

# To the shareholders of Zehnder Group AG

## Invitation to the Annual General Meeting 2024

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**Date:** Thursday, 11 April 2024, **4:00 p.m.**, list of attendees to be established from 3:00 p.m.  
Shareholders and guests are cordially invited to an “Apéritif riche” after the Annual General Meeting.

**Place:** Kultur- und Kongresszentrum Bärenmatte, Turnhalleweg 1, 5034 Suhr

### Agenda

#### 1. Approval of the Management Report of Zehnder Group AG, the annual financial statements of Zehnder Group AG and the consolidated financial statements

**Motion:** *The Board of Directors proposes that the Management Report, the annual financial statements and the consolidated financial statements for 2023 be approved.*

**Explanatory note:** The Board of Directors is required by law to submit the operational and financial management report, the annual financial statements, and the consolidated financial statements for each financial year to the Annual General Meeting for approval. The auditors PricewaterhouseCoopers AG, Lucerne, have audited the consolidated financial statements of the Zehnder Group and the annual financial statements of Zehnder Group AG and have nothing to add to their audit reports.

#### 2. Discharge of the members of the Board of Directors and the Group Executive Committee

**Motion:** *The Board of Directors proposes that the members of the Board of Directors, as well as the members of the Group Executive Committee, be discharged for the financial year 2023 (by means of a single vote for all members of the Board of Directors and the Group Executive Committee).*

**Explanatory note:** With the discharge of the members of the Board of Directors and the Group Executive Committee, the company as well as the consenting shareholders declare that they will no longer hold the responsible persons accountable for events from the past financial year that were brought to the attention of the Annual General Meeting. The company is not aware of any facts that would prevent the full discharge of the members of the Board of Directors and the Group Executive Committee.

#### 3. Resolution on the appropriation of the balance sheet profits

Net profit 2023 according to the income statement	CHF	25,218,155
+ retained earnings from previous year	CHF	365,331,657
Balance sheet profits	CHF	390,549,812

**Motion:** *The Board of Directors proposes that the earnings be appropriated as follows:*

<i>Payment of dividends</i>	CHF	15,256,800
<i>Carry-forward to a new account</i>	CHF	375,293,012
<i>Balance sheet profits</i>	CHF	390,549,812

**Explanatory note:** The long-term dividend policy of the Zehnder Group makes provision for 30 to 50 % of the consolidated net income excluding minority interests to be paid out in dividends. The proposal corresponds to a dividend per dividend-bearing registered share A of CHF 1.30 (previous year: CHF 1.80). An allocation to the profit reserve shall be waived, as this already exceeds 20 % of the share capital. The appropriation of the balance sheet profit and the distribution of the ordinary dividend are based on the annual accounts audited by the auditors and to be approved in agenda item 1.

Ex-dividend date	Monday, 15 April 2024
Record date	Tuesday, 16 April 2024
Dividend payment	Wednesday, 17 April 2024

#### **4. Approval of the total sum of future compensation for the Board of Directors and the Group Executive Committee; advisory vote on the Compensation Report for 2023**

##### **4.1 Compensation of members of the Board of Directors**

**Motion:** *The Board of Directors proposes the approval of the total amount for the compensation of the Board of Directors, consisting of seven members, of a maximum of CHF 1,700,000 for the period of office until the conclusion of the next Annual General Meeting.*

**Explanatory note:** According to the Articles of Association, the shareholders vote annually on the maximum compensation of the Board of Directors for the term of office until the next Annual General Meeting.

In order to strengthen the alignment to long-term shareholder interests, payment of the fixed annual retainer for the Board of Directors is made half in cash and half in form of registered shares A of Zehnder Group AG. The number of shares awarded is determined based on the average volume-weighted share price during the period 1 December and 31 December of that year. The shares are subject to a restriction period of three years during which they cannot be sold, transferred, or pledged. The restriction period also applies in the case of termination of the mandate, except in case of death or change of control, where the restriction immediately lapses.

The cash compensation is paid out on a monthly basis, and the registered shares A are allocated in January for the current compensation period corresponding to the term of office from the Annual General Meeting of the previous year to the Annual General Meeting of the reporting year.

The proposed maximum compensation of the Board of Directors remains unchanged compared to the total amount proposed at the Annual General Meeting 2023 for the term of office until the Annual General Meeting 2024.

##### **4.2. Compensation of the Group Executive Committee**

**Motion:** *The Board of Directors proposes the approval of the total amount for the compensation of the Group Executive Committee, consisting of five members and in future up to six members, of a maximum of CHF 6,650,000 for the financial year 2024.*

**Explanatory note:** According to the Articles of Association, the shareholders vote annually on the maximum compensation of the Group Executive Committee for the current financial year.

The compensation for the Group Executive Committee includes a fixed annual base salary, a variable short-term element, a variable long-term element, participation in the management share plan and occupational pension benefits and perquisites. Further details on the basis of the variable compensation of the members of the Group Executive Committee can be found in the Compensation Report, which is available online at [www.zehndergroup.com/en/investor-relations/corporate-governance](http://www.zehndergroup.com/en/investor-relations/corporate-governance).

The proposed total amount is CHF 650,000 (+10.8 %) higher than the total amount proposed for the previous year at the 2023 Annual General Meeting, due to the planned expansion of the Group Executive Committee by one member from five to six members in 2024. To support the Zehnder Group's sustainable growth strategy, a role focussing on the North American business is to be added to the Group Executive Committee. The proposed total amount is the maximum possible amount for the short-term variable compensation. The long-term variable compensation takes the form of allocated performance share units (PSUs). The allocation of the PSUs is calculated on the basis of the fixed allocation amount (fixed amount of up to 50 % of the annual base salary) and the average volume-weighted price of the Zehnder share on the SIX Swiss Exchange in the period from 1 October to 31 December of the year before the grant date. A maximum target achievement was assumed for the total LTI amount. The originally allocated PSUs are multiplied by a performance factor of a maximum of 150 %. The total LTI amount does not include any share price changes during the three-year vesting period.

### 4.3 Advisory vote on the Compensation Report for 2023

**Motion:** *The Board of Directors proposes that the 2023 Compensation Report be approved (advisory vote).*

**Explanatory note:** The vote on the Compensation Report 2023 is purely consultative and non-binding. The Compensation Report can be found as a separate chapter in the Annual Report 2023, which is available online at [www.zehndergroup.com/en/investor-relations/reports-and-presentations](http://www.zehndergroup.com/en/investor-relations/reports-and-presentations).

### 5. Approval of the Sustainability Report 2023

**Motion:** *The Board of Directors proposes that the Sustainability Report 2023 be approved.*

**Explanatory note:** In accordance with the newly introduced Art. 964a of the Swiss Code of Obligations, Zehnder Group AG is obliged to prepare a report on non-financial matters from the 2023 financial year onwards. Details can be found in the Sustainability Report, which was prepared in English under the title “Sustainability Report 2023”, at <https://documents.zehndergroup.com/sr-2023-en>. The Annual General Meeting has the power to approve but no authority to review the content or make changes. The vote covers only the sections of the Sustainability Report 2023 specified in the reconciliation table to the Swiss Code of Obligations on pages 86–89.

PriceWaterhouseCoopers AG, Lucerne, has carried out an audit to obtain limited assurance (Limited Assurance Report) on selected key figures. The Limited Assurance Report can be found on pages 91–93.

### 6. Capital reduction

**Motion:** *The Board of Directors proposes*

- *the reduction of the share capital from CHF 586,800, divided into 9,756,000 listed registered shares A at CHF 0.05 each and 9,900,000 registered shares B at CHF 0.01 each, by cancelling 487,800 of the company’s own registered shares A at CHF 0.05 each with a total nominal value of CHF 24,390, to CHF 562,410, divided into 9,268,200 registered shares A at CHF 0.05 each and 9,900,000 registered shares B at CHF 0.01 each.*
- *the application of the reduction amount as follows: offsetting of own shares totalling CHF 34,270,603.05 against the nominal share capital of CHF 24,390 and the statutory retained earnings of CHF 34,246,213.05.*
- *to amend Art. 3 (1) of the Articles of Association accordingly as follows:*

Applicable text	Revised text (changes in bold)
<b>Art. 3 para. 1</b>	<b>Art. 3 para. 1</b>
“1 The share capital is valued at CHF 586,800.00 and is fully paid in. It is divided into: a) 9,756,000 registered shares A, each with a nominal value of CHF 0.05 and b) 9,900,000 registered shares B, each with a nominal value of CHF 0.01”	“1 The share capital is valued at <b>CHF 562,410.00</b> and is fully paid in. It is divided into: a) <b>9,268,200</b> registered shares A each with a nominal value of CHF 0.05 and b) 9,900,000 registered shares B, each with a nominal value of CHF 0.01”

**Explanatory note:** If the proposal under this agenda item 6 is accepted, the share capital will be reduced by cancelling 487,800 of the listed registered shares A that were repurchased as part of the share buyback programme from March 2021 to September 2023. The book entries described in the Board of Directors’ proposal under the application of the reduction amount are therefore book entries that do not affect the balance sheet total and merely lead to shifts in equity.

If this proposal is accepted, the capital reduction is expected to be entered in the commercial register at the end of April 2024.

## 7. Elections

### 7.1 Re-elections to the Board of Directors and re-election of the Chairman

**Motion:** *The Board of Directors proposes the re-election of Dr Urs Buchmann, Riet Cadonau, Sandra Emme, Milva Inderbitzin-Zehnder, Jörg Walther, Ivo Wechsler, and Dr Hans-Peter Zehnder as members of the Board of Directors, and of Dr Hans-Peter Zehnder as Chairman of the Board of Directors, each for a term of office ending at the conclusion of the next Annual General Meeting.*

**Explanatory note:** As the term of office of the members of the Board of Directors as well as the Chairman ends with the conclusion of the Annual General Meeting on 11 April 2024, they must be re-elected by the Annual General Meeting.

Dr Hans-Peter Zehnder and Milva Inderbitzin-Zehnder represent the Zehnder family of shareholders on the Board of Directors. All other members of the Board of Directors are independent within the meaning of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse. None of the directors has been a member of the Group Executive Committee of Zehnder Group AG or any of its subsidiaries in the last three years. None of the directors has a significant business relationship with Zehnder Group AG. All members of the Board of Directors are non-executive.

Information on the professional backgrounds of the current members of the Board of Directors can be found in the Annual Report, which is available at [www.zehndergroup.com/en/investor-relations/reports-and-presentations](http://www.zehndergroup.com/en/investor-relations/reports-and-presentations). The elections will be held individually.

7.1.1 *Re-election of Dr Hans-Peter Zehnder as member and as Chairman of the Board of Directors*

7.1.2 *Re-election of Dr Urs Buchmann*

7.1.3 *Re-election of Riet Cadonau*

7.1.4 *Re-election of Sandra Emme*

7.1.5 *Re-election of Milva Inderbitzin-Zehnder*

7.1.6 *Re-election of Jörg Walther*

7.1.7 *Re-election of Ivo Wechsler*

### 7.2 Re-elections of the members of the Nomination and Compensation Committee

**Motion:** *The Board of Directors proposes that Riet Cadonau, Sandra Emme and Milva Inderbitzin-Zehnder be re-elected as members of the Nomination and Compensation Committee for a term of office ending at the conclusion of the next Annual General Meeting. The elections will be held individually.*

**Explanatory note:** As the term of office of the members of the Nomination and Compensation Committee ends with the conclusion of the Annual General Meeting on 11 April 2024, they must each be newly elected by the Annual General Meeting. Riet Cadonau has been a member of the Nomination and Compensation Committee since 2017 and Chairman since 2017, Sandra Emme since 2022 and Milva Inderbitzin-Zehnder since 2020. Riet Cadonau and Sandra Emme are independent within the meaning of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse. It is intended that Riet Cadonau will be confirmed as Chairman of the Nomination and Compensation Committee by the Board of Directors following his re-election as a member of the Nomination and Compensation Committee.

The elections will be held individually.

7.2.1 *Re-election of Riet Cadonau*

7.2.2 *Re-election of Sandra Emme*

7.2.3 *Re-election of Milva Inderbitzin-Zehnder*

### 7.3 Re-election of the independent proxy

**Motion:** *The Board of Directors proposes that Werner Schib, Attorney at Law and Notary, SwissLegal (Aarau), Jurastrasse 4, 5001 Aarau, be re-elected as the independent proxy for a term of office ending at the conclusion of the next Annual General Meeting.*

**Explanatory note:** According to the law, the independent proxy must be elected annually by the Annual General Meeting. Werner Schib, lawyer and notary, fulfils the independence criteria and the Board of Directors proposes to re-elect him for reasons of continuity.

### 7.4 Re-election of the statutory auditor

**Motion:** *The Board of Directors proposes that PricewaterhouseCoopers AG, Lucerne, be re-elected as statutory auditor for the 2024 fiscal year.*

**Explanatory note:** According to the Articles of Association, the auditors must be elected annually by the General Meeting. PricewaterhouseCoopers AG, Lucerne, has been the auditor of Zehnder Group AG since 2019. PricewaterhouseCoopers has confirmed to the Board of Directors that it has the necessary independence to carry out the mandate.

## Documentation

The complete Annual Report for the 2023 financial year (incl. Management Report and annual financial statements, consolidated financial statements, Corporate Governance Report, Compensation Report, reports of the statutory auditor) can be ordered from the company's headquarters (telephone +41 62 855 1520). The 2023 Annual Report was published on 28 February 2024 and is available for download at [www.zehndergroup.com/en/investor-relations/annual-general-meeting](http://www.zehndergroup.com/en/investor-relations/annual-general-meeting).

The Sustainability Report 2023 is published at <https://documents.zehndergroup.com/sr-2023-en>.

## Voting rights

Entitled to vote are shareholders who are registered at the share register of Zehnder Group AG by 28 March 2024, 12:00 p.m. (CET). Registered shareholders will automatically receive the log-in data and required information as well as the agenda.

## Exercise of voting rights, representation/proxy

**Holders of registered shares A and of registered shares B** (hereinafter referred to as shareholders)

Shareholders can decide whether to attend in person, be represented or to participate electronically on votes and elections giving proxies and voting instructions to the independent representative.

– *Participation in person*

Shareholders attending the Annual General Meeting in person should send their completed application form in the enclosed reply envelope to Computershare Schweiz AG by Monday, 8 April 2024 at the latest. The admission card and voting material will then be sent to shareholders by post.

– *Representation by a third party*

Shareholders who wish to authorise a third party should send their completed application form in the enclosed reply envelope to Computershare Schweiz AG by Monday, 8 April 2024 at the latest. The admission card and voting material will then be sent directly to the third party. Legal representatives do not require authorisation.

– *Representation by the independent proxy Werner Schib, attorney at law and notary, SwissLegal, Aarau*

Shareholders who wish to appoint the independent proxy should send their completed application form in the enclosed reply envelope to Computershare Schweiz AG by Monday, 8 April 2024 at the latest. By signing the registration form, the independent proxy is authorised to vote in accordance with the motions made by the Board of Directors if no other written instructions are included (see reverse of the application form). This applies equally to the case that motions not listed in the invitation are also presented for vote.

- *Participation by electronic remote vote* ([www.gvote.ch](http://www.gvote.ch))

Shareholders may also participate in votes and elections using electronic remote vote by granting proxies and issuing instructions to the independent proxy, order their admission card online for personal attendance or appoint a third party for their representation. The log-in details required for this will be sent to registered shareholders together with the invitation. Intent to participate electronically and/or any changes to instructions issued electronically must be received no later than Monday, 8 April 2024, at 11:59 p.m. (CEST).

Shareholders who give written authorisation to be represented or who choose to exercise their right to participate in votes and elections electronically thereby give up their right to attend the Annual General Meeting in person.

### **Right to place items to the agenda**

Shareholders registered with voting rights who, individually or collectively, represent at least 0.5 per cent of the share capital of the Company may request that the Board of Directors include an item on the agenda or include a motion on an item on the agenda. Shareholders may submit a brief statement of reasons with the agenda item or the motions. Requests for items to be included on the agenda must be submitted in writing to the Chairman of the Board of Directors at least 45 days prior to the Annual General Meeting, stating the agenda item and the motions (Art. 12 of the Articles of Association). The date of the 2025 Annual General Meeting will be published in the annual report and on our website under Investor Relations / Company Calendar ([www.zehndergroup.com/en/investor-relations/company-calendar](http://www.zehndergroup.com/en/investor-relations/company-calendar)).

**Zehnder Group AG**

On behalf of the Board of Directors

Dr Hans-Peter Zehnder

Gränichen, 20 March 2024

This invitation is available in German and English.  
The German version is binding.

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