

Schindler Holding Ltd.

Annual General Meeting of March 28, 2023

Revision of the Articles of Association with explanations (Agenda Items 6.1 – 6.2)

A) Explanation about the amendments to the Articles of Association

1. Introductory Remarks

On January 1, 2023, the new Swiss corporate law (Art. 620 et seqq. of the Swiss Code of Obligations; CO) came into force, which obliges Schindler Holding Ltd. as a Swiss stock corporation to adapt its articles of association (“Articles of Association” or “AoA”) to the new corporate law within two years of its entry into force.

In addition, the Board of Directors recognizes the need to continue the sustainable transformation process of the Schindler Group (also in view of the goal of achieving net zero emissions worldwide by 2040). The company aims for long-term value creation. Consequently, this should be expressed in the statutory purpose of Schindler Holding Ltd.

For these reasons, the Board of Directors proposes to the General Meeting to change the previous wording of the Articles, and in particular the statutory purpose of the company, in accordance with the following explanations.

2. Agenda Item 6.1: Revision of the Statutory Purpose of the Company (Article 2)

As stated in the introductory remarks, the Schindler Group is aware of its responsibility in the area of sustainability. Consequently, this should be expressed in the statutory purpose of Schindler Holding Ltd.

3. Agenda Item 6.2: Changes of the Articles of Association triggered by the new Swiss corporate law (Articles 5, 6, 8, 9, 10, 11, 15, 17, 22, 25, 28, 30, 32, 35, 36 and 39)

The new corporate law requires various adjustments to the Articles of Association. The main reasons for the adjustments are as follows:

The new corporate law now expressly provides that articles of association can determine that equity rights can be issued as intermediated securities (even though such issuance was already possible under the old law). Article 11 paragraph 1 AoA is to be adjusted accordingly.

Under the new corporate law, the general meeting of shareholders received additional non-transferable powers, which makes an amendment to article 15 AoA necessary.



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Also amended were the rules governing the convening of the general meeting, the shareholders' right to put items on the agenda and to make a proposal to the general meeting (in particular by lowering the exercise threshold from 5% to 0.5%), as well as the rules on the publication of resolutions and election results of the general meeting, requiring an adjustment of articles 17 and 22 AoA.

The duty of the board of directors to prepare a compensation report is now defined in article 716a CO. In addition, the board of directors has tasks that are not regulated in article 716a paragraph 1 CO. Article 25 AoA must be amended accordingly.

Under the new corporate law, the statutory auditors can only be dismissed for cause. Moreover, when examining the compensation report, the statutory auditors must now also check whether the report complies with the articles of association (in addition to the requirements defined by law). This requires an adjustment of article 30 AoA.

The transfer of the Ordinance Against Excessive Compensation in Stock Exchange Listed Companies (VegüV) into the Swiss Code of Obligations came with a change to some VegüV provisions, triggering a need for an amendment to article 35 AoA. Inter alia, after the expiry of the statutory transitional period of two years, compensation agreements with members of the Board of Directors may no longer exceed their term of office.

Finally, various provisions of law that are referred to in the Articles of Association have become invalid. Since it is not necessary to refer to certain provisions of law, references to legal provisions are largely deleted in the proposed new version of the Articles of Association. In individual cases references have been updated. These adjustments relate to articles 5, 6, 8, 9, 10, 15, 28, 32, 36 and 39 AoA.

B) Details of Amendments to the Articles of Association

1. Agenda Item 6.1: Revision of the Statutory Purpose of the Company (Article 2)

New version (March 2023)

Art. 2 Purpose

1. The purpose of the Corporation is the participation in, the management and the financing of companies in Switzerland and abroad. In pursuing its purpose, the Corporation strives to create long-term value.

(Paragraph 2 unchanged)

Current version (2016) with marked amendments

Art. 2 Purpose

1. The purpose of the Corporation is the participation in, the management and the financing of companies in Switzerland and abroad. [In pursuing its purpose, the Corporation strives to create long-term value.](#)

(Paragraph 2 unchanged)

2. Agenda Item 6.2: Changes of the Articles of Association triggered by the new Swiss corporate law (Articles 5, 6, 8, 9, 10, 11, 15, 17, 22, 25, 28, 30, 32, 35, 36 and 39)

New version (March 2023)

Art. 5 Increase of share capital

1. Increases of the share capital are governed by art. 650 et seqq. CO.

(Paragraphs 2+3 unchanged)

Art. 6 Conversion of shares

The General Meeting may convert registered shares into bearer shares, bearer shares into registered shares, or, subject to the individual right of choice of the shareholders, convert shares into participation certificates.

Art. 8 Increase of participation capital

1. The General Meeting may resolve to create additional participation capital and may resolve to split it into partial amounts and to determine the par value.

(Paragraphs 2–4 unchanged)

5. In addition, art. 19 sec. 4 and art. 20 para. 5 of these Articles of Association apply.

Art. 9 Profit sharing certificates

(Paragraphs 1+2 unchanged)

(Paragraph 3 deleted)

Current version (2016) with marked amendments

Art. 5 Increase of share capital

1. Increases of the share capital are governed by art. 650 et seqq. CO ~~as well as by art. 651 et seq. CO applicable to “authorized increases of capital” and by art. 653 et seq. CO applicable to “conditional increases of capital”.~~

(Paragraphs 2+3 unchanged)

Art. 6 Conversion of shares

The General Meeting may convert registered shares into bearer shares, bearer shares into registered shares, or, subject to the individual right of choice of the shareholders, convert shares into participation certificates ~~(art. 627 sec. 7 and 622 para. 3 CO).~~

Art. 8 Increase of participation capital

1. The General Meeting may resolve to create additional participation capital, ~~including by way of “authorized increases” pursuant to art. 651 et seq. CO and “conditional increases” pursuant to art. 653 et seq. CO,~~ and may resolve to split it into partial amounts and to determine the par value.

(Paragraphs 2–4 unchanged)

5. In addition, ~~art. 656a et seq. CO, in particular art. 656b para. 4 and 5 CO as well as~~ art. 19 sec. 4 and art. 20 para. 5 of these Articles of Association apply.

Art. 9 Profit sharing certificates

(Paragraphs 1+2 unchanged)

~~3- Furthermore, art. 657 CO applies.~~

Art. 10 Pre-emptive rights

(Paragraphs 1+2 unchanged)

(Paragraph 3 deleted)

(Paragraph 4 unchanged and renumbered as paragraph 3)

Art. 11 Shares and participation certificates

1. The Corporation may issue its registered shares and its participation certificates in the form of securities (single certificates or global certificates) and/or uncertificated securities and/or intermediated securities. Under the conditions set forth by statutory law, the Board of Directors may convert registered shares and participation certificates from one form into another form at any time and without the approval of the shareholders or holders of participation certificates, respectively.

(Paragraphs 2–4 unchanged)

Art. 15 The General Meeting

(Paragraph 1 as well as paragraph 2, clause 1–7 unchanged)

(Amendments in paragraph 2, clauses 8–10, concerning wording and numbering)

8. to resolve on a possible interims-dividend and to approve the interims balance sheet required for such purpose
9. to pass a resolution on the repayment of the legal capital reserves
10. to grant discharge to the members of the Board of Directors
11. to resolve on the delisting of the equity securities of the Corporation
12. to resolve the winding-up of the Corporation with or without liquidation (art. 38 of these Articles of Association)
13. to pass resolutions on further issues which are reserved to the General Meeting by law or by the Articles of Association or which are presented to it by the Board of Directors.

(Paragraph 3 unchanged)

Art. 17 Convening of the General Meeting and agenda

(Paragraph 1 unchanged)

2. The convening shall take place at least 20 days prior to the day of the meeting whereby the date, starting time, form and place of the General Meeting, the agenda, the briefly explained proposals of the Board of Directors and the proposals of those shareholders who have exercised their proposal rights in accordance with the law, as well as the name and address of the Independent Proxy shall be stated. Shareholders together holding shares corresponding to at least 0.5 % of the share capital or votes may request, within the time period specified by the Board of Directors, that an item be put on the agenda or that a proposal linked to an agenda item is stated.

(Paragraph 3 unchanged)

Art. 10 Pre-emptive rights

(Paragraphs 1+2 unchanged)

- ~~3. Furthermore, the legal provisions apply, in particular art. 650 para. 2 sec. 8, 656g and 704 para. 1 sec. 6 CO.~~

(Paragraph 4 unchanged and renumbered as paragraph 3)

Art. 11 Shares and participation certificates

1. The Corporation may issue its registered shares and its participation certificates in the form of securities (single certificates or global certificates) and/or uncertificated securities and/or intermediated securities. Under the conditions set forth by statutory law, the Board of Directors may convert registered shares and participation certificates from one form into another form at any time and without the approval of the shareholders or holders of participation certificates, respectively.

(Paragraphs 2–4 unchanged)

Art. 15 The General Meeting

(Paragraph 1 as well as paragraph 2, clause 1–7 unchanged)

(Amendments in paragraph 2, clauses 8–10, concerning wording and numbering)

8. to resolve on a possible interims-dividend and to approve the interims balance sheet required for such purpose
9. to pass a resolution on the repayment of the legal capital reserves
10. 8. to grant discharge to the members of the Board of Directors
11. to resolve on the delisting of the equity securities of the Corporation
12. 9. to resolve the winding-up of the Corporation with or without liquidation (art. 38 of these Articles of Association)
13. 10. to pass resolutions on further issues which are reserved to the General Meeting by law or by the Articles of Association or which are presented to it by the Board of Directors. Particular reference is made to articles 698, 650, 651, 653 and 674 para. 2 CO.

(Paragraph 3 unchanged)

Art. 17 Convening of the General Meeting and agenda

(Paragraph 1 unchanged)

2. The convening shall take place at least 20 days prior to the day of the meeting whereby the date, starting time, form and place of the General Meeting, the agenda, the briefly explained proposals of the Board of Directors and the proposals of those shareholders who have requested that a General Meeting be held pursuant to art. 699 para. 3 CO or who have requested an item to be put on the agenda exercised their proposal rights in accordance with the law, as well as the name and address of the Independent Proxy shall be stated. ~~In-~~ derogation of art. 699 para. 3 CO, sShareholders together representing holding shares corresponding to at least 0.5 % of the share capital or votes may request, within the time period specified by the Board of Directors, that an item be put on the agenda or that a proposal linked to an agenda item is stated.

(Paragraph 3 unchanged)

4. The publication qualifies at the same time as a notification to the holders of participation certificates.
5. The documents mentioned in art. 699a para. 1 CO together with the compensation report (including the report of the Statutory Auditors) shall be made available to the shareholders at the latest at the time of the convening.

Art. 22 Minutes

(Paragraph 1 unchanged)

2. The resolutions and election results, including the exact proportion of votes, shall be made available electronically within 15 days after the General Meeting.

Art. 25 Duties of the Board of Directors

1. The Board of Directors has the non-transferable and irrevocable duties set forth in art. 716a para. 1 CO as well as all other duties allocated to it by law or these Articles of Association.

(Paragraphs 2–4 unchanged)

(Paragraph 5 deleted)

Art. 28 Management

(Paragraphs 1+2 unchanged)

3. It shall issue Organizational Regulations in which the allocation of responsibilities shall be determined and shall enact all relevant measures as well as procedural and decision-making rules, in particular as set forth in art. 716b para. 3 CO.

Art. 30 The Statutory Auditors

(Paragraph 1 unchanged)

2. The Corporation is also obliged to have the compensation report audited by the Statutory Auditors. The Statutory Auditors have to audit the compliance of the compensation report with the legal requirements and the Articles of Association.

(Paragraph 3 unchanged)

4. The Statutory Auditors shall be elected for a financial year. The term of office starts with the election and terminates on the date the General Meeting approves the annual financial statements of the respective financial year. Re-election is possible. A recall is only admissible for cause, however in such case at any time and with immediate effect.

(Paragraph 5 unchanged)

4. The publication qualifies at the same time as a notification to the holders of participation certificates. ~~It shall furthermore mention that the resolutions of the General Meeting are made available for review in accordance with art. 22 para. 2 of these Articles of Association.~~

5. The documents mentioned in art. ~~699~~ 699a para. 1 CO together with the compensation report (including the report of the Statutory Auditors) shall be made available to the shareholders at the latest at the time of the convening ~~for review at the registered office of the Corporation. The convening letter shall mention that each shareholder may request delivery of these documents.~~

Art. 22 Minutes

(Paragraph 1 unchanged)

2. The resolutions and election results, including the exact proportion of votes, passed by the General Meeting shall be made available electronically within 15 days after the General Meeting ~~for review by the holders of participation certificates at the registered office of the Corporation.~~

Art. 25 Duties of the Board of Directors

1. The Board of Directors has the non-transferable and irrevocable duties set forth in art. 716a para. 1 CO as well as all other duties allocated to it by law or these Articles of Association.

(Paragraphs 2–4 unchanged)

- ~~5. Each year the Board of Directors prepares a compensation report.~~

Art. 28 Management

(Paragraphs 1+2 unchanged)

3. It shall issue Organizational Regulations in which the allocation of responsibilities shall be determined and shall enact all relevant measures as well as procedural and decision-making rules, in particular as set forth in art. 716b para. ~~23~~ 3 CO.

Art. 30 The Statutory Auditors

(Paragraph 1 unchanged)

2. The Corporation is also obliged to have the compensation report audited by the Statutory Auditors. The Statutory Auditors have to audit the compliance of the compensation report with the legal requirements and the Articles of Association.

(Paragraph 3 unchanged)

4. The Statutory Auditors shall be elected for a financial year. The term of office starts with the election and terminates on the date the General Meeting approves the annual financial statements of the respective financial year. Re-election is possible. A recall is only admissible for cause, however in such case at any time and with immediate effect.

(Paragraph 5 unchanged)

Art. 32 Approval of compensation

1. The General Meeting has to approve annually the total amounts resolved by the Board of Directors for:
 - the maximum fixed compensation of the members of the Board of Directors for the current financial year
 - the maximum fixed compensation of the members of the Group Executive Committee for the current financial year
 - the variable compensation of the members of the Board of Directors for the previous financial year
 - the variable compensation of the members of the Group Executive Committee for the previous financial year.

(Paragraphs 2–4 unchanged)

Art. 35 Contracts on compensation, permitted activities outside the Group

1. The Corporation or any other Group company may conclude contracts about compensation with the members of the Board of Directors or the Group Executive Committee. The duration of the contracts on whose basis the members of the Board of Directors are compensated shall not exceed their term of office. Contracts on whose basis the members of the Group Executive Committee are compensated will be concluded for a maximum fixed period of one year or with a maximum notice period of twelve months.
2. The members of the Board of Directors and the Group Executive Committee may be active in comparable functions at up to 5 companies with commercial purpose outside the Group. Not counted are the companies that are controlled by the Corporation or are controlling the Corporation. Mandates in several companies that are under joint control count as one mandate. The Board of Directors takes appropriate measures to ensure that such activities are not in conflict with their duties as members of the Board of Directors or the Group Executive Committee. The General Meeting may approve exceptions to these rules.

Art. 36 Accounting principles

(Paragraph 1 unchanged)

2. The annual accounts shall be drawn up in accordance with the law.

(Paragraphs 3 and 4 deleted)

Art. 32 Approval of compensation

1. The General Meeting has to approve annually ~~—for the first time for the financial year 2014—~~ the total amounts resolved by the Board of Directors for:
 - the maximum fixed compensation of the members of the Board of Directors for the current financial year
 - the maximum fixed compensation of the members of the Group Executive Committee for the current financial year
 - the variable compensation of the members of the Board of Directors for the previous financial year
 - the variable compensation of the members of the Group Executive Committee for the previous financial year.

(Paragraphs 2–4 unchanged)

Art. 35 Contracts on compensation, permitted activities outside the Group

1. The Corporation or any other Group company may conclude contracts about compensation with the members of the Board of Directors or the Group Executive Committee. The duration of the contracts on whose basis the members of the Board of Directors are compensated shall not exceed their term of office. ~~Such~~ Contracts on whose basis the members of the Group Executive Committee are compensated will be concluded for a maximum fixed period of one year or with a maximum notice period of twelve months.
2. The members of the Board of Directors and the Group Executive Committee may be active in ~~the highest management or administrative bodies of~~ comparable functions at up to ~~20 legal entities~~ 5 companies with commercial purpose outside the Group. Not counted are the ~~legal entities~~ companies that are controlled by the Corporation or are controlling the Corporation. Mandates in several ~~legal entities~~ companies that are under joint control count as one mandate. The Board of Directors takes appropriate measures to ensure that such activities are not in conflict with their duties as members of the Board of Directors or the Group Executive Committee. The General Meeting may approve exceptions to these rules.

Art. 36 Accounting principles

(Paragraph 1 unchanged)

2. The annual accounts shall be drawn up in accordance with the law. ~~in particular in accordance with art. 662a CO. They shall consist of the profit and loss statement, the balance sheet and the annex pursuant to art. 663 et seq. CO.~~
3. ~~If the Corporation is structured as a group, art. 663e et seq. CO apply also:~~
4. ~~Furthermore, art. 697h CO applies with respect to “disclosure” and art. 656d para. 2 CO applies with respect to holders of participation certificates.~~

XI Obligation to submit a public takeover offer pursuant to the Financial Market Infrastructure Act

Art. 39 Exclusion of the obligation to submit a public takeover offer pursuant to the Financial Market Infrastructure Act

1. The obligation to submit a public takeover offer pursuant to art. 135 and 163 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading ("Financial Market Infrastructure Act", "FinMIA") of 19 June 2015 is set aside in accordance with art. 125 para. 3 FinMIA.
2. This article applies since the entering into force of the Stock Exchange Act-SESTA.

XI Obligation to submit a public takeover offer pursuant to the ~~Stock Exchange Act~~ Financial Market Infrastructure Act

Art. 39 Exclusion of the obligation to submit a public takeover offer pursuant to the ~~Stock Exchange Act~~ Financial Market Infrastructure Act

1. The obligation to submit a public takeover offer pursuant to art. ~~32~~135 and ~~52~~163 of the Federal Act on ~~Stock Exchanges and Securities Trading~~ ("~~Stock Exchange Act~~", "~~SESTA~~") of 24 March 1995 ~~Fi-~~ncial Market Infrastructures and Market Conduct in Securities and Derivatives Trading ("Financial Market Infrastructure Act", "FinMIA") of 19 June 2015 is set aside in accordance with art. ~~53-SESTA~~ 125 para. 3 FinMIA.
2. This article ~~shall apply subject to and as of~~ applies since the entering into force of the Stock Exchange Act-SESTA.

This is an unofficial translation of the German original. Only the German version is of legal force and effect.

The full German and English versions of the revised Articles of Association can be accessed on the website group.schindler.com/gv.