

Articles of Incorporation

BELIMO Holding AG
Hinwil, Switzerland

Articles of Incorporation modified on March 25, 2024



Articles of Incorporation of BELIMO Holding AG, Hinwil

I. Name, registered office, duration, and purpose

Article 1 – Name, registered office

Under the name of

BELIMO Holding AG

a public limited Company with head office in Hinwil, ZH, has been created for an indefinite period of time.

Article 2 – Purpose

The corporate purpose is to hold, administer and manage investments and licenses of the Belimo Group, in particular in the area of the development, manufacture and distribution of technical equipment for automation in the heating, ventilation and air-conditioning market.

Furthermore, the Company accepts research and development assignments for products and processes of the Belimo Group. The Company may also acquire, manage and exploit licenses, patents and trademarks in Switzerland and abroad, as well as make investments in or financing of companies of any type that might be suitable for promoting the corporate purpose and that are directly or indirectly related to said purpose.

The Company can also acquire and sell real estate.

II. Share capital and shares

Article 3 – Amount of share capital, number, nominal value and type of shares

The share capital amounts to CHF 615 000.– and is divided into 12 300 000 registered shares with a nominal value of CHF 0.05 each.

The shares are fully paid up.

Article 4 – Share register

The Company keeps a share register in which the names and addresses of the owners and beneficiaries are entered.

In relation to the Company, only those who are entered in the share register are considered registered shareholders or beneficiaries.

Article 5 – Limited transferability

The buyer and/or beneficiary of shares shall apply in writing or electronically for entry in the share register. The Company may refuse registration in the share register if the applicant does not declare expressly at request that (i) he has acquired, and will hold, the shares on his own name and for his own account and (ii) there is no agreement regarding the redemption or return of his shares and he bears the economic risk associated with the shares.

Any shareholder or beneficiary is entered as a voting shareholder or beneficiary for a maximum of 5 percent of the total number of shares shown in the commercial register.

Legal entities and private partnerships combined with or related to each other through capital or voting rights, by common management, or in any similar manner, as well as individuals and legal entities and private partnerships acting jointly or in a coordinated way, shall be considered as a single person. Shareholders holding more than 5 percent of the total number of shares of the introduction of this provision is introduced shall continue to be registered in the share register with the number of shares held by them. The Board of Directors may determine exceptions to the registration limit of 5 percent by means of regulations.

Art. 685b par. 4 of the Swiss Code of Obligations and Art. 685d par. 3 Swiss Code of Obligations are reserved.

Article 6 – Certificates, Uncertificated and Intermediated Securities

Subject to the following provisions, the registered shares of the Company are issued as simple uncertificated securities within the meaning of the Swiss Code of Obligations and registered as intermediated securities.

Transfers of intermediated securities, including the granting of security interests, are subject to the Federal Intermediated Securities Act. If uncertificated shares are transferred by assignment, such transfer requires for its validity the notification to the Company.

The Company may withdraw shares registered as intermediated securities from the custodian system.

A shareholder may request from the Company to issue a confirmation evidencing its shareholding at any time. However, such shareholder has no right to request the printing and delivery of securities or the conversion of registered shares issued in a particular form into another form.

The Company may at any time issue securities (individual share certificates, certificates or global certificates) or convert uncertificated securities and securities into another form and cancel issued securities that are delivered to it.

Article 7 – Subscription right

In case of a share capital increase, the shareholders have a right of first refusal to subscribe new shares (stock option right) in proportion to their current shareholding. The revocation of the subscription right for valid reasons is reserved.

III. Organization of the Company**Article 8 – Executive bodies of the Company**

The executive bodies of the Company are:

- A The General Meeting of Shareholders
- B The Board of Directors
- C The Statutory Auditors
- D Other bodies designated by the Board of Directors in accordance with the organizational regulations

A The General Meeting**Article 9 – General Meeting**

The Annual General Meeting shall be held annually within six months after the closing of the financial year.

Extraordinary General Meetings shall be convened as required.

Article 10 – Convocation of the General Meeting

The General Meeting is convened by the Board of Directors, by the Statutory Auditors should the case arise, and in the cases provided by law.

Shareholders who together represent at least 5 percent of the share capital or votes may request in writing, without indicating any reason therefore, that the Board of Directors convene a General Meeting.

Article 11 – Right to place items on the agenda

Shareholders who represent at least 0.5 percent of the share capital or votes may request that an item be placed on the agenda, indicating the corresponding motions. Such requests must be submitted in writing to the Chairman of the Board at the latest 45 days prior to the meeting.

Article 12 – Form of convening the General Meeting

Notice of the Annual and Extraordinary General Meetings must be issued at least 20 days prior to the date of the meeting by publication in the Company's designated publication. The Board of Directors may summarize the items on the agenda in the invitation, provided that the Board makes further information available to shareholders electronically.

The invitation to the Annual General Meeting shall also contain the information that the annual report and the statutory auditors' report are available for inspection at the Company's head office and that the shareholders may request for the delivery of these reports, if these are not accessible electronically.

Article 13 – Voting right

Each share entered into the share register with voting rights entitles the voter to one vote at the General Meeting.

The Board of Directors shall take the necessary measures to determine the voting rights and ascertain the results of votes and elections (e.g. also by electronic data processing).

Article 14 – Proxy

The shareholders may have themselves represented at the General Meeting, by means of a written power of attorney, by a proxy, who need not be a shareholder. The Board of Directors may issue procedural rules for participation, representation and issuing of instructions.

Article 15 – Non-transferable powers of the General Meeting of Shareholders

The General Meeting of Shareholders has the following non-assignable powers:

1. Definition and amendment of the Articles of Incorporation;
2. Annual (individual) election of the members of the Board of Directors, the Chairman of the Board of Directors, the Deputy Chairman of the Board of Directors and members of the Remuneration Committee; the latter must be members of the Board of Directors;
3. Election of the Statutory Auditors and the Group Auditors;
4. Annual election of the independent voting right representative or several independent voting right representatives and any substitutes;
5. Approval of the remuneration of the Board of Directors and the Executive Committee in accordance to the provisions of these Articles of Incorporation;
6. Approval of the annual report, the financial statements and the consolidated financial statements and other reports, to the extent required by law;
7. Passing resolutions on the appropriation of available earnings and declaration of dividends;
8. Determination of the interim dividend and approval of the interim account required therefore;

9. Passing resolutions on repaying of the statutory capital reserves;
10. Delisting of the equity securities of the Company;
11. Discharge of the members of the Board of Directors;
12. Resolving on all other matters reserved for the General Meeting either by law or by the Articles of Incorporation.

Article 16 – Resolutions of the General Meeting

The General Meeting resolves and elects with the majority of votes cast, insofar as the law does not compulsorily specify otherwise. In case of a tie, the Chairman of the Meeting has the casting vote.

In the case of an election, if the absolute majority is not reached in the first ballot, the relative majority shall be decisive in the second round.

A resolution of the General Meeting with at least two-thirds of votes represented and an absolute majority of the par value of the shares represented is requested for the:

1. Modification of the purpose of the Company;
2. Consolidation of shares;
3. Capital increases from equity, against contributions in kind, or by offsetting against a claim, and the granting of special privileges;
4. Restriction or revocation of subscription rights;
5. Introduction of contingent capital, the introduction of a capital band or the creation of reserve capital in accordance with Article 12 of the Banking Act of 8 November 1934;
6. Conversion of participation certificates into shares;
7. Restrictions on the transferability of registered shares;
8. Creation or revocation of voting shares;
9. Any change in the currency of the share capital;
10. Introduction of the casting vote for the Chairman of the General Meeting;
11. A provision of the articles of association on holding the General Meeting abroad;
12. Delisting of the equity securities of the Company;
13. Relocation of the registered head office;
14. Introduction of an arbitration clause in the Articles of Incorporation;
15. Dissolution of the Company.

Article 17 – Votes and elections

As a rule, votes and elections shall be by open ballot. Votes and elections shall be by secret ballot when required by the Chairman or when requested by the majority of the shareholders present. The Chairman may replace written votes and elections by an electronic procedure. The Board of Directors also regulates the use of electronic means.

An independent proxy may be authorized and instructed electronically. The Board of Directors may issue a regulation to this effect.

Article 18 – Chairing the General Meeting

The Chairman of the Board of Directors shall chair the General Meeting; if he is prevented from doing so, the Deputy Chairman shall act as the chairperson and, in his absence, another member of the Board of Directors designated by the Board.

The Chairman of the General Meeting appoints the Scrutineers and the Secretary, who need not be shareholders.

Article 19 – Minutes of the General Meeting

Minutes shall be kept of the General Meeting; the minutes shall be signed by the Chairman of the Meeting and by the Secretary.

Article 19^{bis} – Independent voting right representative

The independent voting right representative or, if applicable, several independent voting right representatives, together with any substitutes, shall be elected for a term of office of one year until the next Annual General Meeting. Re-election is possible.

The Board of Directors ensures that shareholders can also authorize and instruct the independent voting right representative electronically.

The independent voting right representative must exercise the voting rights he represents on the basis of the instructions given. If he has not received any instructions, he shall abstain from voting. The general instruction to vote in the way proposed by the Board of Directors on motions announced in the invitation and/or not announced is deemed as a valid instruction to exercise the voting right.

B Board of Directors**Article 20 – Composition**

The Board of Directors shall consist of a minimum of three and a maximum of eight members.

Article 21 – Term of office of the Board of Directors

The members of the Board of Directors are elected for a term of office of one year. The term of office ends on the day of the Annual General Meeting. They are all eligible for re-election.

Article 22 – Constitution of the Board of Directors

The Board of Directors constitutes itself, subject to the provisions of law and those of the Articles of Incorporation. The Chairman of the Board of Directors and the Deputy Chairman of the Board of Directors, together with the members of the Remuneration Committee, are elected by the General Meeting.

Article 23 – Resolutions of the Board of Directors

The Chairman of the Board or, in his absence, the Deputy Chairman of the Board or a duly appointed member of the Board, convenes the meetings and chairs the discussions.

The Board of Directors constitutes a quorum when a majority of its members participates in person, by telephone or video conference or by other electronic means. No quorum of presence is required if the implementation of a capital increase / capital reduction is to be determined and the subsequent amendment of the Articles of Incorporation is to be resolved.

The Board of Directors resolves and conducts elections with a majority of the votes cast.

Resolutions may also be passed in writing (letter, facsimile, or other written forms) or in electronic form, unless a member asks for oral deliberation. Resolutions by circular letter are to be entered into the minutes of the following meeting of the Board of Directors. If the resolution is passed electronically, no signature is required.

Article 24 – Non-transferable duties of the Board of Directors – Remuneration Committee

The Board of Directors is authorized to resolve on all matters not reserved for the General Meeting by law or pursuant to the Articles of Incorporation.

The Board has the following non-assignable and inalienable tasks:

1. Direction of the Company and issuing of necessary instructions;
2. Approval of the corporate policy and strategy;
3. Definition of the organization;
4. Determination of the design of the accounting system, financial control and financial planning;
5. Appointment and dismissal of the person entrusted with the management and representation of the Company;
6. Supervision of the persons in charge of the management (also regarding the observance of the Law, the Articles of Incorporation, regulations and instructions);
7. Preparation of the annual and remuneration report as well as of the General Meeting; and implementation of its resolutions;
8. Taking measures in the event of imminent insolvency, loss of capital or over-indebtedness;
9. Filing an application for a debt restructuring moratorium and notification of the court in case of insolvency.

The Board of Directors may entrust the preparation and execution of its decisions or the supervision of business to committees or to individual members. At least one Audit Committee and one Remuneration Committee with not less than two members each shall be set up.

The members of the Remuneration Committee are elected by the General Meeting in each case for a term of office of one year until the next Annual General Meeting.

The Board of Directors appoints one of the members of the Remuneration Committee to act as Chairman and issues regulations defining the tasks of the Remuneration Committee.

The Remuneration Committee is entrusted with the following tasks, subject to the powers of the General Meeting:

- a) Making proposals to the Board of Directors for the definition of principles, performance targets and assessment criteria for fixed and variable remuneration within the framework of legal and statutory requirements;
- b) Submitting proposals to the Board of Directors for the determination of the overall amounts of the fixed remuneration of the members of the Board of Directors and the fixed and variable remuneration of the members of the Executive Committee to be proposed to the General Meeting;
- c) Reviewing compliance with the principles for remuneration pursuant to the Law, Articles of Incorporation, regulation and decisions of the General Meeting;
- d) Proposing the remuneration report for the attention of the Board of Directors and the General Meeting.

Article 25 – Delegation of representation and management

Based on organizational regulations, the Board of Directors may delegate the representation of the Company and the management, or parts thereof, to individual board members or to third parties, who must be natural persons.

C Provisions on contracts, remuneration etc.

Article 25^{bis} – Credits / loans / pensions

Credits and loans to members of the Board of Directors and Executive Committee may only be granted in justified exceptional cases and only on market conditions. The total amount of such credits and loans shall not exceed CHF 200 000 per member.

Employer contributions to pension schemes are regarded as an integral part of the remuneration. The regulatory benefits paid out by such pension schemes are not considered as part of the remuneration.

Article 25^{ter} – Mandates

No member of the Board of Directors may hold more than ten additional mandates in comparable function at other companies with an economic purpose, of which no more than four may be mandates in other listed companies.

No member of the Executive Committee may hold more than six additional mandates in comparable function at other companies with an economic purpose, of which no more than two may be mandates in other listed companies.

Several mandates within a group of companies, mandates which the member holds in the interests of or on the instructions of the Company, and mandates in pension funds are counted as one mandate.

The acceptance of mandates by a member of the Board of Directors and a member of the Executive Board is in any case only permitted as long as the member of the Board of Directors or of the Executive Committee is not impaired in the fulfilment of his duties towards the Company.

Article 25^{quater} – (Employment) Contracts

The Board of Directors may conclude temporary and permanent (employment) contracts with the members of the Board of Directors and the Executive Committee. The maximum duration of the temporary contracts shall not exceed the term of office of the members of the Board of Directors and is one year for members of the Executive Committee. Renewal is permitted. The notice period for permanent contracts for members of the Board of Directors corresponds to the term of office and for members of the Executive Committee shall not exceed twelve months.

The agreement of non-competition clauses for the period after termination of a contract is permitted. As compensation for such a non-competition clause, remuneration may be paid for a maximum period of two years in an amount which shall not exceed the average remuneration of the last three years.

Article 25^{quinquies} – Approval of Remuneration by the General Meeting

The General Meeting approves the proposals of the Board of Directors regarding the maximum total amounts annually and separately:

- a) The remuneration of the Board of Directors for the period until the next ordinary General Meeting;
- b) the remuneration of the Executive Committee for the following financial year.

The Board of Directors may submit deviating or additional proposals relating to the same or other periods to the General Meeting for approval.

If the General Meeting does not approve a proposal of the Board of Directors, the Board of Directors shall set the corresponding maximum total amount or maximum partial amounts, subject to the following conditions:

- a) The Board of Directors takes into account the proposed maximum total amount of remuneration, the resolution of the General Meeting and, to the extent known to the Board of Directors, the main reasons for the negative resolution;

- b) The Board of Directors submits the amount or amounts thus determined to the same General Meeting, a subsequent extraordinary General Meeting or the next Annual General Meeting for approval.

Notwithstanding the above paragraphs, the company or companies controlled by it may pay remuneration prior to approval by the General Meeting, subject to subsequent approval by the General Meeting.

The Board of Directors shall submit the annual remuneration report to the General Meeting for a consultative vote.

Article 25^{sexies} – Remuneration of the Board of Directors

The members of the Board of Directors receive a fixed remuneration for their activities and, if applicable, an annual lump sum for expenses. The fixed remuneration may consist of a basic remuneration for their work on the Board of Directors and, if applicable, compensation for membership of committees as well as additional remuneration for taking on special tasks or assignments. The Board of Directors or, if delegated to it, the Remuneration Committee, may decide to pay part of the remuneration in shares and to block them for a certain period of time.

Article 25^{septies} – Remuneration of the Executive Committee

The members of the Executive Committee receive fixed and variable remuneration elements for their activities. Members of the Executive Committee may also receive an expense allowance.

The variable remuneration may include short-term and/or long-term remuneration elements, the maximum amount of which is limited. Depending on the performance values achieved, the variable remuneration may amount to a maximum of 200 percent of the respective target amount for short-term and/or long-term remuneration.

The variable remuneration is based on criteria and targets to be determined by the Board of Directors or, if delegated to it, by the Remuneration Committee, which are in the long-term interests of the company. It may be based on performance values such as the result, the strategic objectives of the company or business divisions, on targets set in comparison with the market, other companies or other comparable benchmarks and/or on individual targets, the achievement of which is measured over a one-year and/or multi-year period. The Board of Directors determines the performance criteria and target levels as well as their achievement.

Remuneration may be paid in the form of cash, shares, financial instruments or comparable units as well as other benefits or benefits in kind. The Board of Directors or, where delegated to it, the Remuneration Committee, determines allocation, vesting, blocking, exercise and forfeiture conditions; these may provide for vesting and exercise conditions to continue to apply, be shortened or revoked due to the occurrence of predetermined events such as the termination of an employment or mandate relationship, for remuneration to be paid on the assumption that the target values are achieved or for remuneration elements to be forfeited.

The Board of Directors may also stipulate that employees and members of the Executive Committee may acquire restricted shares at a reduced price, whereby the Remuneration Committee determine the conditions.

Remuneration is valued in accordance with the principles applied to the remuneration report.

For new members of the Executive Committee who join the Executive Committee during the remuneration period for which the General Meeting has already approved the remuneration of the Executive Committee, an additional amount of up to 40 percent of the maximum total remuneration approved by the General Meeting for this remuneration period is available for payment if the amount already approved is not sufficient. Approval of the use of the additional amount by the General Meeting of Shareholders is not required.

D Auditors

Article 26 – Election, term of office, tasks

The General Meeting elects the Statutory Auditors for a term of office of one year, with the rights and obligations as described in Art. 728 et seq. of the Swiss Code of Obligations, and one or several auditors as Group Auditors. The Statutory Auditors likewise verify the remuneration report.

The auditors shall meet the legal requirements regarding qualification and independence.

IV. Financial statements, consolidated financial statements and appropriation of earnings

Article 27 – Business year

The business year starts on January 1 and ends on December 31.

Article 28 – Annual report

The Board of Directors prepares an annual report for each financial year, which consists of the financial statements, a management report and the consolidated financial statements.

Article 29 – Distribution of available earnings, reserves

The General Meeting disposes of the available earnings in accordance with the statutory provisions. The Board of Directors submits its proposals to the General Meeting.

In addition to the statutory reserves, further reserves may be created.

Dividends that have not been received for five years from their due date accrue to the Company and are allocated to the retained earnings.

V. Notices and communications

Article 30 – Notices, organs of publication, place of jurisdiction

Notices and communications of the Company shall be published in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt).

Notices to the shareholders may also be validly conveyed by registered letter to the addresses listed in the share register or electronically.

The Board of Directors may specify other organs of publication.

The place of jurisdiction for all disputes arising from the corporate relationship shall be solely at the registered office of the Company.

BELIMO Holding AG

Patrick Burkhalter
Chairman of the Board of Directors

Dr. Martin Zwysig
Deputy Chairman of the Board of Directors

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