has he been 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.

### Other activities and vested interests

- No other activities and vested interests

## 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

Under Article 30 (Other permitted activities) of the Articles of Association, the members of the Board of Directors are 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 of five mandates as member of the Board of Directors or member of other supreme management or administrative bodies of companies that are public corporations according to Article 727 para. 1(1) of the Swiss Code of Obligations;

- Maximum of 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(2) of the Swiss Code of Obligations;
- Maximum of 15 mandates as member of the Board of Directors or member of other supreme management or administrative bodies of legal entities that do not meet the criteria outlined above.

Mandates with companies 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

Article 20 (Employees and term of office) of the Articles of Association stipulates that 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, a separate vote is held on the election or re-election of each candidate.

For details of the initial election of the individual members of the Board of Directors, we refer to the short profiles of the Directors under [3.1 Members of the Board of Directors](#).

### 3.5 Internal organisational structure

The Chairman (Dr Hans-Peter Zehnder) or his deputy (Jörg Walther) convenes and chairs the meetings and conference calls. 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 week in advance. The members of the Group Executive Committee attend the Board meetings and participate in the conference calls 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 pattern has been established of holding one of the Board meetings on the premises of an operating company of the Group. In 2022, the Board held nine meetings or conference calls. These lasted an average of six hours. The attendance rate averaged 98%.

	18.2.	26.3.	7.4.	25./ 27.4.	28.4.	4.–6.7.	22.7.	19.– 21.9.	14.12.
Dr Hans-Peter Zehnder	●	●	●	●	●	●	●	●	●
Jörg Walther	●	●	●	●	●	●	●	●	●
Dr Urs Buchmann	●	x	●	●	●	●	●	●	●
Riet Cadonau	●	●	●	●	●	●	●	●	●
Sandra Emme <sup>1</sup>	n/a	n/a	n/a	●	●	●	●	●	●
Ivo Wechsler	●	●	●	●	●	●	●	●	●
Milva Inderbitzin-Zehnder	●	●	●	●	●	●	●	●	●

<sup>1</sup> Member of the Board of Directors since 7 April 2022



The Board of Directors is supported by a Nomination and Compensation Committee and an Audit Committee.

### Nomination and Compensation Committee

The Nomination and Compensation Committee is made up of at least two and not more than four members of the Board of Directors who are each elected annually by the Annual General Meeting. Members are eligible for re-election.

The Nomination and Compensation Committee comprised the following members as of 31 December 2022:

- Riet Cadonau, Chairman;
- Sandra Emme, member;
- Milva Inderbitzin-Zehnder, member.

The Nomination and Compensation Committee meets as often as the business requires, generally before the meetings of the full Board of Directors. In 2022, the Committee held four meetings. These lasted one and a half hours each on average. The attendance rate was 100%.

	18.2.	7.4.	21.9.	14.12.
Riet Cadonau	●	●	●	●
Dr Urs Buchmann <sup>1</sup>	●	●	n/a	n/a
Sandra Emme <sup>2</sup>	n/a	n/a	●	●
Milva Inderbitzin-Zehnder	●	●	●	●

<sup>1</sup> Member of the Nomination and Compensation Committee to 7 April 2022

<sup>2</sup> Member of the Nomination and Compensation Committee since 7 April 2022

The Nomination and Compensation Committee has its own regulations, which are approved by the Board.

The Nomination and Compensation Committee has the following specific duties pursuant to 4.3 (The Nomination and Compensation Committee) of the Organisational Regulations:

- 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;
- Provision of information to the Board of Directors about all events relevant to the Nomination and Compensation Committee that are not directly within the competence of the Board of Directors;
- 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 and 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 for the members of the Group Executive Committee;
- Submission of proposals to the Board of Directors relating to the appropriate size and balanced composition of the Board of Directors and determination of the criteria for independence;
- Development and presentation of criteria for election or re-election to the Board of Directors or for appointment as a member of the Group Executive Committee;
- Evaluation of potential members of the Board of Directors on the basis of the defined criteria and submission of a statement to the Board of Directors regarding their nomination for the attention of the General Meeting;
- Assessment of proposals from the CEO to the Board of Directors regarding the appointment or dismissal of members of the Group Executive Committee and, if necessary, submission of a statement to the Board of Directors;
- Approval of employment contracts with the CEO and the other members of the Group Executive Committee;
- Review of succession and contingency planning at Group Executive Committee level;
- Submission of proposals to the entire Board regarding the approval of mandates and other additional occupations of members of the Group Executive Committee.

Further details can be found at item [1.2 Nomination and Compensation Committee](#) of 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 comprised the following members as of 31 December 2022:

- Jörg Walther, Chairman;
- Dr Urs Buchmann, member;
- Ivo Wechsler, member.

The Audit Committee convenes at the invitation of the Chairman as often as is required by business activities. Audit Committee meetings are attended as guests by the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Director Group Controlling, the Head 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. In 2022, the Audit Committee convened four times. The meetings lasted an average of two hours. The attendance rate was 100%.

	16.2.	19.7.	19.9.	14.12.
Jörg Walther	●	●	●	●
Dr Urs Buchmann	●	●	●	●
Ivo Wechsler	●	●	●	●

Pursuant to 4.2 (The Audit Committee) of the Organisational Regulations, the Audit Committee has the following specific tasks and responsibilities:

- 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 audit reports, and issuance of recommendations or proposals to the Board of Directors;
- Evaluation of and ensuring cooperation between the external and internal auditors.

### Chairman

The Chairman of the Board of Directors chairs the meetings of the Board of Directors and the Annual General Meeting.

Alongside membership of the Board of Directors, the Chairman's specific remit includes, in particular:

- Monitoring the planning and organisation of the Annual General Meeting;
- Monitoring the enactment of the resolutions made at the Annual General Meeting and meetings of the Board of Directors;
- Monitoring the running of the business together with the Chairman of the Group Executive Committee;
- Representing the Company towards shareholders and third parties;
- Preparing the meetings of the Board of Directors;
- Monitoring the organisation and decision-taking procedures of the Board of Directors.

In extraordinary situations where it is not possible to inform the Board of Directors in advance, further to consultation with the Vice Chairman or, in his absence, with another member of the Board of Directors, the Chairman has the authority to make all necessary decisions provided that such decisions are within the framework of existing business policy. The full Board of Directors must be informed of such decisions without delay.

### Vice Chairman

The Board of Directors appoints the Vice Chairman. The Vice Chairman supports and advises the Chairman of the Board of Directors in relation to his responsibilities and powers. Together with the Chairman, he promotes balanced management and monitoring within the Group, Board of Directors and Committees. The duties of the Vice Chairman include chairing meetings of the Board of Directors during temporary absence or incapacity of the Chairman. He has the role of Lead Independent Director. Together with the Nomination and Compensation Committee, he is responsible for regular monitoring and an annual assessment of the Chairman of the Board of Directors.

Alongside membership of the Board of Directors, the Chairman's specific remit includes, in particular:

- Ensuring readiness at all times to act as deputy to the Chairman of the Board of Directors;
- Overseeing the management and development of key strategic projects;
- Acting as contact person (alternatively to the Chairman of the Board of Directors) for important shareholders, investors and proxy advisers;
- Conducting the annual performance evaluation of the Chairman of the Board of Directors and the self-assessment of the entire Board of Directors;
- Chairing ad hoc committees of the Board of Directors in matters that do not fall within the remit of the Chairman of the Board of Directors;
- Supporting the Chairman of the Board of Directors in the management of the company, in particular during special situations and in crisis situations;
- Approving the appointment of contact persons for external consultants who report directly to the Board of Directors;
- Conducting a preliminary review, together with or as an alternative to the Chairman of the Board of Directors, of the documents made available to the full Board of Directors;
- Attending meetings of Board committees as chair, member or guest.

As an alternative to the Chairman of the Board of Directors, particularly in case of his absence or incapacity, the Vice Chairman is the point of contact for corporate governance and risk management, and also represents the company in respect of shareholders and other external groups of stakeholders.

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### 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), the company's Articles of Association and 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, and 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.

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

The Board of Directors is regularly informed of the activities of the Group Executive Committee and business units via various channels.

#### Management information system (MIS)

As part of regular reporting practice, the Board of Directors receives monthly reports (income statement, key figures, commentary) and quarterly reports (expanded to include balance sheet, cash flow statement, investments, etc.). In addition, the Board members receive a quantified medium-term plan and a detailed budget analysis. The Group Executive Committee members attend the meetings of the Board of Directors and also the conference calls depending on requirements, reporting to the Board of Directors.

#### Risk management process

Operating under the guidance of the CFO, the Zehnder Group has a structured risk management process that has been approved by the Board of Directors and which systematically monitors risks to the business, including sustainability and climate risks. In this process, strategic and operational risks are identified every year, including all the sites and function areas, 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 their 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 and is kept abreast of risk management activities.

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.

Information security risks are monitored by the Group's central IT department, under the leadership of the CFO. The focus of risk management is on IoT (Internet of Things; i.e. products with internet connectivity), the central and local IT departments of the Group and the control systems of production and logistics. External specialists are called in at regular intervals for organisational issues and technical audits.

#### Internal audit

Internal audit is an independent and objective auditing and advisory activity that aims to evaluate and improve the efficiency of the corporate management, risk management and internal control. It is undertaken by the Head of Internal Audit & Compliance, who reports to the Chairman of the Board of Directors and with regard to this role reports directly to the Audit Committee.

Based on the audit plan approved by the Audit Committee, the Group companies are audited at regular intervals for general and specific issues on the basis of ongoing risk assessment. During the year under review, eight internal audits were carried out. The audit reports agreed with the managements of the audited companies or the responsible functions are distributed to the Chairman of the Board of Directors, the Audit Committee, the Group Executive Committee and the external auditor. The Head of Internal Audit & Compliance ensures that the points brought up are dealt with and sustainable adjustments made under the responsibility of the line organisation. He attends the meetings of the Audit Committee. Any material findings resulting from internal audits are presented and discussed.

### Integrity Line

Zehnder Group pursues an integrated system approach to combat violations of its Code of Conduct, including the protection of whistleblowers. The whistleblower system introduced in the reporting year can be used to report information about misconduct affecting Zehnder Group or the welfare of employees and third parties. The Integrity Line is accessible via the Group website ([www.zehndergroup.com](http://www.zehndergroup.com)) and local company websites. Employees also have access via the Group intranet and local intranets. The reports, which can also be submitted anonymously, are processed primarily by the Group's legal department. The Audit Committee is informed about the reports received.

## 4. Group Executive Committee

### 4.1 Members of the Group Executive Committee



**Matthias Huenerwadel**  
Chairman of the Group Executive Committee,  
Chief Executive Officer (CEO)  
Swiss, born 1968  
Appointed in 2018

#### Professional background and education

- Since January 2019 Chairman of the Group Executive Committee, Chief Executive Officer (CEO) of the Zehnder Group, Gränichen (CH)
- 12.11.–31.12.2018 Member of the Group Executive Committee, designated Chief Executive Officer (CEO) of the Zehnder Group, Gränichen (CH)
- 2005–2017 Member of the Executive Board and Head of Movement Systems (2005–2012) and Flooring Systems (2013–2017), Forbo International SA, Baar (CH)
- 1995–2005 Various management positions in the areas of logistics, IT, customer services, sales and marketing at the Franke Group, Aarburg (CH), Ruston (US) and Bad Säckingen (DE)
- 1991–1994 Master of Science in Industrial Engineering, Swiss Federal Institute of Technology (ETH) Zurich (CH)
- 1987–1990 Bachelor of Science in Mechanical Engineering, Swiss Federal Institute of Technology (ETH) Zurich (CH)

#### Other activities and vested interests

- Member of the Board of Directors of Daedalus Holding AG (CH) and Spaeter AG (CH)
- Member of the Board of Aargauische Industrie- und Handelskammer (CH)



**René Grieder**  
Chief Financial Officer (CFO)  
Swiss, born 1979  
Appointed in 2015

### Professional background and education

- Since August 2015 Member of the Group Executive Committee, Chief Financial Officer (CFO) of the Zehnder Group, Gränichen (CH)
- 2011–2015 Head of Group Controlling of the Zehnder Group, Gränichen (CH)
- 2009–2010 Head of/Manager Group Reporting of the Zehnder Group, Gränichen (CH)
- 2007–2009 Group Controller, Emhart Glass SA, Cham (CH)
- 2003–2007 Controller, Pilatus Aircraft Ltd, Stans (CH)
- 1998–2000 Product Manager, Intercycle SA, Sursee (CH)
- 2010–2011 Master of Advanced Studies in Corporate Finance, Institute of Financial Services Zug (CH)
- 2001–2003 Bachelor of Science in Business Economics, University of Applied Sciences and Arts Lucerne (CH)

### Other activities and vested interests

- Member of the Board of Directors of imiam AG (CH)



**Johannes Bollmann**

**Chief Operating Officer (COO)  
Ventilation EMEA**

Swiss-Italian dual citizen, born 1982  
Appointed in 2019

**Professional background and education**

- Since April 2019 Member of the Group Executive Committee, Chief Operating Officer (COO) Ventilation EMEA of the Zehnder Group, Gränichen (CH)
- 2013–2019 Various roles and management tasks at the Zehnder Group in Switzerland in the areas of business development, sales, product and project management, most recently as Managing Director of Zehnder Group Schweiz AG
- 2007–2013 Various roles at ABB in Zurich and Baden (CH) in the areas of marketing, sales and internal audit
- 2006–2008 Master of Science in Management, Technology and - Economics, Swiss Federal Institute of Technology (ETH) Zurich (CH)
- 2003–2006 Bachelor of Science in Mechanical Engineering, Swiss Federal Institute of Technology (ETH) Zurich (CH)

**Other activities and vested interests**

- Member of the Steering Committee of European Ventilation Industry Association (BE)
- Member of the Board of GebäudeKlima Schweiz (CH)



**Jörg Metzger**  
Chief Operating Officer (COO)  
Radiators EMEA  
German, born 1967  
Appointed in 2020

#### Professional background and education

- Since May 2020 Member of the Group Executive Committee, Chief Operating Officer (COO) Radiators EMEA of the Zehnder Group, Gränichen (CH)
- 2009–2020 Various leading positions in the areas of business management and transformation with Elster Group and Honeywell Inc., Lorsch (DE) and Atlanta (US)
- 1995–2009 Management roles in various international companies
- 1990–1995 Studies with a degree in civil engineering (Dipl.-Ing.), University of Applied Sciences Kaiserslautern (DE)

#### Other activities and vested interests

- Member of the Advisory Board of Engelmann Sensor GmbH (DE)
- Member of the Executive Council of Association of the European Heating Industry (BE)



**Cyril Peysson**  
Chief Commercial Officer (CCO)  
EMEA

French, born 1965  
Appointed in 2006

#### Professional background and education

- Since 2006 Member of the Group Executive Committee, Chief Commercial Officer (CCO) EMEA (2008–2013 Sales and Marketing Western Europe, 2006–2008 Sales and Marketing Radiators) of the Zehnder Group, Gränichen (CH)
- 2000–2005 Managing Director, Zehnder SAS, Paris (FR)
- 1990–2000 Various activities in exports and sales of French industrial entities, most recently as Sales Director at De Dietrich Heiztechnik, Kehl (DE)
- 1985–1988 Diploma from École Supérieure de Commerce et d'Administration, Montpellier (FR)

#### Other activities and vested interests

- No other activities or vested interests

## 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**. Beyond these activities, the members of the Group Executive Committee 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.

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

Under Article 30 (Other permitted activities) of the Articles of Association ([www.zehndergroup.com/en/investor-relations/corporate-governance](http://www.zehndergroup.com/en/investor-relations/corporate-governance)), subject to the approval of the Board of Directors, the members of the Group Executive Committee are 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 of two mandates as member of the Board of Directors or member of other supreme management or administrative bodies of companies that are public corporations according to Article 727 para. 1(1) of the Swiss Code of Obligations;
- Maximum of three 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(2) of the Swiss Code of Obligations;

- Maximum of five mandates in other legal entities that do not meet the criteria outlined above.

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

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#### 4.4 Management contracts

No management contracts exist that transfer management responsibility to companies or individuals outside the Zehnder Group.

## 5. Compensation, shareholdings and loans

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For information about compensation, shareholdings and loans, please refer to the [Compensation Report](#), item [10. Disclosure of ownership structure](#) in the notes to the financial statements of Zehnder Group AG in the Financial Report and to the Articles of Association of Zehnder Group AG on our website [www.zehndergroup.com/en/investor-relations/corporate-governance](http://www.zehndergroup.com/en/investor-relations/corporate-governance).

## 6. Shareholders' participation rights

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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](http://www.zehndergroup.com/en/investor-relations/corporate-governance).

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### 6.1 Voting rights restrictions and representation

Rules on shareholder voting rights are provided in Article 14 of the Articles of Association. 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 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 B 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 is elected each year at the Annual General Meeting. Re-election is permissible. The duties of the independent proxy are governed by the applicable legal provisions.

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

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### 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.

Under Article 17 (Important decisions) of the Articles of Association, 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, supplementary to Article 704 (1) of the Swiss Code of Obligations, is required for:

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

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### 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 email addresses of the shareholders are known, the invitation may also be issued via post or email.

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### 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 before the Annual General Meeting, stating the agenda item and the motions.

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### 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

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### 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](http://www.zehndergroup.com/en/investor-relations/corporate-governance)). Under Article 125 (3) and (4) of the Swiss Financial Market Infrastructure Act (FinMIA), anyone who purchases shares of the Company is not obligated to make a public offer to buy pursuant to Articles 135 and 163 of this same law.

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### 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

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

PricewaterhouseCoopers Ltd (PwC), Lucerne (CH), has been the external auditor for Zehnder Group AG since 2019. It also audits 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. Rotation of rhythm for the lead auditor corresponds to a maximum term of seven years in accordance with the legal requirement.

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### 8.2 Auditing fees

The financial statements of Zehnder subsidiaries are audited by various auditing firms, including PwC. In the reporting year 2022, various auditing firms invoiced a total of EUR 949,000 (incl. expenses) for audit of individual accounts and the consolidated financial statements. Of this, EUR 517,000 was paid to PwC. No audit-related services were invoiced.

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### 8.3 Additional fees

The additional fees for services provided by PwC throughout the Group during fiscal year 2022 are in the amount of EUR 108,000. Additional services rendered by PwC outside the audit mandate are compatible with the audit assignment.

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### 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 auditor's plans and its remuneration and performance. In 2022, PwC attended all four meetings of the Audit Committee.

## 9. Information policy

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The Zehnder Group communicates regularly and transparently with its shareholders, the capital market and the public. It reports every half year on business, the financial results, strategy and prospects for the future. It also provides timely price-relevant and additional information of interest. At least once a year the Zehnder Group organises a media and analyst conference.

Reports and notices are published in digital form in both German and English. The German version is binding. The annual and six-month reports, and presentations are available from the website [www.zehndergroup.com/en/investor-relations/reports-and-presentations](http://www.zehndergroup.com/en/investor-relations/reports-and-presentations). Notifications can be requested and subscribed to at [www.zehndergroup.com/en/news](http://www.zehndergroup.com/en/news).

Contact persons for communication with the Zehnder Group are the CEO and CFO:

Zehnder Group AG  
Investor Relations  
Moortalstrasse 1  
5722 Gränichen (CH)

Phone + 41 62 855 1521  
[investor-relations@zehndergroup.com](mailto:investor-relations@zehndergroup.com)  
[www.zehndergroup.com](http://www.zehndergroup.com)

The company calendar can be found at [Further information for investors](#) in this Annual Report and on our website [www.zehndergroup.com/en/investor-relations/events](http://www.zehndergroup.com/en/investor-relations/events).

## 10. Blackout periods

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To prevent insider dealing or suspicion of insider dealing and to ensure equal opportunities for investors, the following persons are prohibited from dealing in Zehnder Group securities from 1 December until 24 hours after the publication of the annual financial statements and from 1 June until 24 hours after publication of the semi-annual financial statements:

- Members and, if specified, the secretary of the Board of Directors of Zehnder Group AG and Zehnder Group International Ltd;
- Members of the Executive Boards of Zehnder Group AG and Zehnder Group International Ltd;
- Internal and external employees of Zehnder Group AG and Zehnder Group International Ltd who assist in the production of the six-month and annual financial statements.

These general blackout periods also apply to the Zehnder Group itself. The sale and purchase of proprietary shares (e.g. as part of the employee shareholding plan) must take place outside blackout periods.

Pre-trading plans (i.e. sales and purchase programmes for which transactions, fixed dates or periods have been agreed in advance with the bank or a securities trader before the start of the blackout periods) that are initialised before the blackout periods are permitted to run on without change.