

**SULZER**

**Articles of Association  
of Sulzer Ltd Winterthur**

Winterthur, April 19, 2023



In these Articles of Association, references to the generic masculine equally apply to all genders.

## **I. Name, Registered Offices and Purpose of the Company**

**§ 1** Under the name of

Sulzer AG  
Sulzer SA  
Sulzer Ltd

there exists a joint-stock company limited by shares, whose registered offices are in Winterthur.

**§ 2** The purpose of the Company is participating in technological companies and in other companies of all kinds in Switzerland and abroad. The Company may conduct any business which is suitable to promote or facilitate the development of the group and the attainment of the Company's purpose.

The Company may also acquire, mortgage and dispose of real estate.

In pursuing its purpose, the Company strives to create long-term, sustainable value.

## **II. Corporate Capital**

**§ 3** The share capital is 342,623.70 francs and is divided into 34,262,370 shares with a nominal value of CHF 0.01 each. All shares are registered shares and are fully paid-up.

**§ 3a** The share capital may be increased in an amount not to exceed 17,000 francs through the issuance of up to 1,700,000 fully paid registered shares with a par value of CHF 0.01 per share through voluntary or mandatory exercise of conversion, option or similar rights for the subscription of shares granted to shareholders or third parties in connection with bonds, loans or other financial market instruments of the Company or any of the companies controlled by it (hereinafter collectively, the "Financial Instruments").

The pre-emptive rights of shareholders shall be excluded upon the exercise of any Financial Instruments in connection with the issuance of shares. The then-current owners of such Financial Instruments shall be entitled to acquire the new shares issued upon voluntary or mandatory exercise of any Financial Instruments. The conditions of the Financial Instruments shall be determined by the Board of Directors.

The Board of Directors shall be authorized to restrict or withdraw advance subscription rights of shareholders in connection with the issuance of Financial Instruments by the Company or any of the companies controlled by it if (1) the issuance is for purposes of financing or refinancing the acquisition of companies, parts of a company, participations or investments or the acquisition of products, intellectual property rights or licenses or (2) the issuance occurs in national or international capital markets or through a private placement. If the advance subscription rights are neither granted directly nor indirectly by the Board of Directors, the following shall apply:

1. the Financial Instruments shall be issued or entered into at market conditions; and
2. the conversion or exercise price of the Financial Instruments shall be set with reference to the market conditions prevailing at the date on which the Financial Instruments are issued; and
3. the conversion or option rights may be exercised during a maximum period of 10 years from the date of the relevant issuance or entry.

The direct or indirect acquisition of the new shares through the exercise of Financial Instruments and any subsequent transfer of such shares shall be subject to the restrictions of Article 6 and Article 6a of these Articles of Association.

- § 4** The Company shall issue its registered shares as uncertificated securities pursuant to Art. 973c or 973d CO, as intermediated securities in the sense of the Federal Act on Intermediated Securities, or in the form of individual or collective certificates. The Company may, insofar as is legally permissible, convert any registered shares issued in any one of the aforementioned forms at any time without the consent of the shareholders. It shall bear the related costs.

The shareholder is not entitled to request that registered shares issued in a specific form be converted into another form. The certification of the membership of a shareholder in the form of a security is excluded. Each shareholder may however at any time request that the Company issue a written confirmation for the shares held by the shareholder pursuant to the entry into the share register.

Book entries which registered shares of the Company form the basis of may not be transferred by assignment. Such book entries cannot be assigned as surety.

- § 5** The shares are indivisible, and the Company recognizes only one representative per share.

The ownership of a share automatically entails recognition of the Articles of Association.

- § 6** The Company shall maintain, itself or through a third party, a share register for the registered shares that lists the name, domicile and address of the shareholders and usufructuaries. A person registered in the share register shall notify the share registrar of any change in contact information. Communications from the Company shall be deemed to have been validly made if sent to the shareholder's or authorized delivery agent's contact information last registered in the share register.

Only those persons entered as shareholders or usufructuaries in the share register shall be recognized as such in respect of the Company.

The entry in the register is conditional upon proof of the proper transfer of the shares. The Company may further refuse to register an acquirer in the share register as shareholder with voting rights if such acquirer, upon demand, does not explicitly certify that he acquired and shall hold the shares in his own name and for his own account, that there is no agreement on the redemption of the relevant shares and that he bears the economic risk associated with the shares.

**§ 6a** The Board of Directors shall record persons who fail to expressly make the declarations pursuant to Article 6 para. 3 of these Articles of Association (“Nominees”) with the right to vote in the share register, provided that the Nominee is subjected to recognized banking and financial market supervision and has entered into an agreement with the Board of Directors with regard to his position, the share capital held by the Nominee does not exceed 3% of the share capital registered in the commercial register, and the Nominee discloses the names, addresses and number of shares of the persons for whose account the Nominee holds 0.5% or more of the share capital registered in the commercial register. The Board of Directors is authorized to record shares of Nominees with voting rights beyond these thresholds, to the extent all other requirements are fulfilled.

After hearing the registered shareholder or Nominee, the Board of Directors may cancel registrations in the share register, retroactive to the date of registration, if such registrations were made based on incorrect information. The relevant shareholder or Nominee shall be informed immediately as to the cancellation.

The Board of Directors shall regulate the details and issue the instructions necessary for compliance with the preceding provisions. In special cases, it may grant exemptions from the rules concerning Nominees. The Board of Directors may delegate its duties.

**§ 7** Each share entitles to one vote at the Shareholders’ Meeting.

A shareholder may be represented at the Shareholders’ Meeting by his legal representative, by means of a written power of attorney to any other proxy, who does not need to be a shareholder, or the independent proxy. All shares held by one shareholder may be represented by only one representative.

The Board of Directors shall issue procedural rules regarding participation in and representation at the Shareholders’ Meeting.

The Shareholders’ Meeting shall elect the independent proxy for a term of office extending until completion of the next ordinary Shareholders’ Meeting. Re-election is possible.

If the Company does not have an independent proxy, the Board of Directors shall appoint the independent proxy for the next Shareholders’ Meeting.

**§ 8** Shareholders shall have subscription rights in proportion to the nominal value of their shares if the share capital is increased, unless the Shareholders’ Meeting resolves for good cause a different ruling with regard to subscription rights.

### III. Organisation of the Company

- § 9 The corporate bodies of the Company are:
- A. the Shareholders' Meeting
  - B. the Board of Directors
  - C. the Auditors

#### A. The Shareholders' Meeting

- § 10 The ordinary Shareholders' Meeting shall be held every year within six months after the close of the business year.
- § 11 Extraordinary Shareholders' Meetings shall be called in the cases provided for by law and whenever the Board of Directors deems them necessary.
- § 12 Shareholders' Meetings shall be called by the Board of Directors and, if need be, by the Auditors or any other body stipulated by law.

The convening of the Shareholders' Meeting shall take place at least 20 calendar days prior to the day of the meeting pursuant to Article 38 of these Articles of Association.

The invitation shall state the date, beginning, mode and venue of the Shareholders' Meeting, the items on the agenda and the proposals of the Board of Directors (together with a brief explanation) and, where applicable, the proposals of the shareholders who have requested the Shareholders' Meeting or that an item be included on the agenda (together with a brief explanation), and the name and address of the independent proxy. Shareholders who, alone or together, represent an aggregate par value of at least 0.5% of the share capital or the votes may request that an item be included on the agenda or that a proposal relating to an agenda item be included in the invitation. Such inclusion must be requested in writing at least 2 months prior to the meeting and shall specify the agenda items and proposals of such shareholder(s).

The Board of Directors shall determine the venue of the Shareholders' Meeting. The Board of Directors can determine that the Shareholders' Meeting be held simultaneously at different locations, provided that the contributions of the participants are transmitted directly in video and audio to all venues and/or that shareholders who are not present at the venue(s) of the Shareholders' Meeting may exercise their rights by electronic means. Alternatively, the Board of Directors may also provide that the Shareholders' Meeting be held by electronic means without a venue.

- § 13 The Board of Directors shall make the necessary arrangements for the determination of voting rights and shall state in the invitation the cut-off dates regarding the entry in the share register which are decisive with respect to voting rights.
- § 14 The Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors or by the Vice-Chairman or, should they be unable to do so, by another member of the Board.

The Chairman shall designate a Secretary for the minutes and persons for counting the votes who need not be shareholders.

The minutes of the Shareholders' Meeting are to be signed by the Chairman and by the Secretary for the minutes.

The resolutions and election results shall be made available electronically within 15 calendar days after the Shareholders' Meeting, stating the exact proportion of votes. Each shareholder may request that the minutes be made available to him within 30 calendar days after the Shareholders' Meeting.

**§ 15** The Shareholders' Meeting shall pass its resolutions and carry out its elections upon a majority of the votes represented, unless the law or the Articles of Association provide otherwise.

The chair of the Shareholders' Meeting shall determine whether resolutions and elections are to be decided by open ballot, in writing or electronically.

The chair of the Shareholders' Meeting may at any time order that an election or resolution be repeated if, in his view, the results of the vote are in doubt. In this case, the preceding election or resolution shall be deemed to have not occurred.

In elections, if the first ballot fails to result in an election and more than one candidate is standing for election, the chair of the Shareholders' Meeting shall order a second ballot in which a majority of the votes cast (i.e., irrespective of any abstentions) shall be decisive.

**§ 16** Amendments to the Articles of Association require a majority of at least two thirds of the votes represented; increases in corporate capital are carried out, however, upon a majority of the votes represented. The dissolution or merger of the Company can only be decided upon if at least half the shares issued are represented at the Shareholders' Meeting and two thirds thereof vote in favour of the corresponding proposal.

The above is subject to Art. 704 para. 1 CO.

**§ 17** The Shareholders' Meeting is the supreme corporate body of the Company. It has the following non-transferable powers:

1. to adopt and amend the Articles of Association;
2. to elect and remove the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Remuneration Committee, the Auditors of the Company and the independent proxy;
3. to approve the management report and the consolidated accounts;
4. to approve the annual accounts and to determine the allocation of profits as shown on the balance sheet, in particular to set the dividends;
5. to determine interim dividends and to approve of the interim financial statements required for this purpose;
6. to resolve on the repayment of the statutory capital reserve;
7. to approve the compensation of the Board of Directors and of the executive management pursuant to Article 29 of these Articles of Association;

8. to discharge the members of the Board of Directors and of the executive management;
9. to delist the Company's equity securities;
10. to approve the report on non-financial matters pursuant to Art. 964c CO; and
11. to pass resolutions regarding issues which are reserved to the Shareholders' Meeting by law or by the Articles of Association.

## **B. The Board of Directors**

**§ 18** The Board of Directors consists of five members at the least and nine members at the most. Shareholders that are subject to sanctions by the United States of America or the Swiss Confederation, which prevent or materially impede business activities or financial transactions of those shareholders in those countries, are only allowed to propose for election a minority of the members of the Board of Directors as long as they are subject to those sanctions. The members proposed by such shareholders shall be identified as such in the public minutes of the Shareholders' Meeting.

The members of the Board of Directors and the Chairman of the Board of Directors are individually elected by the Shareholders' Meeting for a term of office extending until completion of the next ordinary Shareholders' Meeting.

Re-election is possible.

If the office of the Chairman of the Board of Directors is vacant, the Board of Directors shall appoint a new Chairman from among its members for a term of office extending until completion of the next ordinary Shareholders' Meeting.

**§ 19** Except for the election of the Chairman of the Board of Directors and the members of the Remuneration Committee by the Shareholders' Meeting, the Board of Directors shall organise itself.

It appoints a Vice-Chairman as well as a Secretary who need not be a member of the Board of Directors.

**§ 20** The Board of Directors has authority to decide all matters which are not delegated to or reserved for another corporate body of the Company pursuant to law or the Articles of Association.

**§ 21** The Board of Directors has the following non-transferable and inalienable duties:

1. the ultimate direction of the business of the Company and the issuing of the necessary instructions;
2. the determination of the organisation of the Company;
3. the organisation of accounting, financial control and financial planning;
4. the appointment and dismissal of the persons entrusted with the management and representation of the Company;
5. the ultimate supervision of the persons entrusted with the management of the Company, in particular with respect to their compliance with law, the Articles of Association, by-laws and instructions;

6. the preparation of the business report, the compensation report and, if applicable, the report on non-financial matters pursuant to Art. 964c CO as well as the Shareholders' Meeting and the carrying out of the resolutions adopted by the Shareholders' Meeting;
7. the submission of a petition for debt-restructuring moratorium and the notification of the court if liabilities exceed assets; and
8. other powers and duties reserved to the Board of Directors by law or these Articles of Association.

**§ 22** The Board of Directors meets upon invitation of its Chairman or, in his absence, its Vice-Chairman, whenever business requires and also whenever a member requests a meeting.

The Board of Directors represents a quorum if at least half its members are present and if, in accordance with Article 18, the majority of the members present are not representatives of a shareholder subject to sanctions pursuant to Article 18.

No attendance quorum shall be required for resolutions of the Board of Directors providing for the amendment and ascertainment of capital changes.

Resolutions are passed upon the majority of the votes cast. In case of a tie, the chairman of the meeting shall have the casting vote.

Resolutions may also be passed in writing by circular resolution or electronically, unless a member requests an oral discussion.

Minutes are to be kept of the deliberations and resolutions of the Board of Directors. The minutes are to be signed by the chairman of the meeting and the Secretary.

**§ 23** The Board of Directors is empowered to appoint committees of the Board of Directors from its midst. The Board is furthermore entitled to delegate the representation of the Company and the management in whole or in part to individual members of the Board of Directors or to third parties. The Board of Directors shall draw up organisation by-laws which stipulate the details.

### **C. The Remuneration Committee**

**§ 24** The Remuneration Committee consists of at least three members of the Board of Directors.

**§ 25** The members of the Remuneration Committee are individually elected by the Shareholders' Meeting for a term of office extending until completion of the next ordinary Shareholders' Meeting.

Re-election is possible.

If there are vacancies on the Remuneration Committee, the Board of Directors shall appoint substitute members from among its members for a term of office



extending until completion of the next ordinary Shareholders' Meeting.

**§ 26** The Remuneration Committee shall organise itself. The Board of Directors shall elect its chairman.

The Board of Directors shall draw up regulations establishing the organisation and decision-making process of the Remuneration Committee.

**§ 27** The Remuneration Committee shall support the Board of Directors in establishing and reviewing the compensation strategy and guidelines and the performance objectives as well as in preparing the proposals to the Shareholders' Meeting regarding the compensation of the Board of Directors and of the executive management, and may submit proposals to the Board of Directors in other compensation-related issues.

The Board of Directors shall determine in regulations for which positions of the Board of Directors and of the executive management the Remuneration Committee shall submit proposals for the performance metrics, target levels and the compensation to the Board of Directors, and for which positions of the Board of Directors and the executive management it shall itself determine, in accordance with these Articles of Association and the compensation guidelines established by the Board of Directors, the performance metrics, target levels and the compensation.

The Board of Directors may delegate further tasks to the Remuneration Committee that shall be determined in regulations.

#### **D. The Auditors**

**§ 28** Each year the Shareholders' Meeting elects Auditors of the Company with all the rights and duties defined by law.

## **IV. Compensation of the Members of the Board of Directors and of the Executive Management**

**§ 29** The Shareholders' Meeting shall approve the proposals of the Board of Directors in relation to the maximum aggregate amounts of:

1. compensation of the Board of Directors for the next term of office;
2. compensation of the executive management for the following financial year.

The Board of Directors may submit for approval by the Shareholders' Meeting deviating or additional proposals relating to the same or different periods.

In the event the Shareholders' Meeting does not approve a proposal of the Board of Directors, the Board of Directors shall determine, taking into account all relevant factors, the respective (maximum) aggregate amount or (maximum) partial amounts, and submit the amount(s) so determined for approval by an extraordinary Shareholders' Meeting or the next ordinary Shareholders' Meeting.

The Company or companies controlled by it may pay out compensation prior to approval by the Shareholders' Meeting subject to subsequent approval.

The Board of Directors shall submit the annual compensation report to an advisory vote of the Shareholders' Meeting.

**§ 30** The Company or companies controlled by it shall be authorized to pay to each person who becomes a member of the executive management after the Shareholders' Meeting has approved the compensation a supplementary amount during the compensation period(s) already approved if the compensation already approved is not sufficient to cover his compensation. The supplementary amount per compensation period shall in total not exceed 40% of the maximum aggregate amount of compensation for the executive management last approved.

**§ 31** Non-executive members of the Board of Directors shall be paid a fixed compensation. Total compensation shall take into account position and level of responsibility of the recipient.

Compensation of the members of the executive management consists of fixed and variable compensation elements. Fixed compensation comprises the base salary and other compensation elements. Variable compensation may comprise short-term and long-term variable compensation elements. Total compensation shall take into account position and level of responsibility of the recipient.

Short-term variable compensation elements shall be governed by performance metrics that take into account the performance of the Company, the group or parts thereof, targets in relation to the market, other companies or comparable benchmarks and/or individual targets, the achievement of which is generally measured during a one-year period. Depending on achieved performance, the compensation may amount to a multiple of target level.

Long-term variable compensation elements shall be governed by performance metrics that take into account strategic and/or financial objectives, the achievement of which is generally measured during a perennial period. Depending on achieved performance, the compensation may amount to a multiple of the target level.

The Board of Directors or, to the extent delegated to it, the Remuneration Committee shall determine the performance metrics and target levels of the short- and long-term variable compensation elements, as well as their achievement.

Compensation may be paid in the form of cash, shares, in kind or in the form of services or other types of benefits; compensation of members of the executive management may also be paid or granted in the form of options, financial instruments or similar units. The Board of Directors or, to the extent delegated to it, the Remuneration Committee shall determine grant, vesting, exercise and forfeiture conditions. In particular, they may provide for continuation, acceleration or removal of vesting and exercise conditions, for payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of pre-determined events such as a change-of-control or termination of an employment or mandate agreement. The Company may procure the required shares through purchases in the market or by using conditional share capital.

Compensation may be paid by the Company or companies controlled by it.

## **V. Agreements with Members of the Board of Directors and the Executive Management**

**§ 32** The Company or companies controlled by it may enter into agreements for a fixed term or for an indefinite term with members of the Board of Directors relating to their compensation. Duration and termination shall comply with the term of office and the law.

The Company or companies controlled by it may enter into employment agreements for a fixed term or for an indefinite term with members of the executive management. Employment agreements for a fixed term may have a maximum duration of one year. Renewal is possible. Employment agreements for an indefinite term may have a termination notice period not exceeding twelve months.

Non-compete agreements for the time after termination of an employment agreement are permissible. Their duration shall not exceed one year. Their consideration shall not exceed the last total annual target compensation such member was entitled to prior to termination and shall in no event exceed the average of the compensation of the last three financial years.

## **VI. Mandates Outside the Group, Loans**

**§ 33** No member of the Board of Directors may hold more than ten additional mandates of which no more than four may be in listed companies.

No member of the executive management may hold more than five mandates of which no more than one may be in listed companies.

Not subject to these limitations are:

- a) mandates in companies which are controlled by the Company or which control the Company;
- b) mandates held at the request of the Company or companies controlled by it. No member of the Board of Directors or of the executive management may hold more than ten such mandates; and
- c) mandates in associations, organizations, foundations, trusts and employee welfare foundations. No member of the Board of Directors or of the executive management may hold more than ten such mandates.

Mandates shall mean mandates in comparable functions at other enterprises with an economic purpose. Mandates in different legal entities that are under joint control or same beneficial ownership are deemed one mandate.

**§ 34** The Company or companies controlled by it shall not grant loans to members of the Board of Directors or the executive management.

## **VII. Closing of Accounts**

**§ 35** The annual accounts and the consolidated accounts are closed every year as on 31st December.

**§ 36** The Shareholders' Meeting shall resolve on the allocation of the profit as shown on the balance sheet in accordance with applicable law. The Board of Directors shall submit its proposals to the Shareholders' Meeting.

In addition to the reserves required by law, and subject to applicable law, the Shareholders' Meeting may create other reserves.

## **VIII. Dissolution and Liquidation**

**§ 37** The Shareholders' Meeting may at any time resolve the dissolution and liquidation of the Company in accordance with the provisions of law and the Articles of Association. The respective quorum is as defined under Art. 16.

The liquidation shall be carried out by the Board of Directors, unless the Shareholders' Meeting decides otherwise.

## **IX. Means of Publication and Notices**

**§ 38** The official means of publication of the Company shall be the Swiss Official Journal of Commerce (Schweizerisches Handelsamtsblatt). The Board of Directors is, at any time, authorized to designate additional means of publication.

Notices by the Company to the shareholders may, at the election of the Board of Directors, be validly given by publication in the Swiss Official Journal of Commerce or in a form that can be evidenced by text.

*(Translation – German version shall prevail)*

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