



Approval Process

Annex I

Version December 2022

All references to amounts are in million CHF unless specified otherwise.

A = Approval; I = Information; P = Proposal (numbers reflect sequence of proposal steps); PA = Proposal and approval authority

AC = Audit Committee; CC = Compensation Committee; KL = Group Executive Committee; NC = Nomination Committee; VRA = Supervisory and Strategy Committee

| Responsibility | Board | Chairman / Committees | CEO | KL | Remarks |
|---|-------|-----------------------|-----------------|---|--|
| 1. Values and Strategy | | | | | |
| 1.1 Values (e.g. safety, quality, corporate sustainability and Code of Conduct) and public Group Policies | A | P2: VRA | P1 | | |
| 1.2 Strategy and objectives of the Group | A | P2: VRA | P1 | | |
| 1.3 Entry in ¹⁾ / exit of a certain country | | A: VRA | P2 | P1: MKL-FO or CFO | ¹⁾ Including establishing of a KG, JV, branch or office or entering into a distributorship, agency or similar agreement in a certain country. A change from a distributorship to an own KG (or vice versa) does not constitute an entry into a country (or exit of a country) |
| 1.4 Mergers, acquisitions, divestitures, establishment and dissolution of joint ventures | | | | | Section 1.3 is prevailing to Section 1.4 |
| 1.4.1 Initial Request | | | | | |
| 1.4.1.1 $TV^{2)} > 50$ | | A: VRA | P2 | P1: MKL-FO or CFO | ²⁾ TV means Transaction Value and is determined in accordance with ON 0-04100 M&A |
| 1.4.1.2 $TV^{2)} > 20 \leq 50$ | | I: VRA | A | P: MKL-FO or CFO | |
| 1.4.1.3 $TV^{2)} \leq 20$ | | | A ³⁾ | P: MKL-FO or CFO | ³⁾ Subdelegation to MKL possible (permanent or on a case by case basis) |
| 1.4.2 Final Request | | | | | |
| 1.4.2.1 $TV^{2)} > 100$ | A | P2: VRA | | P1: KL | |
| 1.4.2.2 $TV^{2)} > 50 \leq 100$ | | A: VRA | | P: KL | |
| 1.4.2.3 $TV^{2)} > 20 \leq 50$ | | A: VRA ⁴⁾ | | A: KL ⁴⁾ P: MKL-FO or CFO | ⁴⁾ s. ON 0-04100 M&A |
| 1.4.2.4 $TV^{2)} \leq 20$ | | | A ³⁾ | P: MKL-FO or CFO | |
| 2. Structure, Organization and Corporate Matters | | | | | |
| 2.1 Material changes to the organizational structure of the Group | A | P: VRA | | | |

| Responsibility | Board | Chairman / Committees | CEO | KL | Remarks |
|--|-----------------|-----------------------------|-----------------|---|--|
| 2.2 Organization and management structure of the Company and the Group and material organizational changes in Large-Size Group Companies ⁹⁾ | A | P2: VRA | P1 | | |
| 2.3 Formation, merger and liquidation of Group Companies | | | A ³⁾ | P: MKL-FO and/or CFO | Sections 1.3 and 1.4 are prevailing to Section 2.3 |
| 2.4 Establishment and closure of branches and representative offices | | | A ³⁾ | P: MKL-FO and/or CFO ³⁾ | Section 1.3 is prevailing to Section 2.4 |
| 2.5 Articles of Association of the Company | A ⁵⁾ | P: VRA | | | ⁵⁾ To be submitted to General Meeting of Shareholders for approval |
| 2.6 Organizational Regulations of the Company | A | P2: VRA | | P1: Group General Counsel | |
| 2.7 Charter for the Audit Committee | A | P: AC | | | |
| 2.8 Internal regulations, organizational norms, directives and policies | | A ⁶⁾ : VRA or AC | | A ^{3), 6)} : KL P: KL member or Group General Counsel | ⁶⁾ Where the responsible department reports to MKL: sole approval by KL. Where the responsible department reports to the Chairman: joint approval by (i) VRA or AC and (ii) KL. Subdelegation to VRA member possible. |
| 2.9 Annual report, section on Corporate Governance | A | P2: VRA | | P1: Group General Counsel | Regarding compensation see Section 3.3.3 |
| 2.10 Assumption of external functions ⁷⁾ | | | | | See article 35 (2) of the Articles ⁷⁾ Annual reporting of external functions to the chairman of the NC |
| 2.10.1 Non-executive board members | I | I: Chairman NC | | | |
| 2.10.2 Executive board members | | A: NC | | | |
| 2.10.3 CEO | | A: NC | P | | |
| 2.10.4 KL members | | A: NC | P2 | P1: KL member | |
| 2.11 Preparing and Convening the General Meeting of Shareholders | A | P: Chairman | | | |
| 2.12 Company's share register | | | | | |
| 2.12.1 Organization | | | | PA ¹⁴⁾ : Group General Counsel | |
| 2.12.2 Registration, cancellation and refusal of registration | A | P: Chairman | | | According to art. 13 of the Articles of Association of the Company |
| 2.13 Signatory power | | | | | |

| Responsibility | Board | Chairman / Committees | CEO | KL | Remarks |
|---|-----------------|-------------------------|-----|-----------------------|---|
| 2.13.1 Signatory power policy for the Company and the Group | A | | | P: CHR | |
| 2.13.2 Designating signatories for the Company | A | | | | |
| 2.14 Filing of an application for a debt-restructuring moratorium or notifying the court in case of over-indebtedness | A | P2: VRA | | P1: CFO | |
| 2.15 Report(s) on non-financial matters | A ⁵⁾ | P3: VRA P4: AC | P2 | P1: CFO | The report on non-financial matters pursuant to article 964a CO is to be signed by the Chairman together with the CFO |
| 3. Personnel and Compensation | | | | | |
| 3.1 Appointments, nominations, dismissals and removals | | | | | |
| 3.1.1 Nomination of Company Board members | | | | | |
| 3.1.1.1 <i>Chairman</i> | A ⁸⁾ | P: NC | | | ⁸⁾ To be submitted to the General Meeting of Shareholders for election |
| 3.1.1.2 <i>Members of the Compensation Committee</i> | A ⁸⁾ | P: NC | | | |
| 3.1.1.3 <i>Other Board members</i> | A ⁸⁾ | P: NC | | | |
| 3.1.2 Appointment, dismissal or removal of | | | | | |
| 3.1.2.1 <i>Vice-Chairmen, Committees chairmen and members of the VRA, the NC and the AC</i> | A | P: NC | | | |
| 3.1.2.2 <i>Group General Counsel</i> | A | P: NC | | | |
| 3.1.2.3 <i>CEO</i> | A | P1: Chairman P2: NC | | | |
| 3.1.2.4 <i>KL members</i> | A | P2: NC | P1 | | |
| 3.1.3 Nomination, dismissal or removal of Group Companies' Board members | | | | | |
| 3.1.3.1 <i>Strategic (long-term) joint ventures</i> | | A: VRA | P | | |
| 3.1.3.2 <i>Large-Size Group Companies⁹⁾</i> | | | | A: KL P: KL member | ⁹⁾ Top ten Group Companies as defined by VRA |
| 3.1.3.3 <i>Other Group Companies</i> | | | A | P: MKL-FO | |
| 3.1.4 Appointment and dismissal or removal of Head Global Assurance | | A: AC P: Chairman AC | P | P: CFO | |
| 3.1.5 Appointment and dismissal or removal of management | | | | | |
| 3.1.5.1 <i>Area managers, heads of large-size Group Companies⁹⁾</i> | | A: VRA | P | | |
| 3.1.5.2 <i>Other key personnel¹⁰⁾</i> | | A: VRA | P | | ¹⁰⁾ as defined by VRA |

| Responsibility | Board | Chairman / Committees | CEO | KL | Remarks |
|--|-----------------|---|---|--|--|
| 3.1.5.3 Heads of other Group Companies | | I | A | P: KL member | |
| 3.1.5.4 Key position holders | | | | PA: CHR and KL member or Group General Counsel | |
| 3.2 Succession Plans | | | | | |
| 3.2.1 Board members | I | PA: NC | | | |
| 3.2.2 Committee members | I | PA: NC | | | |
| 3.2.3 Group General Counsel | | PA: NC | | | |
| 3.2.4 CEO | | PA: NC | | | |
| 3.2.5 KL members | | A: NC | P | | |
| 3.2.6 Head Global Assurance | | A: Chairman AC | | P: CFO | |
| 3.2.7 Key personnel | | I: VRA | | PA ¹¹⁾ : KL | ¹¹⁾ Submission to the VRA once a year |
| 3.3 Compensation system and plans | | | | | |
| 3.3.1 Compensation system ¹²⁾ | A | P3: VRA P4: CC | P2 | P1: CHR | ¹²⁾ Subject to principles set out in the Articles |
| 3.3.2 Key terms of compensation plans and programs | A | P3: VRA P4: CC | P2 | P1: CHR | |
| 3.3.3 Annual report (section on compensation) and compensation report | A ⁵⁾ | P2: VRA | | P1: CHR | |
| 3.4 Determination of fixed compensation, annual target compensation and fringe benefits | | | | | Annual aggregate fixed compensation to be submitted to the General Meeting of Shareholders for approval |
| 3.4.1 Chairman | A | P: CC | | | |
| 3.4.2 Board members (excluding Chairman) and CEO | A | P1: Chairman P2: CC | | | |
| 3.4.3 KL members (excluding CEO) | A | P2: CC | P1 (in coordination with the Chairman) | | |
| 3.4.4 Head Global Assurance | | A: Chairman AC | | P: CFO | No approval by the General Meeting of Shareholders required |
| 3.5 Performance assessment and determination of annual variable compensation for approval by the Board | | | | | Annual aggregate variable compensation to be submitted to the General Meeting of Shareholders for approval |
| 3.5.1 Chairman | A | P: CC | | | |
| 3.5.2 VRA members (excluding Chairman) and CEO | | P: Chairman A: Chairman & CC | | | |
| 3.5.3 KL members (excluding CEO) | | A: CC (aggregate compensation to be determined together with the CEO) | PA (individual compensation; in coordination with the Chairman) | | |
| 3.5.4 Head Global Assurance | | A: Chairman AC | | P: CFO | No approval by the Board or General Meeting of Shareholders required |

| Responsibility | Board | Chairman / Committees | CEO | KL | Remarks |
|---|-----------------|-----------------------|------------------|--|---|
| 3.6 Material related party agreements and transactions (> CHF 0.1) | I | A: CC | | | P: Related party |
| 3.7 Loans and credits to Board and KL members | A | P2: CC | | | P1: Borrower |
| 4. Corporate Identity and Communication | | | | | |
| 4.1 Corporate identity principles | I | A: Chairman | | P: KL | |
| 4.2 Communication principles (policies) | I | PA: VRA | | | |
| 4.3 Sustainability principles | A | P: VRA | | | Sustainability Committee to prepare |
| 4.4 Disclosure / postponement of disclosure of price-sensitive information (ad-hoc) | | A: VRA | P ¹³⁾ | P: KL member or Group General Counsel ¹³⁾ | ¹³⁾ In addition, each person being aware of a potentially price sensitive fact |
| 4.5 Crisis and emergencies management with relevance for the: | | | | | |
| 4.5.1 Group | I | A: VRA | P | | |
| 4.5.2 Group Company/ies | | I: VRA | A | P: KL member | |
| 4.5.3 Employees and customers | | I: VRA | | PA: KL | |
| 4.6 Organization and activities of Investor Relations | | A: VRA | P2 | P1: CFO | |
| 5. Financial Planning, Reporting and Capital Expenditure | | | | | |
| 5.1 Financial planning | | | | | |
| 5.1.1 Annual budget, mid-term plan and forecasts | | | | | |
| 5.1.1.1 Group | A | P3: VRA | P2 | P1: CFO | |
| 5.1.1.2 Group Companies | | | A | P1: KL member | |
| 5.2 Financial reporting | | | | | |
| 5.2.1 Accounting principles and policies | I2 | A: VRA I1: AC | | P: CFO | |
| 5.2.2 Company's and Group's annual financial statements and annual report | A ⁵⁾ | P3: VRA P4: AC | P2 | P1: CFO | |
| 5.2.3 Company's and Group's half-year financial statements | A | P3: VRA P4: AC | P2 | P1: CFO | |
| 5.2.4 Company's and Group's quarterly financial statements | I | A: AC P3: VRA | P2 | P1: CFO | |
| 5.2.5 Monthly financial statements | | I: VRA | I | PA: CFO | |

| Responsibility | Board | Chairman / Committees | CEO | KL | Remarks |
|--|-----------------|-----------------------|-----------------|--------------------------------------|---|
| 5.3 Approval of annual investment budget of the Group | A | P3: VRA | P2 | P1: KL | |
| 5.4 Capital expenditure and operating lease commitments with multi-year P&L impact (amount below refers to each capital expenditure and operating lease commitment); including acquisition of any real estate | | | | | |
| 5.4.1 > 100 | A | P2: VRA | | P1: KL | |
| 5.4.2 > 50 ≤ 100 | | A: VRA | | P: KL | |
| 5.4.3 > 20 ≤ 50 | | | | A: KL P: KL member | |
| 5.4.4 ≤ 20 | | | A ³⁾ | P: KL member ¹⁴⁾ | ¹⁴⁾ Subdelegation possible in accordance with ON 0-02880 Investment Matters in the Schindler Group and/or ON 0-04210 Limits of Authority |
| 5.5 Unbudgeted capital expenditure and operating lease commitments with multi-year P&L impact (amount below refers to each capital expenditure and operating lease commitment); including investments in already owned real estate | | | | | |
| 5.5.1 > 50 | A | P3: VRA | P2 | P1: KL member | |
| 5.5.2 > 10 ≤ 50 | | A: VRA | P2 | P1: KL member | |
| 5.5.3 ≤ 10 | | | A ³⁾ | P: KL member ¹⁴⁾ | |
| 5.6 Divestiture of any real estate (used for operational business or held for investment purposes) | | | | | |
| 5.6.1 > 10 | | A: VRA | P3 | P1: KL member P2: CFO | |
| 5.6.2 ≤ 10 | | I: VRA | A ³⁾ | P ¹⁴⁾ : KL member and CFO | |
| 6 Treasury Management | | | | | |
| 6.1 Capital management | | | | | |
| 6.1.1 Framework and policy | | A: VRA | | P: CFO | |
| 6.1.2 Increase and decrease of share capital, creation of conditional and authorized capital | | | | | |
| 6.1.2.1 Company | A ⁵⁾ | P2: VRA | | P1: CFO | |
| 6.1.2.2 Group Companies ≥ 50 | | A: VRA | | P: CFO | |
| 6.1.2.3 Group Companies < 50 | | | | PA: CFO | |
| 6.1.3 Establishment and use of share repurchase programs | A | P2: VRA | | P1: CFO | |

| Responsibility | Board | Chairman / Committees | CEO | KL | Remarks |
|--|-------|-----------------------|-----|------------------------|--|
| 6.1.4 Sale and purchase of treasury stock | | A: VRA | | P: CFO | |
| 6.1.5 Listing and de-listing of Company shares and participation certificates | A | P2: VRA | | P1: CFO | De-listing to be submitted to General Meeting of Shareholders for approval |
| 6.1.6 Issue of bonds and third party loans | | | | | |
| 6.1.6.1 Company | A | P2: VRA | | P1: CFO | |
| 6.1.6.2 Group companies ≥ 50 | | A: VRA | | P: CFO | |
| 6.1.6.3 Group companies < 50 | | | | PA: CFO ¹⁴⁾ | |
| 6.1.7 Intercompany financing (loans) | | | | | |
| 6.1.7.1 ≥ 250 | | A: VRA | | P: CFO | |
| 6.1.7.2 < 250 | | I: VRA | | AP: CFO ¹⁴⁾ | |
| 6.2 Dividends | | | | | |
| 6.2.1 Dividend policy (pay-out ratio) | A | P: VRA | | | |
| 6.2.2 Annual dividend payment of Company ⁵⁾ | A | P: VRA | | | |
| 6.2.3 Annual dividend payment of Group Companies | | | | PA: CFO | |
| 6.3 Group liquidity management policy ¹⁵⁾ | A | P2: VRA | | P1: CFO | ¹⁵⁾ According to Treasury Operating Plan |
| 6.4 Guarantees and similar instruments issued by the Company or third party ¹⁶⁾ | | | | | ¹⁶⁾ See also ON 0-02838 Group Guarantees and Letters of Comfort |
| 6.4.1 ≥ 50 | | A: VRA | | P: CFO | |
| 6.4.2 < 50 | | | | A: CFO | |
| 6.5 Letters of comfort issued by the Company | | | | A: CFO ¹⁶⁾ | |
| 6.6 Hedging (P&L, transactions, dividends, net investments) ¹⁷⁾ | | | | | ¹⁷⁾ Amount refers to total exposure for each special hedge category, e.g. transactions, dividends |
| 6.6.1 ≥ 50 | | A: VRA | | P: CFO | |
| 6.6.2 < 50 | | | | PA: CFO ¹⁴⁾ | |
| 6.7 Management of financial assets | | | | | |
| 6.7.1 > 12 months or > 3 months and > 250 | | A: VRA | | P: CFO | |
| 6.7.2 $> 3 - \leq 12$ months and ≤ 250 | | | | PA: CFO ¹⁴⁾ | |
| 6.7.3 ≤ 3 months | | | | PA: CFO ¹⁴⁾ | |
| 6.8 Bank relations and counterparty limits | | | | | |
| 6.8.1 > 200 per bank | | A: VRA | | P: CFO | |
| 6.8.2 < 200 per bank | | I: VRA ¹⁸⁾ | | PA: CFO ¹⁴⁾ | ¹⁸⁾ Quarterly information of bank limits |

| Responsibility | Board | Chairman / Committees | CEO | KL | Remarks |
|---|-----------------|-----------------------|-----------------|---|--|
| 7 External Audit, Global Assurance and Compliance | | | | | |
| 7.1 External Audit | | | | | |
| 7.1.1 Appointment and removal of the external auditor | A ⁵⁾ | P1: AC P2: VRA | | | |
| 7.1.2 Fees of the external auditor | | A: AC | | P: CFO | |
| 7.1.3 Appointment, removal and fees of external auditors of Group Companies | | | | A: CFO | |
| 7.1.4 Non-audit services by external auditor | | | | | |
| 7.1.4.1 > 0.5 | | A: AC | | | |
| 7.1.4.2 > 0.1 < 0.5 | | A: Chairman AC | | | |
| 7.2 Determination of audits as well as other activities by Global Assurance, the various compliance functions and Global Cyber Security | | A: AC P: VRA | P / I | P: KL member ¹⁹⁾ | ¹⁹⁾ Proposals may also be submitted by the Head Global Assurance, the heads of the various compliance functions, and the Head Global Cyber Security |
| 8 Risk Management | | | | | |
| 8.1 Risk management and enterprise risk management process | A | P2: VRA | | P1: CFO | Incl. material sustainability risks, in particular conflict minerals and child labor related management system, supply chain policy and tracing system |
| 8.2 Insurance risk management | | A: VRA | | P: KL | |
| 8.3 Risk reporting, risk map and risk management plan | A | P2: VRA | | P1: KL | |
| 9 Litigation and Tax Matters | | | | | |
| 9.1 Litigation, settlements and provisions involving litigation | | | | | |
| 9.1.1 Initiation / settlement of commercial litigation or arbitration: | | | | | |
| 9.1.1.1 > 50 | A | P2: VRA | I | P1: Group General Counsel / KL member P2: KL | |
| 9.1.1.2 > 20 ≤ 50 | | A: VRA | I | P1: Group General Counsel / KL member P2: KL | |
| 9.1.1.3 ≤ 20 | | I: VRA | A ³⁾ | P: Group General Counsel / KL member | |

| Responsibility | Board | Chairman / Committees | CEO | KL | Remarks |
|--|-------|-----------------------|-------------------|------------------------------|--|
| 9.1.2 Initiation/settlement of IP litigation with a material financial, reputational or strategic impact | I | A: VRA ²⁰⁾ | P2 ²⁰⁾ | P1: KL member ²⁰⁾ | ²⁰⁾ In consultation with Inventio |
| 9.2 Tax matters | | | | | |
| 9.2.1 Tax risk management and policy | | A: VRA | I | P: CFO | |
| 9.2.2 Tax audit settlement | | | | | |
| 9.2.2.1 > 100 | A | P2: VRA | I | P1: MKL-FO/CFO | |
| 9.2.2.2 > 20 ≤ 100 | | A: VRA | I | P: MKL-FO/CFO | |
| 9.2.2.3 ≤ 20 | | | A ³⁾ | P: MKL-FO/CFO ³⁾ | |