



# CORPORATE GOVERNANCE

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# CORPORATE GOVERNANCE

at 31 December 2020

As a company committed to creating long-term value, Datwyler has a clear framework of management and control policies in place to ensure compliance with the principles of good corporate governance. These policies are set out in the Articles of Association\* and the Rules of Organisation and Business Conduct of Dätwyler Holding Inc. They are presented below following the applicable Directive issued by the SIX Swiss Exchange. Where appropriate, reference is made to issues that are discussed in detail in the notes to the financial statements and in the Remuneration Report. Where information required under a section of the SIX Directive has been omitted, it is either not applicable to Datwyler or the corresponding situation does not exist at Datwyler or does not apply to Datwyler.

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\* [www.datwyler.com](http://www.datwyler.com) > Corporate Governance > Policies & Regulations

## Group structure and shareholders

Datwyler is focusing on high-quality, system-critical elastomer components and has leading positions in attractive global markets such as healthcare, mobility, general industries, oil & gas and food & beverage. With its recognised core competencies and technological leadership, the company delivers added value to customers in the markets served. Datwyler concentrates on markets that offer opportunities to create more value and sustain profitable growth.

### Substantial shareholders and shareholder structure

The ownership structure of the Datwyler Group (see chart, p. 33) is the result of the Dätwyler family succession arrangements of 1990. The family's primary objective was to ensure the long-term independence of the company.

Following the 1986 IPO, Peter and Max Dätwyler's interest had been reduced to roughly 50% of capital and just below 80% of votes. They placed this ownership interest without compensation in a company they had founded, Pema Holding AG (PeMa = Peter and Max). Today, the Board of Directors of Dätwyler Holding Inc. controls these assets and the associated voting rights on a fiduciary basis and without beneficial ownership. It does so through Dätwyler Führungs AG, likewise founded by the Dätwyler brothers in 1990. The members of the Board of Directors of Dätwyler Holding Inc. (see p. 37, Members of the Board of Directors) are concurrently members of the Board of Directors of Pema Holding AG and hold equal interests of CHF 0.1 million in the share capital of Dätwyler Führungs AG. A shareholders' agreement requires departing Board members to pass their shares in Dätwyler Führungs AG on to their successors at par value and without financial gain.

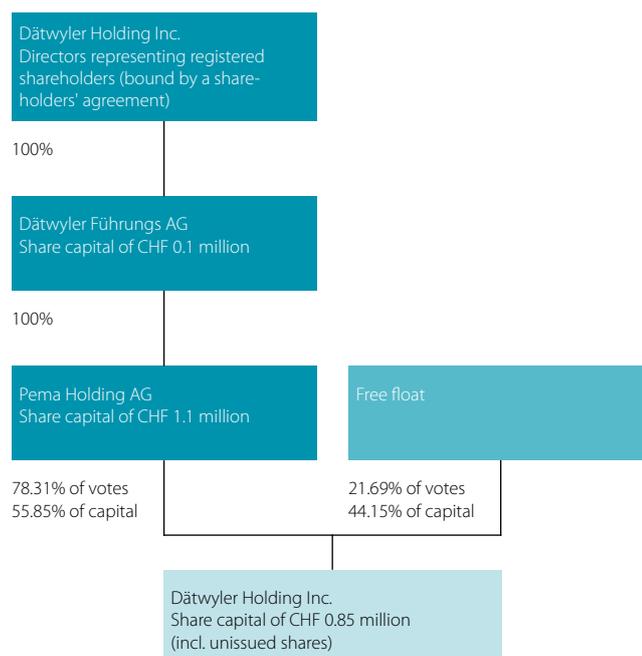
The Board members are likewise not entitled to receive dividend payments from Dätwyler Holding Inc. Dividends are retained by Pema Holding AG and can be reinvested in Dätwyler Holding Inc.

Under the shareholders' agreement, Pema Holding AG may invest only in the Datwyler Group and its spin-offs. It therefore has no conflicts of interest with other shareholdings and completely reflects the interests of the bearer shareholders. Disposal of a majority of votes is permitted only by a qualified majority, and only in the event that it is no longer economically feasible to maintain Dätwyler Holding Inc. as an independent going concern. In this case, Dätwyler Führungs AG and Pema Holding AG are to be liquidated, with the proceeds going to the Datwyler Foundation. Pema Holding AG may be compared to a family of entrepreneurs who hold the majority of the capital and voting rights in a listed company. The restriction relating to Dätwyler Holding Inc., as set out in the shareholders' agreement, allows Pema Holding AG a management mandate with an obligation to create long-term value.

The representatives of public shareholders on the Board of Directors of Dätwyler Holding Inc. are not member of the Boards of Directors of Pema Holding AG or of Dätwyler Führungs AG. Concluded in 1990, these Dätwyler family succession arrangements entailed a waiver of claims to substantial assets and are unique.

Pema Holding AG currently owns all 22 million registered shares and 5'094'172 of the total of 12.6 million bearer shares of Dätwyler Holding Inc. This represents 78.31% of the voting rights and 55.85% of the share capital.

The Board of Dätwyler Holding Inc. is not aware of any other shareholders, or groups of shareholders subject to voting agreements, who hold 3% or more of the total voting rights. No disclosure notices were received in the year under review.



### Group structure and companies

The required disclosures relating to the Group structure are presented on the following pages of the Annual Report:

- Page 75/76: segment reporting.
- Page 96: detailed list of subsidiaries and investments.
- Page 117 and 119: details of Dätwyler Holding Inc.
- Page 120/121: directory of Group operations.

To strengthen the market focus, the core competencies and the agility, the Board of Directors introduced a new organisational structure as of the beginning of February 2020. Market and production activities are now combined in the two business areas Healthcare Solutions and Industrial Solutions. These two market units are supported by the two service units Technology & Innovation and Finance & Shared Services. The online distributor Reichelt is managed as a separate entity.

No listed companies are included in the consolidation of Dätwyler Holding Inc. There are no cross-shareholdings with other companies.

### Capital structure

Composition of share capital in CHF at 31 December 2020:

22'000'000 registered shares of CHF 0.01 each	220'000
12'600'000 bearer shares of CHF 0.05 each	630'000
Total ordinary share capital	850'000
Authorised additional share capital	none
Authorised contingent share capital	none
Participation certificates	none
Profit-sharing certificates	none
Registration and voting restrictions	none
Opting-out and opting-up provisions	none

All shares are fully paid-up and – irrespective of their value – are entitled to vote and rank for dividend. Information about changes in equity for 2020 and 2019 is presented in the statement of changes in equity on page 67. Changes in equity for 2019 and 2018 are shown in the statement of changes in equity on page 63 of the Annual Report 2019 ([www.datwyler.com](http://www.datwyler.com) > Investors > Financial publications).

### Convertible bonds and share options

As at 31 December 2020, Datwyler did not have any outstanding convertible bonds or options. On 30 May 2018, a 0.625% CHF 150 million bond was placed. The bond is repayable on 30 May 2024 (see page 86, Note 18, Bond).

## Internal organisation

### Role of the Board of Directors

The Board of Directors is the ultimate decision-making, management and governing body of the Datwyler Group. The Board consists of no fewer than five and no more than eleven members. At 31 December 2020, the Board comprised eight Directors. The roles of the Chairman and Chief Executive Officer (CEO) are separate. The Directors or companies and organisations which they influence have no executive functions in the Group and do not have any business relationship with the Datwyler Group. The current Chairman, Paul Hälgl, was the CEO of the Datwyler Group from 2004 to 2016. The other members of the Board never served in executive functions for the Datwyler Group. No Director holds cross-directorships with other Directors through involvement in other listed companies.

When members are appointed to the Board of Directors, care is taken to ensure that the kinds of competencies important to the Datwyler Group with regard to the various industries, technologies and markets are suitably represented.

Since the Annual General Meeting 2014, Directors are elected for one-year terms. They are eligible for re-election for further periods, with no limit on the number of terms they may serve. Each class of shares is entitled to nominate at least one representative to the Board. The average age of the Directors currently in office is 61 and their average tenure is six years.

### Main responsibilities and operation of the Board

The Board organises itself. Its main responsibilities are defined in Art. 716a of the Swiss Code of Obligations. In order to discharge these responsibilities efficiently, the Board has authority under the Rules of Organisation and Business Conduct of Dätwyler Holding Inc. to appoint Committees from among its members to deal with specific matters. There are currently two Committees: the Audit Committee and the Nomination and Compensation Committee.

In accordance with the Rules of Organisation, the Board holds at least five regular meetings a year, each lasting between half a day and one full day. A two-day annual strategy workshop is held to review and develop the strategy. The strategy workshop is usually combined with a visit to one of the locations. Special Board meetings are held when necessary. Agendas for Board meetings are set by the Chairman in consultation with the CEO and CFO. Any Director may request that an item be placed on the agenda or that a special meeting be held. The CFO acts as Secretary to the Board.

Directors receive papers and information in good time in advance of meetings to allow them to prepare for discussion of each item. Depending on the nature of the business to be transacted, the Chairman may invite members of the Executive Management to provide information at Board meetings and participate in an

advisory capacity. The Board operates as a team and strives to reach decisions unanimously, wherever possible. If a unanimous decision cannot be reached, the minutes of the meeting must give the names of who voted and how they voted. The Board has a quorum when at least a majority of its members is present. Its resolutions are passed by a majority of the members present. The Chairman is also a voting member and has the casting vote in the event of a tie. Resolutions may also be adopted by telephone conference or by circular letter.

During 2020, the Board held six meetings. In addition, there were five phone conferences due to the Covid 19 pandemic. One Director was excused for two meetings due to health reasons. Two Directors were absent for one conference call. Some of the Directors participated in some meetings by telephone due to the restrictions of the Covid 19 pandemic.

### Operation of the Committees

The Committees have written terms of reference specifying their responsibilities. In addition to these written terms, the Audit Committee has defined its tasks and responsibilities in a detailed checklist. The Committees generally prepare the groundwork for decision-making by the full Board. They meet at the call of their chairmen as often as necessary to discharge their duties, but at least once a year. Their meetings usually last half a day. All Directors, Executive Management members and the external auditors may request a meeting of the Committees. Depending on the nature of the business to be transacted, meetings are attended by the CEO, CFO or, if required, a representative of the external auditors or a specialist in an advisory capacity. The agendas for Committee meetings are set by the respective chairmen in agreement with the CEO and CFO. Committee members receive papers and information in advance of meetings to allow them to prepare for discussion of each item. At least two members must be present to constitute a quorum. The Committees pass their resolutions by an absolute majority of the votes cast. In the event of a tie, the chairman has the casting vote. The Committees keep a record of their decisions and recommendations in minutes submitted to the Board and report the results of their activities at the next Board meeting.

### Audit Committee

The Audit Committee consists of at least three Directors, each of whom has experience in finance and accounting, who are appointed by the Board from among its members for a period of one year. The Audit Committee appoints its chairman. Members of the Audit Committee are: Jürg Fedier (Chairman), Gabi Huber and Hanno Ulmer. In 2020, the Audit Committee held four meetings, each of which was attended by the CEO and CFO. One member was excused for one meeting due to health reasons. The reporting of the internal

audit is a standard agenda item at the meetings of the Audit Committee. The representatives of the external auditors attended all the meetings for the discussion of selected items. In 2020, other external specialists were not called in.

#### **Responsibilities of the Audit Committee**

- To ensure a comprehensive and effective audit programme for Dätwyler Holding Inc. and the Datwyler Group.
- To comment on the annual and consolidated financial statements.
- To comment on the audit plan and results of audits.
- To receive recommendations from the external auditors, discuss the recommendations with the Executive Management and provide a summary for the Board of Directors.
- To present the Executive Management's proposal for the appointment of Dätwyler Holding Inc.'s external auditors to the Board of Directors for consideration by the Annual General Meeting of Shareholders.

#### **Nomination and Compensation Committee**

The responsibilities of the Nomination and Compensation Committee are recorded in the Remuneration Report on page 46.

#### **Division of responsibilities between the Board of Directors and Executive Management**

The authority and responsibilities delegated to the Board of Directors and Executive Management are laid down in the "Rules of Organisation" as provided in Article 20 of the Articles of Association of Dätwyler Holding Inc. These rules are updated on a regular basis. They describe the duties and responsibilities of the Board of Directors and define the duties and responsibilities of the Executive Management, presided over by the CEO. In addition to the non-delegable functions reserved for the Board of Directors by law, the Rules of Organisation delegate the following duties, among others, to the Board:

- To determine the principles of corporate strategy.
- To make decisions on financial policy.
- To adopt resolutions on the establishment of new business units and discontinuation of existing ones.
- To adopt resolutions on the setting up of new sites and closure of existing ones.
- To adopt resolutions on the acquisition and disposal of equity holdings.
- To adopt resolutions on the acquisition, encumbrance and disposal of land and buildings.
- To review the risk management system.

As a rule, the Board of Directors approves major projects it deems expedient together with the rolling forecast. For urgent capital expenditures not included in the budget, levels of authority are defined and a return on investment analysis must be prepared. Capital expenditures exceeding CHF 3 million must be approved by the full Board of Directors.

The policies set out in the "Rules of Organisation" are detailed for all business and functional areas in the following written documents: "Division of Responsibilities of the Executive Management" and "Investment Manual". Datwyler operates a systematically decentralised management system within a clear framework. The Group fosters an entrepreneurial culture where decisions are taken at the lowest possible level close to the market and customers.

#### **Information and control systems for monitoring the Executive Management**

The Board has an internal control system in place to monitor and control the Executive Management. This is based on an institutionalised, annual management process cycle, of which the key elements available to the full Board of Directors are as follows:

- Monthly report with a business area and Group consolidation: actual and forecast figures, including variance analyses and a written commentary by the business area managers on current developments and potential risks.
- Interim and annual report.
- Quarterly review and approval of the rolling forecast for 18 months and annual review and approval of the three-year medium-term plan.
- Annual review and approval of the updated Group and business area strategies.
- Uniform Group-wide management system with integrated risk evaluation for strategic projects.
- Special reports on major items of capital expenditures, acquisitions and alliances.
- Inclusion of Executive Management members at Board and Committee meetings.

In addition to these institutionalised information and control systems, the Chairman of the Board and CEO engage in regular dialogue regarding all important business. In addition, the CEO and CFO are required to inform the Chairman of the Board without delay of any important unusual events or developments.

### Internal Audit

Internal Audit reports to the Audit Committee and is under the direct administrative line management of the CFO. Every year it draws up a risk-based audit plan, which is approved by the Audit Committee. The interval between audits of Group companies varies between two and five years, depending on the size and importance of the individual company. Due to the Covid 19 pandemic, the audit plan had to be adjusted in the 2020 reporting year and, where necessary, switched to remote audits using online data control and video conferencing. To optimise cooperation, the head of Internal Audit meets regularly with the representatives of the external auditors. At their meetings they harmonise audit plans and audit priorities and exchange useful information.

Internal Audit verifies compliance with the division of responsibilities and monitors the internal control system, risk management and the efficiency of the structures and processes. The findings and recommendations of Internal Audit are recorded in written reports. Following completion of the audit, the findings are reviewed and discussed with the local management. In coordination with Internal Audit, the local management defines specific corrective measures and a timetable for implementation. Business area management and local management each issue an opinion. The report (including the corrective measures, the timetable for implementation and the opinions) is sent to the line managers, the external auditors, Executive Management and the Audit Committee. The head of Internal Audit presents the significant findings contained in the audit reports at the respective next meeting of the Audit Committee. Comments and suggestions of the Audit Committee and the external auditors are taken into consideration in planning and conducting audits. Internal Audit also ensures that all discrepancies raised by its audits are addressed within the prescribed period and submits a report on such matters to Executive Management and the Audit Committee.

### Risk Management

The Datwyler Group is aware of the importance of systematic risk management for lasting corporate success. Final responsibility in assessing risks lies with the Board of Directors. The head of Internal Audit is responsible for the Group-wide coordination of risk management. He is supported by risk officers in both business areas.

As part of an ongoing process, risks are continuously identified and assessed throughout the Group. An open exchange of views on opportunities and risks is encouraged at all levels of the company and is part of the corporate culture. The management of each business area is responsible for significant risks and informs the Executive Management and the Board of Directors. The findings are recorded in a risk management software. The CFO of the Datwyler Group and the Head of Internal Audit monitor the risk management process through active exchanges and quarterly meetings with the business areas. In particular, risks are regularly discussed at the meetings between the business area management and the Group management. These reviews ensure that uniform valuation approaches are applied and that similar risks are treated equally across the Group business areas. The consolidation of risks and the annual reporting to the Board of Directors are carried out by the Head of Internal Audit.

Datwyler basically divides the risks recorded into four categories: Strategic risks, operational risks, financial risks and compliance risks. Strategic risks include risks relating to the industry and the market, external stakeholders, social and environmental developments, corporate governance and catastrophic events. For their part, operating risks include risks along the value chain, risks from investment activities and personnel and cultural risks. The financial risks category includes market risk, liquidity and credit risk, capital structure and compliance with tax and accounting regulations. Finally, compliance risks are defined as the risks arising from laws, regulations and other rules and regulations.

Risks are assessed on the basis of the probability of occurrence and the potential loss amount. Once the individual risks have been identified and assessed, it is the responsibility of the business area management to develop a series of measures to reduce the risk of occurrence and the loss potential for each risk. The implementation of these measures is monitored as part of the continuous risk management process and taken into account in the next risk evaluation.

## Board of Directors

The Directors of Dätwyler Holding Inc. are all – with the exception of the representative of the public shareholders – also Directors of Pema Holding AG and Dätwyler Führungs AG. Pema Holding AG is the majority owner of Dätwyler Holding Inc. (see p. 32/33, Substantial shareholders and ownership).

Pursuant to Article 14 of the Dätwyler Holding Inc. Articles of Association, the number of mandates members of the Board of Directors may hold on management and supervisory boards of legal entities outside the Group is restricted as follows: Four mandates in exchange-listed enterprises, ten mandates in unlisted enterprises and fifteen mandates in other legal entities such as foundations and associations.

Paul J. Hälg (1954, Swiss)

Chairman (term expires in 2021)

Paul Hälg was appointed to the Board of Directors and President of Datwyler Holding AG at the 2017 Annual General Meeting. He is a member of the Board of Directors of Datwyler IT Infra AG, an affiliate of the listed Datwyler Holding AG. From 2004 to the end of 2016, he was CEO of the Datwyler Group. Prior to joining Datwyler, he was a member of the Forbo Group Executive Board as Head of the Adhesives division. From 1986 to 2001 Paul Hälg held various senior positions within Gurit-Essex (Gurit-Heberlein Group), most recently as its CEO. Prior to that, he worked at the Swiss Aluminum Group for five years. Paul Hälg is Chairman of the Board of Directors of publicly listed Sika AG and Board of Directors of Sonceboz Automotive S. A. He is also a member of the Board of Trustees of the ETH Foundation, Swisscontact and the Swiss Air Rescue Service (Rega). He graduated from ETH Zurich (Swiss polytechnical university) with a doctorate in chemistry (Dr. sc. techn.).

Hanspeter Fässler (1956, Swiss)

Vice Chairman (term expires in 2021)

Hanspeter Fässler has been a member of Datwyler Holding AG since 2004 and Vice Chairman of the Board of Directors since 2017. He is Chairman of the Nomination and Compensation Committee and Chairman of the Board of Directors of Datwyler IT Infra AG, an affiliate of listed Datwyler Holding AG. He is also a member of the Board of Directors of Axpo Holding AG and Hatebur Umformtechnik AG. As founding Chairman of the Robotics startup ANYbotics AG, he contributes valuable digital expertise to the Datwyler Board of Directors. Hanspeter Fässler worked for the ABB Group in various management positions at home and abroad, including as CEO of ABB Switzerland and from 2006 to 2010 as the Head of ABB Mediterranean Region and Chairman of the Executive Board of ABB Italy. From 2010 to 2011 he was CEO of the Implen construction services group. He received his doctorate in the specialty area

Mechatronics/Robotics (Dr. sc. techn.) at ETH Zurich. He also holds an Engineer's Degree from Stanford University, USA.

Jens Breu (1972, CH)

Director (term expires in 2021), public shareholders' representative  
Jens Breu was appointed to the Board of Directors of Dätwyler Holding Inc. in 2019 as a representative of the public shareholders. He's a member of the Nomination and Compensation Committee. Since the beginning of 2016 he has been CEO of the publicly listed SFS Group, where he has held various positions since 1995. Among other things, during this time, Jens Breu was production manager in the USA for eight years. In 2012 he was promoted to Head of the Industrial Division and in 2014 to Chief Operating Officer. Jens Breu has a mechanical engineering degree from St. Gallen University of Applied Sciences and an MBA from Cleveland State University in the USA.

Claude R. Cornaz (1961, Swiss)

Director (term expires in 2021)

Claude R. Cornaz was appointed to the Board of Directors of Dätwyler Holding Inc. at the 2018 General Meeting. He is a member of the Nomination and Compensation Committee. From 2000 to 2017, Claude R. Cornaz led the Vetropack Group as a delegate of the Board of Directors and CEO. He was elected Chairman of the Board of Directors of the Vetropack Group at the 2018 Annual General Meeting. Since 2002, he has been a member of the Board of Directors of the listed Bucher Industries Group. He is also on the Board of Directors of Glas Trösch Holding AG and Vice-Chairman of the Board of Directors of H. Goessler AG and Cornaz AG Holding. Claude R. Cornaz is a certified mechanical engineer ETH/BWL.

Jürg Fedier (1955, Swiss)

Director (term expires in 2021), public shareholders' representative

Jürg Fedier was appointed to the Board of Dätwyler Holding Inc. at the 2015 Annual General Meeting. He is Chairman of the Audit Committee and a representative of the public shareholders. From 2009 to 2019, he served as Chief Financial Officer of the listed Oerlikon Group. From 2007 to 2008 he acted as CFO of Ciba Group. Between 2006 and 2007, he was Head of Finance of Dow Europe and a Member of the Executive Board. From 2002 to 2006, Jürg Fedier served as Vice President Finance for Dow Chemical, Performance Chemicals, USA, between 2000 and 2002 as Global Business Finance Director for Dow Chemical, Thermosets. From 1978 to 2000, he filled several management positions with Dow Chemical in the USA and in Asia. Jürg Fedier is Director of the listed Ascom Holding Inc. as well as the RUAG International. He holds a Commercial Diploma from the College of Commerce in Zurich, Switzerland, and completed international executive management programmes at the IMD, Switzerland, and the University of Michigan, USA.

Gabi Huber (1956, Swiss)Director (term expires in 2021)

Gabi Huber was appointed to the Board of Dätwyler Holding Inc. in 2013. She is a member of the Audit Committee. Gabi Huber has been practicing as a self-employed attorney and notary since 1982 and was certified as a mediator in 2006. She is co-owner of the law firm Bachmann Huber Zraggen in Altdorf, Switzerland. From 2003 to 2015 she represented the canton of Uri in the National Council. From 2008 to 2015 she chaired the FDP Liberal faction of the Swiss Federal Councillors. Prior to her election to the National Council, Gabi Huber served as a member of cantonal government and finance director of canton of Uri from 1996 to 2004. From 2002 to 2004 she headed the government of Uri as chief magistrate (Landammann). She is Vice Chairman of the Board of Directors of UBS Switzerland AG. She is also a member of the board of trustees of the Swiss Air Rescue service (Rega). Gabi Huber graduated from the University of Freiburg in 1980, studied law at Columbia University in New York and earned a doctorate in 1990.

Hanno Ulmer (1957, Austrian)Director (term expires in 2021)

Hanno Ulmer was appointed to the Board of Dätwyler Holding Inc. at the 2015 Annual General Meeting. He is a member of the Audit Committee. From 1994 to 27 September 2019, he was Managing Director of Doppelmayr Holding SE, the parent company of the world's leading Austrian ropeway manufacturer. Since 27 September 2019, he has been Vice Chairman of the Board of Directors of this company. Hanno Ulmer has held various finance and management positions within the Doppelmayr Group since 1976. He is also Chairman of Ropetrans AG and a Supervisory Chairman of Bank für Tirol und Vorarlberg AG. Hanno Ulmer holds an accounting diploma from WIFI Vorarlberg and completed university studies in export and international management.

Zhiqiang Zhang (1961, Chinese)Director (term expires in 2021)

Zhiqiang Zhang was appointed to the Board of Dätwyler Holding Inc. at the Annual General Meeting 2016. The Chinese national works for ABB as Senior Vice President of the group and President of ABB China since 2018. From 2012 until 2018 he had been with the Swedish Sandvik Group and was serving as President of Sandvik China and Regional Holding Officer of APAC. From 2005 to 2012 he was President of Nokia Siemens Networks Greater China Region and from 1999 to 2005 he served as President of Siemens VDO Automotive China. Prior to that, Zhiqiang Zhang supported the development of the Chinese market since 1987 in various management positions at Siemens. Since 2005 he has been a member of the Board of Directors at the listed Georg Fischer

Group. Zhiqiang Zhang holds a Bachelor of Sciences of Northern Jiaotong University, Beijing (China) and an MBA of Queen's University, Kingston (Canada).

**Honorary Directors**Roland Zimmerli (1934, Swiss), Honorary Chairman (since 2005)

During his 35 years of committed service in a variety of management positions, Roland Zimmerli helped to shape Datwyler into a Group of international dimensions. In appreciation of his services to the Datwyler Group, the Board appointed him Honorary Chairman in 2005, following his term as Chairman from 1999 to 2005. Before joining the Board, Roland Zimmerli served as CEO of Dätwyler Holding Inc. from 1991 to 1999. His expertise was also much sought after on the Boards of renowned Swiss companies. He graduated with a degree in business administration from the University of Zurich.

**Changes in the composition of the Board of Directors**

There were no changes in the Board of Directors at the 2020 Annual General Meeting.

At the Annual General Meeting 2021, Zhiqiang Zhang will step down from the Board of Directors. Martin Hirzel will be proposed for election as a new Director and further representative of the public shareholders. Martin Hirzel is President of Swissmem, the Swiss association of mechanical and electrical engineering industries, and was CEO of Autoneum from 2011 to 2019.

Board of Directors



Paul J. Hälg, Chairman



Hanspeter Fässler, Vice Chairman



Jens Breu



Claude R. Cornaz



Jürg Fedier



Gabi Huber



Hanno Ulmer



Zhiqiang Zhang

## Executive Management

Pursuant to Article 19 of the Dätwyler Holding Inc. Articles of Association, the number of mandates members of the Executive Management may hold on management and supervisory boards of legal entities outside the Group is restricted as follows: Two mandates in exchange-listed enterprises, five mandates in unlisted enterprises and ten mandates in other legal entities such as foundations and associations.

### Dirk Lambrecht (1960, German)

#### Chief Executive Officer (CEO)

Dirk Lambrecht was appointed CEO of the Datwyler Group at the beginning of 2017. Previously, he led the Sealing Solutions Division, in which the divisions previously known as Sealing Technologies and Pharma Packaging are combined. He was head of the Sealing Technologies division from 2005 to 2012. Before joining the Datwyler Group, he managed Phoenix Traffic Technology GmbH, a subsidiary of Phoenix AG. Prior to that, from 1987 to 2003, he held a number of international management positions with Phoenix AG in Hamburg. Dirk Lambrecht is a member of the Board of Directors of Dätwyler IT Infra AG, a sister company of publicly listed Dätwyler Holding Inc. He is also a board member of Swissmem, the Swiss association of mechanical and electrical engineering industries. He earned a degree in mechanical engineering, specialising in apparatus engineering, from Hamburg University of Applied Sciences and completed further studies, including programmes at the Management School St. Gallen.

### Walter Scherz (1977, Swiss)

#### Chief Financial Officer (CFO)

Walter Scherz has been a member of the Datwyler Executive Management since April 2020 and, as Chief Financial Officer, heads the Finance & Shared Services Group Function. He previously held several positions at Datwyler: From the beginning of 2017 to 2020 as Chief Financial Officer of the Technical Components division, from 2014 to 2016 as Vice President Corporate Development and Post Merger Integration in the Sealing Solutions division and from 2012 to 2014 as Head of Internal Group Audit. Prior to joining Datwyler, he worked amongst others for KPMG as external auditor and in various management positions in Switzerland and abroad, including Russia and the Middle East. Walter Scherz holds a master's degree in Economy from the University of St. Gallen, Switzerland, and is a certified public accountant. He also holds further education and diplomas in risk and compliance management, M&A and internal auditing. Walter Scherz is a member of the Board of Trustees of the Zürcherischen Winkelriedstiftung.

### Torsten Maschke (1969, German)

#### Head of Business Area Industrial Solutions

Torsten Maschke has been heading the Industrial Solutions Business Area since February 2020. Previously, he was Head of the Sealing Solutions division and was already member of the Datwyler Executive Management since October 2016. Before joining Datwyler, he was responsible for the worldwide distribution of sealing and damping solutions for the automotive industry at the Freudenberg Group since 2011. Prior to this he had been working in various international management functions in the automotive business of the Freudenberg Group since completing his education in 1996. Torsten Maschke earned degrees in mechanical engineering from Münster University of Applied Sciences, Germany, and in industrial engineering from Bochum University of Applied Sciences, Germany.

### Dirk Borghs (1963, Belgium)

#### Head of Business Area Healthcare Solutions

Dirk Borghs has been a member of the Datwyler Executive Management since February 2020 and heads the Healthcare Solutions Business Area. Prior to this, he had held a variety of positions at Datwyler. Most recently, he was Executive Senior Vice President responsible for the global manufacturing plants and supply chain of the Sealing Solutions division. From 2006 to 2014, as Vice President for Strategic Projects and Global Procurement, he was responsible for planning and building the FirstLine plants in Belgium and India, among other things. Previously, he was head of the global healthcare quality and engineering unit and managed the healthcare plant in the United States for five years. Before joining Datwyler in 1993, he worked as an engineer in the automotive industry. Dirk Borghs holds a degree in materials science from Leuven University, Belgium, and a degree in finance and marketing from Gent University, Belgium.

### Frank Schön (1975, German / Swiss)

#### Chief Technology Officer

Frank Schön has been a member of Datwyler's Executive Management since February 2020 and, as Chief Technology Officer, heads the Technology & Innovation Group Function. Prior to that, he was Vice President R&D and Innovation, responsible for global research and development in the Sealing Solutions division since 2013. From 2004 to 2012, he held various management positions in research and development in the Sealing Technologies division. Frank Schön completed his studies in chemistry at the University of Bayreuth, Germany, with a master's diploma and then earned his PhD at the University of Freiburg, Germany. In addition, he holds an MAS in Business Administration and Engineering from the University of Lucerne.

**Executive Management**



Dirk Lambrecht, CEO



Walter Scherz, CFO



Torsten Maschke, Head of  
Business Area Industrial Solutions



Dirk Borghs, Head of Business  
Area Healthcare Solutions



Frank Schön ,  
Chief Technology Officer

**Changes in the Executive Management in the reporting year**

Due to the new organisation, there were various personnel changes in the Group Executive Management in the course of spring 2020. With Walter Scherz, CFO, Dirk Borghs, Head of Business Area Healthcare Solutions, and Frank Schön, CTO, three new members joined the Executive Management (see p. 40). The former CFO Reto Welte retired as of April 1, 2020. Neil Harrison, head of the former Technical Components Division, has left Daetwyler with the sale of the distribution companies Distrelec and Nedis.

**Significant events after balance sheet date**

There have been no changes in the Group Management since 31 December 2020.

**Management contracts**

There are no management contracts with external individuals or companies to perform management tasks for the Datwyler Group.

Holding Inc. in accordance with the Swiss Code of Obligations (Art. 699 f.). Shareholders holding no less than 10% of the share capital are entitled to submit agenda items in writing. The deadline for submitting agenda items is published in advance in the Swiss Official Gazette of Commerce.

**Share registration**

Every person whose name is entered in the share register no later than 14 days prior to a general meeting is recognised by the company as a shareholder and holder of all rights attached to the registered shares.

**Change of control and defensive measures**

The Articles of Association do not contain any "opting out" or "opting up" provisions. Dätwyler Holding Inc. does not have any change of control clauses which benefit Directors or Executive Management members.

## Remuneration, shareholdings and loans

The information on remuneration, shareholdings and loans is recorded in the Remuneration Report on page 46 ff.

## Shareholders' participation rights

The shareholders' participation rights comply with the provisions of Swiss Corporation Law, subject to the one-share-per-vote principle presented below. The Articles of Association contain no quorum requirements that differ from those prescribed by law.

**Voting restrictions and proxy voting**

There are no restrictions on registration or voting. Under the Articles of Association of Dätwyler Holding Inc., each share carries one vote at general meetings regardless of its par value. Persons representing shareholders must present a written proxy. Legal representatives of shareholders do not need a proxy appointment. Shareholders who are unable to attend a general meeting may also appoint and instruct an independent proxy to represent them. To do so, an electronic solution has been provided since 2014. The independent proxy is elected annually by the Annual General Meeting for the next ordinary Annual General Meeting.

**Calling of general meetings and additions to the agenda**

The procedures for calling general meetings and adding items to the agenda are set out in the Articles of Association of Dätwyler

## Statutory auditors

KPMG was mandated to audit the consolidated financial statements at the Annual General Meeting 2018. The auditors are appointed by the Annual General Meeting of Shareholders for a period of one year. In accordance with the Swiss Code of Obligations, the normal rate of rotation for the auditor in charge is seven years. Some of the Group companies are audited by other audit firms.

Fees paid in 2020 to the statutory and other auditors:

<b>in CHF</b>	Statutory auditors	Other auditors
Auditing services, total	705'000	246'000
Additional services, total	23'000	222'000
Tax consulting	18'000	219'000
Legal consulting	–	3'000
Transaction services	–	–
Other advisory services	5'000	–

Representatives of the statutory auditors attend all meetings of the Audit Committee for the discussion of certain items. Four meetings were held in 2020. At each meeting, the statutory auditors present a written report on the progress of their work. The core element of the auditors' reporting is the annual audit report with recommendations to the Audit Committee.

The supervisory body for the external statutory auditors is the overall Board of Directors. It conducts an annual evaluation of the statutory auditors. This is based on the following criteria:

- Professional competence.
- Scope and quality of their written reports and verbal statements.
- Practicability of recommendations.
- Priority setting.
- Transparent and effective communication and coordination.
- Ability to meet deadlines.
- Independence.
- Fees.

The members of the Board of Directors rely on the competencies and experience they have gained in similar roles with other companies, on the statutory auditors' reports as well as on the comments made by the Audit Committee. The responsibilities of the Audit Committee are defined on page 35.

## Information policy

The Datwyler Group maintains an open dialogue with all stakeholders. In the interests of shareholders, Datwyler especially fosters relationships with investors, banks and media representatives. Communication takes place through the Annual Report, Interim Report, Annual General Meeting and at least one press and analyst conference every year. Through press releases and on its website ([www.datwyler.com](http://www.datwyler.com)), Datwyler provides up-to-the-minute information on all important projects as required by the ad hoc publicity rules of SIX Swiss Exchange. The archive of ad hoc press releases can be found at [www.datwyler.com](http://www.datwyler.com) > Media > News. A facility for signing up to receive ad hoc press releases is provided at [www.datwyler.com](http://www.datwyler.com) > Media > Newsletter. Contact details and important dates are given in the "General Information" section on page 119. Official notices concerning Datwyler are published in the Swiss Official Gazette of Commerce. Notices and invitations to registered shareholders are made in writing.