



**INVITATION TO THE  
ANNUAL GENERAL MEETING  
OF DATWYLER HOLDING INC.**

Tuesday, 9 March 2021

To be held in compliance with Swiss COVID-19 Ordinance 3  
without the presence of shareholders

# IMPORTANT INFORMATION REGARDING COVID-19

The Annual General Meeting of Datwyler Holding AG will take place on Tuesday, 9 March 2021 as decided by the Board of Directors in compliance with Article 27 of Swiss COVID-19 Ordinance 3 (as at 28 January 2021).

To protect your well-being, you as a shareholder will not be able to attend the Annual General Meeting in person due to the pandemic situation. You may therefore exercise your rights exclusively through the independent proxy and are requested to provide your voting instructions to him. For details, please refer to the organizational information on page 16 of this brochure.

## **Datwyler Group ([www.datwyler.com](http://www.datwyler.com))**

Datwyler is focusing on high-quality, system-critical elastomer components and has leading positions in attractive global markets such as healthcare, mobility, oil & gas and food & beverage. With its recognized 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. With more than 20 operating companies, sales in over 100 countries and more than 6'700 employees Datwyler, headquartered in Switzerland, generates annual sales of more than CHF 1'000 million (incl. online distributor Reichelt). The company has been listed on the SIX Swiss Exchange since 1986 (security no. 3048677).

# SHAREHOLDER'S LETTER

## Datwyler performs strongly in extraordinary times

- Currency-adjusted revenue increase of 1.2% and EBIT margin of 14.6% from continuing operations.
- Healthcare Solutions reports accelerated growth over the course of the year and additional revenue for COVID-19 vaccines.
- Recovery in demand in the automotive and general industry markets.
- Significant revenue growth expected in the Food & Beverage business unit.
- Over 70% of revenue in low cyclical markets that are growing steadily.
- Proposal for increased cash dividend of CHF 3.20 per bearer share.

Due to the COVID-19 pandemic, Datwyler had to contend with some extremely challenging developments in some of the markets it serves in 2020. With measures being taken at an early stage, however, it was possible to protect employees' health at all times and guarantee delivery capacity.

### **Switch of focus to system-critical elastomer components**

Notwithstanding the challenges associated with COVID-19, Datwyler switched its focus, as promised, to high-quality, system-critical elastomer components during the reporting year. This meant selling the Distrelec and Nedis distribution companies in March and the civil engineering business in May. Taking into account the companies sold, net revenue amounted to CHF 1'069.2 million. The sale of the subsidiaries resulted, as announced, in a non-cash book loss of CHF 464.5 million. As a consequence, the reported operating result (EBIT) came to CHF –315.9 million and the reported net result to CHF –346.3 million. Further reporting will relate to the operating performance of continuing operations for the two business areas Healthcare Solutions and Industrial Solutions as well as the online distributor Reichelt.

### **Healthcare reports substantial acceleration in growth for high-quality components**

At an operational level, Datwyler performed strongly despite the negative impact of the COVID-19 pandemic. Thanks to its leading market positions and close customer relationships, the company generated net revenue of CHF 1'012.1 million (previous year: CHF 1'050.5 million) from continuing operations. Adjusted for the negative impact of the strong Swiss franc, this equates to a currency-adjusted increase of 1.2%. The Healthcare Solutions business area, the Food & Beverage business unit and the online distributor Reichelt in particular reported additional revenues for 2020 and strong incoming order figures for 2021 as a result of the pandemic. In the healthcare business, the combination of additional demand for the provision of COVID-19 vaccines and the ongoing rise in demand for high-quality FirstLine components accelerated revenue growth in the second half of the year. We are proud to be able to make an important contribution to the global fight against the pandemic and the wellbeing of humanity with our system-critical elastomer components. Datwyler is supporting the leading pharmaceutical companies, in the provision of COVID-19 vaccines. In the Food & Beverage business unit and at the online distributor Reichelt, it was the widespread changeover to working from home that led

to an increase in demand for capsule coffee and electronic appliances and accessories. The situation was different in the Mobility, General Industry and Oil & Gas business units. In these units, Datwyler had to contend with significant revenue declines over several months due to the coronavirus pandemic.

## **Improved profitability despite expenses for managing the impact of the pandemic**

By taking action early, the company was able to adapt cost structures at the sites negatively impacted by the pandemic to the lower demand quickly and effectively. At the same time, the healthcare business and the online distributor Reichelt significantly improved their profitability. As a result, Datwyler was able to increase the operating result (EBIT) by 10.9% to CHF 148.0 million (previous year: CHF 133.5 million) and the EBIT margin to 14.6% (previous year: 12.7%). This was despite expenses incurred in managing the impact of the pandemic and start-up costs for new production capacities. The net result for continuing operations rose by 20.7% to CHF 118.9 million (previous year: CHF 98.5 million). Diversification across several market segments has proven its worth in tough times such as the COVID-19 pandemic. With the Healthcare Solutions and Food & Beverage areas and the online distributor Reichelt, Datwyler earns over 70% of its revenue in low cyclical markets that are growing steadily. In view of the higher profitability levels and given that prospects look promising, the Board of Directors is asking the Annual General Meeting to pay an increased cash dividend of CHF 3.20 per bearer share and CHF 0.64 per registered share. This equates to a payout ratio of 45.8% of the net result for continuing operations.

## **New organisation and strategic priorities prove their worth**

The new organisational structure introduced at the start of February 2020 with the two business areas Healthcare Solutions and Industrial Solutions and the two Group functions Technology & Innovation and Finance & Shared Services already proved its worth during the COVID-19 pandemic. The increased focus on the respective markets helped Datwyler respond to changing market conditions and customer needs with speed and agility. At the same time, the core competencies and the innovation process are being further developed and significantly strengthened by the new Group function Technology & Innovation. Our strategic priorities of driving profitable growth, accelerating digitalisation and increasing agility, which have already been in place for some time, mean we are well equipped to deal with any unexpected developments. As a socially and environmentally responsible company, we established the advancing of sustainability as a fourth strategic priority in the reporting year. An interdisciplinary project group is working on a new sustainability and climate strategy with the goal of achieving carbon neutrality for our own activities (scope 1 and 2) at all our sites by 2030 based on the Science Based Targets concept. We already obtain 35% of our global electricity needs from renewable energy sources.

## **Growth opportunities thanks to global megatrends**

A series of global megatrends is providing opportunities in existing and new markets. These are demographic change and the ageing society in western countries and an up-and-coming middle class in the emerging countries, lifestyle changes, an increase in safety regulations and requirements, more efficient use of resources and the digitalisation of all areas of life. As a result, the demand for increasingly powerful and complex technological products is rising. In many cases, our system-critical components

are one of the things that make technological progress possible in the first place. Examples include high-precision micro-components for wearable injection devices and smart rubber components with integrated sensors for new active assistance and safety systems in vehicles. To drive organic growth, we constantly assess potential acquisition targets as a way of gaining access to new markets and technologies.

## **Recognised core competencies provide a strong foundation**

Our recognised core competencies provide the basis for utilising growth opportunities in existing and future markets. Through the combination of solution design, materials expertise and operational excellence, we are able to support existing and new customers from the design study and the prototype phase through to global serial production. We have summarised this potential in our new mission statement: "We materialize ideas for a safer, smarter, and more sustainable world." Via the new Technology & Innovation Group function, we are working to intensify our development and innovation activities with the aim of offering more new products to existing and new customers in the future. We are investing in additional resources in order to search for new applications, materials and technologies in a more targeted manner and make them usable for us. To this end, we are intensifying the dialogue with our existing customers and our collaboration with technology partners, research institutions and innovative start-ups. One example is the investment in a new centre of competence for surface technology at the Swiss site, with which we are reinforcing our leading position in the market for multi-component parts in combination with elastomers. These products play a particularly important role in systems for electric vehicles.

## **Emerging from the pandemic even stronger than before**

With the help of our mission statement, strategic priorities, core competencies and new organisational structure, we will adopt focused measures that have an impact on both the market and our customers. To this end, Datwyler introduced the concept of Objectives and Key Results (OKRs) in the reporting year and harmonised the bonus system for all eligible employees with measurable performance indicators at company level. We foster collaboration across departments and down the various levels of the hierarchy with specific and inspiring corporate objectives. By doing so, we ensure that employees are involved in decision-making processes to a much greater extent and encourage them to think entrepreneurial. We are confident that Datwyler has the necessary strategic, organisational, financial and cultural prerequisites to emerge from the pandemic even stronger than before and take advantage of growth opportunities in existing and future markets.

## **Confident despite uncertainty due to the pandemic**

In specific terms, Datwyler expects significant double-digit revenue growth in the healthcare business in 2021. Strong demand for high-quality coated components manufactured according to FirstLine production standards is bringing about a positive change in the product mix and the average margin. To enable us to handle the volumes forecast, we are investing in the expansion of our production facilities. The additional healthcare production capacities at the new US site and the Indian site will enable us to increase our market share and participate in market growth to a disproportionately high extent. For the Industrial Solutions business area we are confident – despite the uncertainty caused by the pandemic – that the recovery of the markets in the fourth quarter and good order backlogs will lead to

high single-digit revenue growth in 2021. In the Food & Beverage business unit, we expect to achieve strong growth over the next few years thanks to the new multi-year contract with Nespresso that runs until 2030 and the acquisition of additional customers. Investments in additional production facilities are underway. Margins will weaken as a result of the altered customer and product mix. The demand situation in the Oil & Gas business unit will only improve with a significantly higher oil price. Due to the excellent value for money it offers, the online distributor Reichelt is likely to achieve low single-digit growth in 2021 following the strong reporting year. Subject to additional unpredictable effects of the pandemic, we expect an increase in revenue to over CHF 1'100 million and an EBIT margin to be around 15 % in 2021.

## **Changes to the Board of Directors**

Zhiqiang Zhang is not standing for re-election to the Board of Directors at the 2021 Annual General Meeting. We thank him for his dedicated service to Datwyler. Martin Hirzel will be nominated for election as a new Director and a further representative of the public shareholders. Martin Hirzel is the President of Swissmem, the industry association for the Swiss mechanical, electrical engineering and metals industries, Director of Bucher Industries and was CEO of Autoneum from 2011 to 2019.

## **A special thank you to our employees**

We also feel we owe a special thank you to all our employees around the world this year. It makes us proud to see how they are navigating the major challenges presented by the COVID-19 pandemic, with great commitment, creativity, solidarity and optimism. It says a lot about Datwyler that we pull together during hard times – even more than usual – and are willing to use our initiative. These good results would not have been possible without the commitment of our employees. We also thank our customers for their loyalty and understanding. Our top priorities in these extraordinary times are clear: to protect employees' health and ensure supplies are maintained. We would also like to take this opportunity to thank you, our shareholders, for the solidarity you show towards our business.

On behalf of the Board of Directors



Dr. Paul Hälg, Chairman

On behalf of the Executive Management



Dirk Lambrecht, CEO

# AGENDA

## 1. Reporting on the financial year 2020

### 1.1 Approval of the State of the Company Report and the Company and Consolidated Financial

Statements for 2020

#### **Proposal**

The Board of Directors proposes that shareholders approve the State of the Company Report, the Company Financial Statement and the Group Consolidated Financial Statement for 2020, taking note of the auditors' reports.

#### **Notes**

The full Annual Report will be available on the Datwyler website from 9 February 2021: [www.datwyler.com](http://www.datwyler.com) > Investors > Publications. Datwyler Holding Inc. has appointed KPMG AG, Zurich, as the statutory auditor. Notes regarding performance can be found in the letter to shareholders on pages 1 to 4 of this document.

## 1.2 Advisory Vote on the Remuneration Report 2020

#### **Proposal**

The Board of Directors proposes that shareholders endorse by an advisory (non-binding) vote the Remuneration Report 2020.

#### **Notes**

The remuneration report forms part of the Annual Report and will be available on the Datwyler website from 9 February 2021: [www.datwyler.com](http://www.datwyler.com) > Investors > Publications. According to the report produced by the statutory auditor KPMG AG, Zurich, the remuneration report for the 2020 fiscal year is consistent with both the law and articles 14 to 16 of the Ordinance Against Excessive Remuneration in Listed Companies Limited by Shares (ERCO) (Annual Report, page 58). The remuneration report describes in detail the remuneration structures associated with the Board of Directors and the Executive Management. Remuneration for members of the Board of Directors comprises a fixed fee and a grant of Datwyler bearer shares. The grant of bearer shares as of 1 June 2020 was based on a fixed amount and the average share price of the 20 trading days prior to the grant date. Due to the higher share price compared to the previous year, the number of granted shares decreased in the year under review. Remuneration for

the Executive Management consists of a fixed base salary, a variable incentive, a long term incentive plan with performance share units and benefits such as a retirement pension, insurance and perquisites. For the 2020 fiscal year, total remuneration for the members of the Board of Directors amounted to CHF 2.3 million (previous year 2.3 million), while the total for members of the Executive Management was CHF 7.2 million (previous year 6.2 million). Due to the new organization, three new members joined the Executive Management in 2020 and two members left, which led to one-time effects in the remuneration. The total remuneration figures are below the maximum total remuneration which the shareholders approved. The Datwyler Group's remuneration policy is compared against common standards for similar positions at comparable companies.

## **2. Appropriation of retained earnings 2020**

### **Proposal**

Proposal by the Board of Directors:

Dividend of CHF 0.64 per registered share of CHF 0.01 each	CHF 14'080'000.00
Dividend of CHF 3.20 per bearer share of CHF 0.05 each	CHF 40'320'000.00
Balance forward	CHF 390'999'158.00
Total	<u>CHF 445'399'158.00</u>

### **Notes**

Adjusted net income from continuing operations amounted to CHF 118.9 million in 2020 (previous year CHF 98.5 million). In view of the higher profitability levels and given that prospects look promising, the Board of Directors proposes to the Annual General Meeting of Shareholders a cash dividend of CHF 3.20 per bearer share and CHF 0.64 per registered share. The total amount for distribution of CHF 54.4 million equates to a distribution ratio of 45.8% of the net result from continuing operations. The statutory auditor confirms in its report that the proposal regarding appropriation of retained earnings is consistent with both the law and the Articles of Association. Assuming the proposed appropriation of retained earnings is approved, the dividend will be paid free of charge with effect from 15 March 2021 after deduction of withholding tax at 35 %. The exdividend date is 11 March 2021.

## **3. Discharge of the members of the Board of Directors and of the Executive Board**

### **Proposal**

Proposal by the Board of Directors: Discharge of the members of the Board of Directors and of the Executive Board for their activities during the 2020 fiscal year.

## **Notes**

The voting rights of members of the Board of Directors and the Executive Management and the voting rights represented by legal entities controlled by these persons are not recognised for the purpose of this vote.

## **4. Elections Chairman and Members of the Board of Directors**

### **4.1 Special meeting of holders of bearer shares to nominate their candidates to represent them on the Board of Directors**

#### **Notes**

For each share category, there is a right to submit proposals regarding election of at least one representative on the Board of Directors. For this reason, a separate meeting of bearer shareholders is held – prior to any elections and pursuant to art. 709 para. 1 of the Swiss Code of Obligations – during which they can nominate the candidates to represent them on the Board of Directors. Only bearer shares carry voting rights for this nomination; registered shares carry no such rights.

#### **4.1.1 Special meeting of holders of bearer shares: nomination of a candidate to represent them on the Board of Directors**

##### **Proposal**

The Board of Directors proposes to the special meeting of holders of bearer shares to re-nominate Jürg Fedier as candidate to represent them in the Board.

##### **Notes**

Jürg Fedier (1955, CH), proposed by the Board of Directors, was appointed to the Board of Datwyler 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 Zürich, Switzerland, and completed international executive management programmes at the IMD, Switzerland, and the University of Michigan, USA.

#### **4.1.2 Special meeting of holders of bearer shares: nomination of a candidate to represent them on the Board of Directors**

##### **Proposal**

The Board of Directors proposes to the special meeting of holders of bearer shares to re-nominate Jens Breu as candidate to represent them in the Board.

##### **Notes**

Jens Breu (1972, CH), proposed for election by the Board of Directors, was appointed to the Board of Directors of Datwyler 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.

#### **4.1.3 Special meeting of holders of bearer shares: nomination of a candidate to represent them on the Board of Directors**

##### **Proposal**

The Board of Directors proposes to the special meeting of holders of bearer shares to re-nominate Martin Hirzel as candidate to represent them in the Board.

##### **Notes**

Martin Hirzel (1970, CH), proposed for election by the Board of Directors, has been President of Swissmem, the leading association of the Swiss mechanical, electrical and metalworking industries, since the beginning of 2021. He is also a member of the board of directors of the listed Bucher Industries AG and a member of the Economic Advisory Board of the Swiss National Bank. Martin Hirzel has many years of experience in the automotive supply industry. From 2011 to 2019, he was CEO of the listed Autoneum Holding AG, the largest Swiss automotive supplier with more than 13'000 employees and over CHF 2 billion in sales. Prior to that, he was a member of the Executive Committee of Rieter Automotive Systems with responsibility for the South America, Middle East and Africa region. From 2000 to 2007 he built up the Chinese business of Rieter Holding AG from Shanghai. Martin Hirzel joined the Rieter Group in 1997 as Chief Controller International. The 51-year-old Swiss national holds a degree in management and business administration from the Zurich University of Applied Sciences and is a GMP graduate of Harvard Business School.

## **4.2 Re-election of Dr. Paul Hälg as Member and Chairman of the Board of Directors**

### **Proposal**

Re-election of Dr. Paul Hälg as Member and Chairman of the Board of Directors until the adjournment of the next ordinary Annual General Meeting.

### **Notes**

Paul Hälg (1954, CH) 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.).

## **4.3 Re-election of Dr. Hanspeter Fässler as Member of the Board of Directors**

### **Proposal**

Re-election of Dr. Hanspeter Fässler as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting.

### **Notes**

Hanspeter Fässler (1956, CH) 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 Implenia 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.

## **4.4 Re-election of Claude R. Cornaz as member of the Board of Directors**

### **Proposal**

Re-election of Claude R. Cornaz as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting.

### **Notes**

Claude R. Cornaz (1961, CH) was appointed to the Board of Directors of Datwyler 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/BWI.

## **4.5 Re-election of Dr. Gabi Huber as Member of the Board of Directors**

### **Proposal**

Re-election of Dr. Gabi Huber as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting.

### **Notes**

Gabi Huber (1956, CH) was appointed to the Board of Datwyler 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 Zgraggen 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.

## **4.6 Re-election of Hanno Ulmer as Member of the Board of Directors**

### **Proposal**

Re-election of Hanno Ulmer as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting.

### **Notes**

Hanno Ulmer (1957, AT) was appointed to the Board of Datwyler 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 Voralberg AG. Hanno Ulmer holds an accounting diploma from WIF Voralberg and completed university studies in export and international management.

## **4.7 Election of the candidates nominated by the special meeting of the holders of bearer shares as Member of the Board of Directors**

### **Notes**

For each share category, there is a right to submit proposals regarding election of at least one representative on the Board of Directors. At the separate meeting of bearer shareholders, they duly nominate their candidate to represent them on the Board of Directors. Both share categories enjoy voting rights for the purpose of electing this candidate to the Board of Directors.

### **4.7.1 Election of the candidate nominated by the special meeting of the holders of bearer shares as Member of the Board of Directors**

#### **Proposal**

Election of the candidate nominated by the special meeting of the holders of bearer shares as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting (Proposal Board of Directors: re-election of Jürg Fedier).

#### **4.7.2 Election of the candidate nominated by the special meeting of the holders of bearer shares as Member of the Board of Directors**

##### **Proposal**

Election of the candidate nominated by the special meeting of the holders of bearer shares as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting (Proposal Board of Directors: re-election of Jens Breu).

#### **4.7.3 Election of the candidate nominated by the special meeting of the holders of bearer shares as Member of the Board of Directors**

##### **Proposal**

Election of the candidate nominated by the special meeting of the holders of bearer shares as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting (Proposal Board of Directors: election of Martin Hirzel).

### **5. Election Members of the Nomination and Compensation Committee**

#### **5.1 Re-election of Dr. Hanspeter Fässler as Member and Chairman of the Nomination and Compensation Committee**

##### **Proposal**

Re-election of Dr. Hanspeter Fässler as Member and Chairman of the Nomination and Compensation Committee until the adjournment of the next ordinary Annual General Meeting.

##### **Notes**

See 4.3 for a profile of Dr Hanspeter Fässler.

#### **5.2 Re-election of Claude R. Cornaz as Member of the Nomination and Compensation Committee**

##### **Proposal**

Re-election of Claude R. Cornaz as Member of the Nomination and Compensation Committee until the adjournment of the next ordinary Annual General Meeting.

##### **Notes**

See 4.4 for a profile of Claudr R. Cornaz.

## 5.3 Re-election of Jens Breu as Member of the Nomination and Compensation Committee

### **Proposal**

Re-election of Jens Breu as Member of the Nomination and Compensation Committee until the adjournment of the next ordinary Annual General Meeting.

### **Notes**

See 4.1.2 for a profile of Jens Breu.

## 6. Election Auditors

### **Proposal**

Relection of KPMG, Zurich, as auditors for the financial year 2021.

### **Notes**

KPMG has been mandated to audit the consolidated and separate financial statements of Datwyler Holding Inc. since the Annual General Meeting in 2020. KPMG has the requisite skills and experience to satisfy the requirements of a global industrial business. KPGM has confirmed to the attention of the Board of Directors that it has the necessary independence to perform its mandate and that its independence is not impaired by services rendered to the Datwyler Group in addition to its audit mandate.

## 7. Election Independent Proxy

### **Proposal**

Relection of Remo Baumann, lic. iur., lawyer, as Independent Proxy until the adjournment of the next ordinary Annual General Meeting following conclusion of the 2021 financial year.

### **Notes**

Remo Baumann has confirmed to the Board of Directors that he meets the independence criteria to exercise the mandate.

## **8. Total remuneration to be paid to the Board of Directors and the Executive Board**

### **8.1 Approval of the total remuneration to be paid to the Board of Directors**

#### **Proposal**

Proposal by the Board of Directors: Approval of a total sum of CHF 2.1 Mio. for remuneration of the Board of Directors for their service from the ordinary Annual General Meeting 2021 until the ordinary Annual General Meeting 2022, of which CHF 0.6 Mio. for cash remuneration plus CHF 1.5 Mio. for granting of Datwyler Holding AG bearer shares.

#### **Notes**

According to art. 21b of the Articles of Association, the Annual General Meeting approves each year, for the period until the next Annual General Meeting, the Board of Directors' proposals regarding the maximum remuneration amounts for the Board of Directors. The Board of Directors has decided to reduce its own remuneration as of the 2021 General Meeting. The cash component of the base fee will be reduced from CHF 50'000 to CHF 30'000 for all members. Furthermore, the additional compensation for the representatives of the public shareholders pursuant to OR 709 will be omitted. Accordingly, the proposed maximum total amount for the compensation of the Board of Directors is some 10% below the previous year's value. The remuneration system for the Board of Directors envisages all members receiving the same basic amount. Supplementary amounts are then considered for chairmanship and for chairman and members of the Audit Committee and the Nomination and Compensation Committee. In addition to the fixed fee, each member of the Board of Directors is awarded a fixed number of Datwyler bearer shares, which are blocked for five years. Since the 2018 fiscal year, the grant of bearer shares has been based on a fixed amount and the average share price of the 20 trading days prior to the grant date. The remuneration report (page 49 of the Annual Report 2020) contains a detailed description of the remuneration structure for the Board of Directors. The Annual Report will be available on the Datwyler website from 9 February 2021: [www.datwyler.com](http://www.datwyler.com) > Investors > Publications.

## 8.2 Approval of the total remuneration to be paid to the Executive Board

### **Proposal**

Proposal by the Board of Directors: Approval of a total sum of CHF 8.5 Mio. for remuneration of the Executive Management for the fiscal year 2022, of which CHF 5.5 Mio. for cash remuneration (fixed base salary, variable incentive, benefits) plus CHF 3.0 Mio. for the maximum value at grant of the Performance Share Units awarded under the new long-term incentive plan.

### **Notes**

According to art. 21c of the Articles of Association, the Annual General Meeting approves each year, for the next fiscal year, the Board of Directors' proposals regarding the maximum remuneration amounts for the Executive Management. The maximum total amount proposed is slightly lower than the previous year's figure. The remuneration system for members of the Executive Management includes a fixed base salary in cash, a variable incentive and with effect from the 2018 fiscal year, a long-term incentive plan in the form of performance share units. There is an upper limit for all variable remuneration components. For both the variable incentive and the long-term incentive plan, the performance of the Datwyler Group is compared against a selection of similar companies. In order to achieve the target of a 100% payment, the median value for the peer group must be achieved across both remuneration components. If all peer companies are beaten, the maximum payout is 200%. If all peer companies perform better, no payment will be made. It is highly unlikely that Datwyler will outperform all peer companies for both the variable incentive and the long-term incentive plan. The Board of Directors would, however, have to request the total remuneration amount for this theoretically possible scenario. The models for the variable incentive and for the long-term incentive plan are described in detail in the remuneration report on pages 50 to 54 of the Annual Report 2020. The Annual Report is available on the Datwyler website from 9 February 2021: [www.datwyler.com](http://www.datwyler.com) > Investors > Publications.

# ORGANIZATIONAL INFORMATION

The Annual General Meeting of Datwyler Holding AG will take place on Tuesday, 9 March 2021 as decided by the Board of Directors in compliance with Article 27 of Swiss COVID-19 Ordinance 3 (as at 28 January 2021). To protect your well-being, you as a shareholder will not be able to attend the Annual General Meeting in person due to the pandemic situation. You may therefore exercise your rights exclusively through the independent proxy and are requested to provide your voting instructions to him.

## Documents

As per 9 February 2021 the Annual Report 2020, containing the State of the Company Report, the Company Financial Statement, the Group Consolidated Financial Statement and the auditors' reports, is available on the Company's website ([www.datwyler.com](http://www.datwyler.com) > Investors > Publications). In addition, the annual report is available for review at the company's registered office and can be ordered there.

## Instruction form

Bearer shareholders can order their instruction form until 5 March 2021 via their respective depository bank or by submitting a written blocking instruction from their depository bank to Segetis AG, Platz 4, 6039 Root D4 (T +41 41 541 9100, F +41 41 541 9101, [netvote@segetis.ch](mailto:netvote@segetis.ch)), the company appointed by us. The bearer shares will remain deposited until the day after the Annual General Meeting. Depository banks may also order the instruction forms for their customers via Segetis AG, Platz 4, 6039 Root D4 (T +41 41 541 9100, F +41 41 541 9101, [netvote@segetis.ch](mailto:netvote@segetis.ch)). The instruction forms will be sent by 8 March 2021 at the latest. After receipt of the documents, shareholders may give their voting instructions to the independent proxy electronically via the online platform, by e-mail, by mail or by fax.

## Proxy Appointment

Shareholders may be represented exclusively by the independent proxy Mr. Remo Baumann, Attorney, Partner at Baumann Inderkum & Muheim, Marktgasse 6, 6460 Altdorf. Please note that the written instruction form must be received by no later than 8 March 2021, 6 p.m. Unless otherwise instructed in writing, the Independent Proxy shall abstain from voting, in accordance with Art. 10 (2) of the Ordinance Against Excessive Compensation in Listed Companies Limited by Shares (ERCO) of 20 November 2013. This also applies in the event that voting takes place on proposals that were not listed on the invitation.

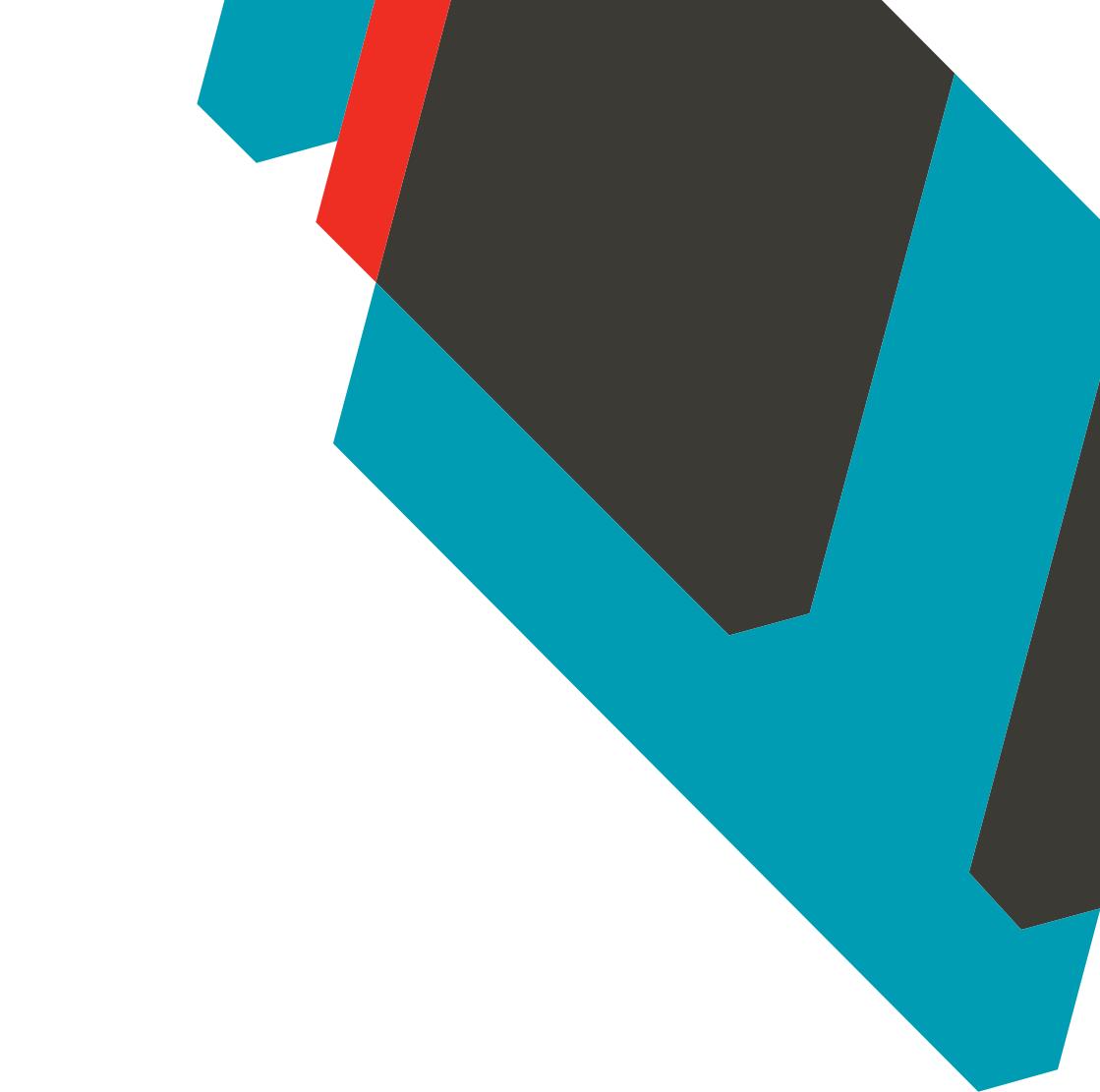
## **Electronic authorization and instructions for the Independent Proxy**

Authorization and instructions for the Independent Proxy may also be submitted electronically at <https://www.netvote.ch/datwyler>. Shareholders will receive the necessary login information with the instruction form. Any electronic instructions or changes must be submitted by 6 p.m. at the latest on the day before the General Meeting.

Altdorf, 9 February 2021

**Datwyler Holding Inc.**

On behalf of the Board of Directors  
Chairman: Dr. Paul Hälg



**Datwyler Holding Inc.**

Gotthardstrasse 31, 6460 Altdorf / Schweiz  
T +41 41 875 11 00, F +41 41 875 12 28  
info@datwyler.com, www.datwyler.com