

Sika

Country	Switzerland
Meeting date	11 April 2017 13:00
Meeting location	Waldmannhalle, Neugasse 55, Baar
Meeting type	Annual General Meeting
Securities	ISIN CH0000587979, Telekurs 58797

General Meeting Highlights

ITEMS 3.1.1, 3.1.4 and 3.1.8 - Discharge the 3 board members who were linked to Schenker-Winkler Holding (SWH) at the time of the transaction with Saint-Gobain (Mr. Urs Burkard, Dr. Willi Leimer and Mr. Jürgen Tinggren). Ethos has serious doubts that their attitude and actions at the time of the transaction with Saint-Gobain were in line with their duty of loyalty to Sika and its shareholders. Ethos recommends to OPPOSE (point 1.2.d of Ethos' guidelines).

ITEMS 4.1.2, 4.1.4 and 4.1.8 - Re-elect Mr. Urs Burkard, Dr. Willi Leimer and Mr. Jürgen Tinggren. Ethos considers that they did not act in the interests of the company and its minority shareholders. Ethos recommends to OPPOSE (point 2.1.b of Ethos' guidelines).

ITEM 6 - Proposals not listed in the invitation. This is the point under which the instruction is given to the independent proxy concerning any proposal that was not listed in the invitation. Ethos recommends to instruct the independent proxy to OPPOSE any proposal not featured in the invitation to the meeting, including the proposal made by SWH (see below). In the past two years, several proposals that were not in the interests of all the shareholders were made during the general meetings. Therefore, opposing this item is of utmost importance for the long-term success of the company.

SWH's proposal to elect Prof. Dr. Jacques Bischoff to the board of directors. After the publication of the invitation to the AGM, SWH requested that the election of Prof. Dr. Bischoff (current board member of SWH) be added to the agenda of the AGM. Since SWH's request was made after the deadline, the board did not add this proposal to the agenda. As the Burkard family has announced its intention to sell its stake to Saint-Gobain and that they will not negotiate any other solution, Ethos cannot accept the election of Prof. Dr. Bischoff, who will represent SWH against the interests of the non-family shareholders and other stakeholders of Sika. Shareholders who do not plan to attend must instruct the independent proxy how to vote their shares on this proposal under ITEM 6.

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1. General Meeting Overview

1.1 Voting positions at this general meeting

Item	Proposal		Ethos voting position	Board recommendation
1	Approve annual report, financial statements and accounts		FOR	FOR
2	Approve allocation of income and dividend		FOR	FOR
3	Discharge board members and executive management			
3.1.1	Discharge Mr. Urs F. Burkard	●	OPPOSE	FOR
3.1.2	Discharge Mr. Frits van Dijk		FOR	FOR
3.1.3	Discharge Dr. Paul J. Hälg		FOR	FOR
3.1.4	Discharge Dr. Willi K. Leimer	●	OPPOSE	FOR
3.1.5	Discharge Ms. Monika Ribar		FOR	FOR
3.1.6	Discharge Mr. Daniel J. Sauter		FOR	FOR
3.1.7	Discharge Prof. Dr. Ulrich W. Suter		FOR	FOR
3.1.8	Discharge Mr. Jürgen Tinggren	●	OPPOSE	FOR
3.1.9	Discharge Mr. Christoph Tobler		FOR	FOR
3.2	Discharge executive management		FOR	FOR
4.1	Elections to the board of directors			
4.1.1	Re-elect Dr. Paul J. Hälg		FOR	FOR
4.1.2	Re-elect Mr. Urs F. Burkard	●	OPPOSE	FOR
4.1.3	Re-elect Mr. Frits van Dijk		FOR	FOR
4.1.4	Re-elect Dr. Willi K. Leimer	●	OPPOSE	FOR
4.1.5	Re-elect Ms. Monika Ribar		FOR	FOR
4.1.6	Re-elect Mr. Daniel J. Sauter		FOR	FOR
4.1.7	Re-elect Prof. Dr. Ulrich W. Suter		FOR	FOR
4.1.8	Re-elect Mr. Jürgen Tinggren	●	OPPOSE	FOR
4.1.9	Re-elect Mr. Christoph Tobler		FOR	FOR
4.2	Re-elect Dr. Paul J. Hälg as board chairman		FOR	FOR
4.3	Elections to the nomination and remuneration committee			
4.3.1	Re-elect Mr. Frits van Dijk to the nomination and remuneration committee		FOR	FOR
4.3.2	Re-elect Mr. Urs F. Burkard to the nomination and remuneration committee	●	OPPOSE	FOR
4.3.3	Re-elect Mr. Daniel J. Sauter to the nomination and remuneration committee		FOR	FOR

4.4	Re-elect Ernst & Young as auditors	FOR	FOR
4.5	Re-elect Mr. Jost Windlin independent proxy	FOR	FOR
5.1	Approval of the total remuneration of the board of directors for the term of office 2015/16	FOR	FOR
5.2	Approval of the total remuneration of the board of directors for the term of office 2016/17	FOR	FOR
5.3	Advisory vote on the remuneration report	FOR	FOR
5.4	Approval of the total remuneration of the board of directors for the term of office 2017/18	FOR	FOR
5.5	Approval of the total remuneration of the executive management for the financial year 2018	FOR	FOR
6	Proposals not listed in the invitation	OPPOSE	OPPOSE

1.2 Voting results of the general meeting of 12 April 2016

Item	Proposal	% For	Result	Ethos voting position	Board recommendation
1	Approve annual report, financial statements and accounts	100 %	Accepted	FOR	FOR
2	Approve allocation of income and dividend	100 %	Accepted	FOR	FOR
3	Discharge board members and executive management	-	-	FOR	FOR
3.1	Discharge Mr. Urs F. Burkard	78 %	Accepted	● OPPOSE	FOR
3.2	Discharge Mr. Frits van Dijk	21 %	Rejected	FOR	FOR
3.3	Discharge Dr. Paul J. Hälg	21 %	Rejected	FOR	FOR
3.4	Discharge Dr. Willi K. Leimer	78 %	Accepted	● OPPOSE	FOR
3.5	Discharge Ms. Monika Ribar	19 %	Rejected	FOR	FOR
3.6	Discharge Mr. Daniel J. Sauter	20 %	Rejected	FOR	FOR
3.7	Discharge Prof. Dr. Ulrich W. Suter	21 %	Rejected	FOR	FOR
3.8	Discharge Mr. Jürgen Tinggren	78 %	Accepted	● OPPOSE	FOR
3.9	Discharge Mr. Christoph Tobler	20 %	Rejected	FOR	FOR
3.10	Discharge executive management	87 %	Accepted	FOR	FOR
4	Elections to the board of directors	-	-		
4.1.1	Re-elect Dr. Paul J. Hälg	87 %	Accepted	FOR	FOR
4.1.2	Re-elect Mr. Urs F. Burkard	81 %	Accepted	● OPPOSE	FOR
4.1.3	Re-elect Mr. Frits van Dijk	98 %	Accepted	FOR	FOR
4.1.4	Re-elect Dr. Willi K. Leimer	81 %	Accepted	● OPPOSE	FOR
4.1.5	Re-elect Ms. Monika Ribar	88 %	Accepted	FOR	FOR
4.1.6	Re-elect Mr. Daniel J. Sauter	86 %	Accepted	FOR	FOR
4.1.7	Re-elect Prof. Dr. Ulrich W. Suter	87 %	Accepted	FOR	FOR
4.1.8	Re-elect Mr. Jürgen Tinggren	81 %	Accepted	● OPPOSE	FOR

4.1.9	Re-elect Mr. Christoph Tobler	85 %	Accepted		<i>FOR</i>	<i>FOR</i>
4.2	Schenker-Winkler Holding's proposal: Elect Prof. Dr. iur. Jacques Bischoff to the board of directors	15 %	Rejected		<i>OPPOSE</i>	<i>OPPOSE</i>
4.3	Re-elect Dr. sc. techn. Paul J. Hälg as board chairman	88 %	Accepted		<i>FOR</i>	<i>FOR</i>
4.4	Elections to the nomination and remuneration committee		-			
4.4.1	Re-elect Mr. Frits van Dijk to the nomination and remuneration committee	87 %	Accepted		<i>FOR</i>	<i>FOR</i>
4.4.2	Re-elect Mr. Urs F. Burkard to the nomination and remuneration committee	78 %	Accepted	●	<i>OPPOSE</i>	<i>FOR</i>
4.4.3	Re-elect Mr. Daniel J. Sauter to the nomination and remuneration committee	80 %	Accepted		<i>FOR</i>	<i>FOR</i>
4.5	Re-elect Ernst & Young as auditors	99 %	Accepted		<i>FOR</i>	<i>FOR</i>
4.6	Re-elect Dr. Max Brändli as the independent proxy	34 %	Rejected		<i>FOR</i>	<i>FOR</i>
4.6.1	Proposal made during the AGM by Schenker-Winkler Holding: Elect Mr. Jost Windlin as independent proxy	68 %	Accepted		<i>OPPOSE</i>	<i>OPPOSE</i>
5.1	Approval of the total remuneration of the board of directors for the term of office 2015/16	34 %	Rejected		<i>FOR</i>	<i>FOR</i>
5.2	Advisory vote on the remuneration report	33 %	Rejected		<i>FOR</i>	<i>FOR</i>
5.3	Approval of the total remuneration of the board of directors for the term of office 2016/17	34 %	Rejected		<i>FOR</i>	<i>FOR</i>
5.4	Approval of the total remuneration of the executive management for the financial year 2017	99 %	Accepted		<i>FOR</i>	<i>FOR</i>
6	Proposal of the shareholder group formed by Cascade, Bill & Melinda Gates Foundation Trust, Fidelity, and Threadneedle: Extend the term of office of the special experts to the 2020 AGM	97 %	Accepted		<i>FOR</i>	<i>FOR</i>
7	Proposal made during the AGM by Schenker-Winkler Holding: Special audit	28 %	Rejected		<i>OPPOSE</i>	<i>OPPOSE</i>
	Transact any other business		-	●	<i>OPPOSE</i>	

Attendance details

The attendance rate at the 2016 AGM was 80% of the voting shares. The votes were represented as follows:

- Independent proxy: 25%
- Shareholders in the room: 75%

2. Proxy Analysis

1	Approve annual report, financial statements and accounts	FOR
	<p>The board of directors requests shareholder approval of the company's annual report and of the annual and consolidated accounts for the fiscal year 2016.</p>	
	<p>Company performance in 2016 (see detailed figures in section 3.3 of this report)</p>	
	- Total revenues variation in 2016	+4.7%
	- Total revenues variation (3-year annualised)	+1.0%
	- Operating margin 2016	13.8%
	- Operating margin 2015	12.3%
	- Net income variation	+22.3%
	- Return on equity 2016	20.6%
	- Return on equity 2015	18.8%
	- Total Shareholder Return (TSR)	35.5%
	- 3-year TSR	55.4%
	<p>2016 Company milestones</p>	
	<ul style="list-style-type: none"> • During the year under review, Sika made 17 key investments (9 new factories, 4 national subsidiaries and 4 acquisitions), continuing its expansion in growth markets. In addition, 72 new patent applications were filed and a large number of new products were launched in all target markets. • 2016 was once again a record year for Sika, both in terms of operating profit (CHF 795.3 million, +18.1% on 2015) and net profit (CHF 563.1 million, +22.3% on 2015). As a result, the targets for the Strategy 2018 were achieved 2 years in advance. Therefore, Sika reviewed its strategic goals and raised its targets for 2020. Sika is now aiming for an EBIT margin of 14-16% (previously 12-14%) and an operating free cash flow greater than 10% (previously over 8%). The aim is to achieve a return on capital employed in excess of 25%. By 2020, 30 new factories are to be commissioned and 8 new national subsidiaries established. The annual sales growth target remains at 6-8%. Sika aims to achieve an EBIT of more than CHF 1 billion by 2020. 	
	<p>Change of control and legal proceedings</p>	
	<ul style="list-style-type: none"> • On 8 December 2014, the Burkard family (4th generation of the founding family) announced the sale of their participation to Saint-Gobain, and, on 11 December 2014, the Burkard family and Saint-Gobain announced the formation of a shareholder group. • On 7 April 2015 (one week before the 2015 AGM), the Burkard family and Saint-Gobain announced the dissolution of their group. On 7 April 2015, Saint-Gobain announced that it held 52.92% of all voting rights via Schenker-Winkler Holding (SWH). However, legal proceedings are underway (see below) and the planned transaction has not been completed yet. • At the general meetings held in 2015 and 2016, the board applied art. 4 of Sika's articles of association to limit the voting rights of the registered shares held by SWH to 5% of the total number of registered shares. SWH's voting rights were limited for the agenda items that could have allowed the Burkard family to elect a majority of its own representatives to the board and therefore to finalise the takeover of Sika by Saint-Gobain. 	

- Following these general meetings, the Burkard family filed a complaint with the Cantonal Court of Zug. It argued that the board of directors did not have the right to apply this 5% limit because there was no direct sale of the Sika shares but the sale of the family holding company (SWH), which is itself the direct owner of the Sika shares. On the contrary, the board of directors has argued that the beneficial owner of the Sika shares changes with the transaction and that the limitation of the voting rights may be applied.
- On 28 October 2016, the Cantonal Court dismissed the Burkard family's complaint and sided with Sika. The Burkard family decided to appeal the judgment of the Cantonal Court. The Superior Court of Zug will rule on the appeal. Ethos has decided to maintain its status as an accessory party in support of the board of directors in the new legal proceedings.
- Ethos fully supports the board members who are not linked to SWH or the Burkard family, Group management, 160 senior managers, and employee representatives in opposing Saint-Gobain's hostile takeover bid, which appears to be highly detrimental to the company and its minority shareholders.

In line with the new provisions of the International Standards on Auditing (ISA), the audit report mentions 2 key audit matters that were most significant in the audit of the 2016 consolidated financial statements and how these key audit matters were addressed by Ernst & Young. However, the audit report does not mention the materiality threshold used by Ernst & Young or the scope of the audit, which Ethos regrets.

Ethos has no special concerns regarding the accuracy of the company's financial statements and accounts and, in accordance with its voting guidelines, recommends to vote FOR.

2 Approve allocation of income and dividend FOR

The board of directors proposes that the amount at the disposal of the AGM be allocated as follows:

Available earnings brought forward	CHF	1'614.5 million
2016 Income of the parent company	CHF	+662.4 million
At the disposal of the AGM	CHF	2'236.9 million
Payment of dividend	CHF	-258.8 million
Allocation to reserves	CHF	-
Carry forward to statutory accounts	CHF	1'978.1 million

Key indicators

Consolidated net income	CHF	563.1 million
Free cash flow (Cash flow from operating activities - Capital expenditures)	CHF	443.2 million
Dividend per registered share	CHF	17 (2015: 13)
Dividend per bearer share	CHF	102 (2015: 78)
Payout ratio		46.0%
Dividend yield (based on the price of the bearer shares at year-end)		2.1%
Net cash (Cash and cash equivalents + Marketable securities - Current and non-current debt)	CHF	456.3 million

Subject to shareholder approval, the dividend will be paid on 19 April 2017. Given the company's results and cash position, Ethos, in accordance with its voting guidelines, recommends to vote FOR.

3 Discharge board members and executive management

The board of directors requests shareholders to discharge its members as well as those of the executive management of their responsibilities for their management of the company for the fiscal year 2016. The discharge is requested individually for each board member, and in globo for the executive management.

In line with the Swiss Code of Obligations, shareholders are requested to release the members of the board of directors from liability for their activities during the fiscal year under review. Shareholders that grant the discharge lose their right to file claims against the members of the board of directors for activities carried out during the year relating to facts that have been disclosed to shareholders. Nevertheless, all shareholders maintain their rights to file claims for facts that have not been disclosed to shareholders when the discharge was granted.

The meeting agenda stipulates that, upon approval of ITEMS 3.1.1 to 3.1.9 and 3.2, the members of the board and the executive management will be discharged subject to the results of the investigations that will be conducted as part of the special audit.

At this stage, it is unclear whether the attitude and activities of Sika's board members who were linked to Schenker-Winkler Holding (SWH) at the time of the transaction (Mr. Urs F. Burkard, Dr. oec. Willi K. Leimer and Mr. Jürgen Tinggren) were in line with their duty of loyalty to Sika and thus whether they acted in the interests of the company and all its shareholders.

In fact, Ethos considers that the decision to sell the control of Sika to Sika's competitor Saint-Gobain (which was made without consulting Sika's management and independent board members) is highly detrimental to the company and its minority shareholders, as it jeopardises the demonstrated success of the company. Therefore, Ethos cannot approve the discharge of the following board members:

- Mr. Urs F. Burkard (ITEM 3.1.1)
- Dr. Willi K. Leimer (ITEM 3.1.4)
- Mr. Jürgen Tinggren (ITEM 3.1.8)

The discharge of the other board members as well as the members of the executive management can be approved.

3.1.1	Discharge Mr. Urs F. Burkard	OPPOSE
	The board of directors requests shareholders to discharge Mr. Urs F. Burkard of his responsibilities for the management of the company. Ethos has serious doubts that his attitude and actions as board member at the time of the transaction with Saint-Gobain were in line with his duty of loyalty to Sika and its shareholders. Therefore, Ethos, in accordance with point 1.2.d of its voting guidelines, recommends to OPPOSE.	
3.1.2	Discharge Mr. Frits van Dijk	FOR
	The board of directors requests shareholders to discharge Mr. Frits van Dijk of his responsibilities for the management of the company. Ethos, in accordance with its voting guidelines, recommends to vote FOR.	
3.1.3	Discharge Dr. Paul J. Hälgi	FOR
	The board of directors requests shareholders to discharge Dr. Paul J. Hälgi of his responsibilities for the management of the company. Ethos, in accordance with its voting guidelines, recommends to vote FOR.	
3.1.4	Discharge Dr. Willi K. Leimer	OPPOSE
	The board of directors requests shareholders to discharge Dr. Willi K. Leimer of his responsibilities for the management of the company. Ethos has serious doubts that his attitude and actions as board member at the time of the transaction with Saint-Gobain were in line with his duty of loyalty to Sika and its shareholders. Therefore, Ethos, in accordance with point 1.2.d of its voting guidelines, recommends to OPPOSE.	
3.1.5	Discharge Ms. Monika Ribar	FOR
	The board of directors requests shareholders to discharge Ms. Monika Ribar of her responsibilities for the management of the company. Ethos, in accordance with its voting guidelines, recommends to vote FOR.	
3.1.6	Discharge Mr. Daniel J. Sauter	FOR
	The board of directors requests shareholders to discharge Mr. Daniel J. Sauter of his responsibilities for the management of the company. Ethos, in accordance with its voting guidelines, recommends to vote FOR.	

- 3.1.7 Discharge Prof. Dr. Ulrich W. Suter FOR**
 The board of directors requests shareholders to discharge Prof. Dr. Ulrich W. Suter of his responsibilities for the management of the company. Ethos, in accordance with its voting guidelines, recommends to vote FOR.
- 3.1.8 Discharge Mr. Jürgen Tinggren OPPOSE**
 The board of directors requests shareholders to discharge Mr. Jürgen Tinggren of his responsibilities for the management of the company. Ethos has serious doubts that his attitude and actions as board member at the time of the transaction with Saint-Gobain were in line with his duty of loyalty to Sika and its shareholders. Therefore, Ethos, in accordance with point 1.2.d of its voting guidelines, recommends to OPPOSE.
- 3.1.9 Discharge Mr. Christoph Tobler FOR**
 The board of directors requests shareholders to discharge Mr. Christoph Tobler of his responsibilities for the management of the company. Ethos, in accordance with its voting guidelines, recommends to vote FOR.
- 3.2 Discharge executive management FOR**
 The board of directors requests shareholders to discharge the members of the executive management of their responsibilities for the management of the company. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

4.1 Elections to the board of directors

The board of directors proposes that all its members be re-elected to serve for another 1-year term.

After the publication of the invitation to the AGM, Schenker-Winkler Holding (SWH) requested that the election of Prof. Dr. iur. Jacques Bischoff (current board member of SWH) be added to the agenda of the AGM. According to Sika's publication in the Swiss Official Gazette of Commerce (SHAB, FOSC), requests for additional agenda items should have been submitted to Sika by 1 March 2017. Since SWH's request was made after the deadline, the board did not add SWH's proposal to the agenda. For shareholders voting by proxy, the voting instruction on SWH's proposal must be given to the independent proxy under ITEM 6 (Proposals not listed in the invitation).

Main features of board composition after the AGM if the board's recommendations prevail

Board size	9
Combination of the functions of Chairman and CEO	No
% independent directors	33.3%
% directors with links to SWH (current or at the time of the transaction)	33.3%
% executive directors	0.0%
% women directors	11.1%
Average age of directors	62.4
Average board tenure	11.0 years

Main features of board composition after the AGM if Prof. Dr. Bischoff is elected

Board size	10
Combination of the functions of Chairman and CEO	No
% independent directors	30.0%
% directors with links to SWH (current or at the time of the transaction)	40.0%

% executive directors	0.0%
% women directors	62.4 years
Average age of directors	9.9 years

Average board tenure

- Ethos is in profound disagreement with the decision to sell the control of Sika to Saint-Gobain and considers that Sika's board members who were linked to SWH at the time of the transaction (Mr. Urs F. Burkard, Dr. oec. Willi K. Leimer and Mr. Jürgen Tinggren) did not act in the interests of the company and its minority shareholders. Therefore, Ethos cannot support their re-election.
- The Burkard-Schenker family has announced its intention to sell its stake to Saint-Gobain and that they will not negotiate any other solution. While Ethos accepts that the founding family has the right to exit the company, Ethos considers that the takeover by Saint-Gobain is not the best solution. Therefore, Ethos cannot accept the election of Prof. Dr. Bischoff, who will represent SWH against the interests of the non-family shareholders and other stakeholders (see ITEM 6 - Proposals not listed in the invitation).
- Ethos notes that Ms. Ribar, Dr. Hälg, Mr. van Dijk, Mr. Sauter, Prof. Suter and Mr. Tobler will only accept their election if all of them are re-elected and Dr. Hälg is also re-elected as board chairman.
- If the above 6 board members do not accept re-election, the board will lose significant expertise: 2 board members with extensive professional experience in the construction and materials industry (Dr. Hälg and Mr. Tobler) and one long-standing board member (Prof. Suter) who is an engineering professor specialised in the fields of chemicals and materials, where Sika is active, will leave the board, as well as the only 2 audit experts (Ms. Ribar and Mr. Sauter). Ethos considers that their presence on the board is extremely valuable and therefore supports their re-election.

- 4.1.1 Re-elect Dr. Paul J. Hälg FOR**
- The board proposes to re-elect Dr. sc. techn. Paul J. Hälg (Swiss, 63) for a further 1-year term. He has been board member since 2009 and chairman since 2012. He is considered independent.
- Ethos considers that Dr. Hälg has fulfilled his chairmanship with the required diligence toward Sika's minority shareholder in the hostile takeover attempt launched by Saint-Gobain. Ethos, in accordance with its voting guidelines, recommends to vote FOR.
- 4.1.2 Re-elect Mr. Urs F. Burkard OPPOSE**
- The board proposes to re-elect Mr. Urs F. Burkard (Swiss, 60) for a further 1-year term. He has been board member since 1990 and is currently member of the nomination and remuneration committee. As member of Sika's founding family and vice chairman of SWH, he is considered affiliated.
- As mentioned above, Ethos considers that the members of the board of directors of Sika who are linked to SWH have not acted in the best interests of Sika and its stakeholders in consideration of the transaction with Saint-Gobain. Therefore, Ethos, in accordance with point 2.1.b of its voting guidelines, recommends to OPPOSE.
- 4.1.3 Re-elect Mr. Frits van Dijk FOR**
- The board proposes to re-elect Mr. Frits van Dijk (Dutch, 70) for a further 1-year term. He has been board member since 2012 and is currently chairman of the nomination and remuneration committee. He is considered independent. Ethos, in accordance with its voting guidelines, recommends to vote FOR.
- 4.1.4 Re-elect Dr. Willi K. Leimer OPPOSE**
- The board proposes to re-elect Dr. oec. Willi K. Leimer (Swiss, 59) for a further 1-year term. He has been board member since 2010 and is currently member of the audit committee. As chairman of SWH until 9 December 2014, he is considered affiliated.
- As mentioned above, Ethos considers that the members of the board of directors of Sika who were linked to SWH at the time of the transaction with Saint-Gobain have not acted in the best interests of Sika and its stakeholders. Therefore, Ethos, in accordance with point 2.1.b of its voting guidelines, recommends to OPPOSE.

4.1.5 Re-elect Ms. Monika Ribar FOR

The board proposes to re-elect Ms. Monika Ribar (Swiss, 58) for a further 1-year term. She has been board member since 2011 and is currently chairman of the audit committee. She is considered independent. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

4.1.6 Re-elect Mr. Daniel J. Sauter FOR

The board proposes to re-elect Mr. Daniel J. Sauter (Swiss, 60) for a further 1-year term. He has been board member since 2000 and is currently member of the nomination and remuneration committee. Due to his long tenure on the board, he is considered affiliated. However, he has no conflict of interests. Ethos recommends to vote FOR.

4.1.7 Re-elect Prof. Dr. Ulrich W. Suter FOR

The board proposes to re-elect Prof. Dr. sc. techn. Ulrich W. Suter (Swiss, 73) for a further 1-year term. He has been board member since 2003. Due to his long tenure on the board, he is considered affiliated. However, he has no conflict of interests. Ethos recommends to vote FOR.

4.1.8 Re-elect Mr. Jürgen Tinggren OPPOSE

The board proposes to re-elect Mr. Jürgen Tinggren (Swedish, 59) for a further 1-year term. He has been board member since 2014. As board member of SWH until 9 December 2014, he is considered affiliated. As mentioned above, Ethos considers that the members of the board of directors of Sika who were linked to SWH at the time of the transaction with Saint-Gobain have not acted in the best interests of Sika and its stakeholders. Therefore, Ethos, in accordance with point 2.1.b of its voting guidelines, recommends to OPPOSE.

4.1.9 Re-elect Mr. Christoph Tobler FOR

The board proposes to re-elect Mr. Christoph Tobler (Swiss, 60) for a further 1-year term. He has been board member since 2005 and is currently member of the audit committee. Since he was a member of Sika's management (Head of the Industry division) from 1998 to 2004 before joining the board at the 2005 AGM, he is considered affiliated. However, he has no conflict of interests and Ethos supports his re-election. Ethos therefore recommends to vote FOR.

4.2 Re-elect Dr. Paul J. Hälg as board chairman FOR

The board of directors proposes to elect Dr. sc. techn. Paul J. Hälg as its chairman for a 1-year term.

Ethos notes that Dr. Hälg will only accept his re-election as chairman if Ms. Ribar, Mr. van Dijk, Mr. Sauter, Prof. Suter and Mr. Tobler are re-elected to the board of directors.

As mentioned above, Ethos considers that Dr. Hälg has fulfilled his chairmanship with the required diligence toward Sika, its minority shareholders and its other stakeholders in the hostile takeover attempt launched by Saint-Gobain. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

4.3 Elections to the nomination and remuneration committee

The board of directors proposes that Mr. Frits van Dijk, Mr. Urs F. Burkard and Mr. Daniel J. Sauter be re-elected to the nomination and remuneration committee to serve for another 1-year term.

Main features of the nomination and remuneration committee composition after the AGM

Committee size	3
Number of independent members	1
Number of executive members	0
Number of members with executive functions within other listed companies	0

Ethos notes that Messrs. van Dijk and Sauter will only accept their re-election to the committee if both of them are re-elected, or if Ms. Ribar or Prof. Suter or Mr. Tobler are elected in their place.

Since Ethos cannot support the re-election of Mr. Burkard to the board of directors (see ITEM 4.1.2), Ethos cannot approve his re-election to the nomination and remuneration committee. The other 2 nominees (Mr. Sauter and Mr. van Dijk) have no conflict of interests. Their re-election to the nomination and remuneration committee can be approved.

4.3.1 Re-elect Mr. Frits van Dijk to the nomination and remuneration committee FOR

The board proposes to re-elect Mr. Frits van Dijk to the nomination and remuneration committee for a 1-year term. He is currently chairman of the committee. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

4.3.2 Re-elect Mr. Urs F. Burkard to the nomination and remuneration committee OPPOSE

The board proposes to re-elect Mr. Urs F. Burkard to the nomination and remuneration committee for a 1-year term. Since Ethos did not support his re-election to the board of directors under ITEM 4.1.2, Ethos cannot approve his re-election to the nomination and remuneration committee and, in accordance with point 2.4.a of its voting guidelines, recommends to OPPOSE.

4.3.3 Re-elect Mr. Daniel J. Sauter to the nomination and remuneration committee FOR

The board proposes to re-elect Mr. Daniel J. Sauter to the nomination and remuneration committee for a 1-year term. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

4.4 Re-elect Ernst & Young as auditors FOR

The board of directors recommends that shareholders ratify the re-appointment of Ernst & Young as the company's external auditors for a further 1-year term.

Audit versus non-audit fees

Non-audit fees / Audit fees (2016)	27.0%
Non-audit fees / Audit fees (3-year aggregate)	37.0%

Ernst & Young has been the company's external auditor since 1995 (22 years). While the rotation of the audit firm is not mandatory in Switzerland, the EU audit market reform requires to change external auditors on a regular basis (every 10 years or every 20 years if a public tendering process is conducted) to guarantee the independence of the audit firm and the quality of the audit. In the same spirit, Ethos has introduced in its 2017 voting guidelines a 20-year limit for the tenure of the audit firm.

Ethos informed the company of its new limit on the tenure of the audit firm. A representative of the company informed Ethos that Sika did not tender the audit mandate at this stage since the audit partner and the whole audit team changed in 2015. In addition, the company decided to maintain the status quo in all governance aspects, including the auditors, in view of the situation with Saint-Gobain.

However, the representative of the company informed Ethos that Sika is considering tendering the audit mandate in the future, when the conflict between Sika and Saint-Gobain is resolved. Therefore, the re-appointment of Ernst & Young can be accepted this year. In addition, the ratio of non-audit fees paid by the company to its external auditor is within the limits set in Ethos' guidelines. Ethos recommends to vote FOR.

4.5 Re-elect Mr. Jost Windlin independent proxy FOR

The Minder ordinance requires that the independent proxy be elected by the shareholders. The board of directors therefore proposes the re-appointment of Mr. Jost Windlin as independent proxy for a 1-year term. Mr. Windlin was appointed as independent proxy at the 2016 AGM on a proposal from SWH made during the AGM. He is Partner (attorney at law and notary) at Zwicky, Windlin & Partner in Zug.

Ethos notes that the board unanimously recommends to vote FOR. Ethos is not aware of any potential conflict of interests and, in accordance with its voting guidelines, recommends to vote FOR.

5.1	Approval of the total remuneration of the board of directors for the term of office 2015/16	FOR
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The board of directors requests shareholder approval of the total maximum remuneration to be paid to the board of directors for the period from the 2015 AGM to the 2016 AGM (retrospective vote). The board remuneration for this period was rejected 3 times by SWH (at the AGM held in April 2015, at the EGM held in July 2015, and at the AGM held in April 2016). Ethos recommended to vote FOR the requested amount at the 3 general meetings.

The board requests a maximum total amount of CHF 2'870'000 for its 9 members, including the chairman. The breakdown of the amount is provided in section 5 of this report.

The members of the board of directors cannot receive options or variable remuneration, which is in line with best practice. In addition, in view of the company's size and complexity, Ethos considers that the proposed board remuneration is acceptable (see "Comparison to company peers" under ITEM 5.4). Moreover, Ethos considers it is not normal that the controlling shareholder refuses to pay the board of directors. Therefore, Ethos, in accordance with its voting guidelines, recommends to vote FOR.

5.2	Approval of the total remuneration of the board of directors for the term of office 2016/17	FOR
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The board of directors requests shareholder approval of the total maximum remuneration to be paid to the board of directors for the period from the 2016 AGM to the 2017 AGM (retrospective vote). The board remuneration for this period was rejected by SWH at the AGM held in April 2016. Ethos recommended to vote FOR the requested amount at the 2016 AGM.

The board requests a maximum total amount of CHF 2'870'000 for its 9 members, including the chairman. The breakdown of the amount is provided in section 5 of this report.

The members of the board of directors cannot receive options or variable remuneration, which is in line with best practice. In addition, in view of the company's size and complexity, Ethos considers that the proposed board remuneration is acceptable (see "Comparison to company peers" under ITEM 5.4). Moreover, Ethos considers it is not normal that the controlling shareholder refuses to pay the board of directors. Therefore, Ethos, in accordance with its voting guidelines, recommends to vote FOR.

5.3	Advisory vote on the remuneration report	FOR
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The board of directors requests an advisory vote on the remuneration report included in the annual report. While the vote is not binding, it allows shareholders to send a message to the board that could help shape executive remuneration. The remuneration report describes the remuneration policy and discloses the remuneration paid to both non-executive board members and members of the executive board. Section 4 of this report includes the description and detailed figures of the 2016 remuneration of the board of directors and of the members of the executive management of the company.

A) Changes implemented

In 2016, the following changes were introduced to the remuneration structure and report:

- The shares received after the 3-year performance period of the long-term incentive plan (LTIP) are no longer blocked. For the grants made up to 2015, the shares received after the 3-year performance period have a further blocking period of 4 years, during which they are excluded from trading.
- The members of the executive management are no longer obliged to take part of their annual bonus in the form of shares blocked for 4 years. Up to 2015, they had to take either 20% or 40% of their annual bonus in shares. As of 2016, they can choose to take either 0%, 20% or 40% of their bonus in shares. The shares are still blocked for 4 years.
- The threshold level of return on capital employed (ROCE, excluding acquisitions) under which the LTIP does not vest was increased from 20% to 23%.
- The target level of ROCE at which the LTIP vests fully was increased from 20% to 24%.

In addition, the remuneration report mentions that share ownership requirements will be introduced for the members of the executive management as of 2017: They will be required to own at least a minimum multiple of their annual base salary (300% for the CEO, 200% for the other executives) in Sika shares within 4 years of their appointment to the executive management.

B) Ethos' appraisal of the remuneration system

B.1) Disclosure

Sika's remuneration report is one of the most comprehensive and transparent among Swiss listed companies, which Ethos commends. All the elements necessary to assess the remuneration system and make informed decisions are clearly disclosed, in particular:

- The functioning of the annual bonus and the long-term incentive plan (LTIP) are clearly explained.
- The performance conditions for the annual bonus and the long-term incentive plan, as well as the corresponding vesting scales, are clearly disclosed.
- The performance objective for the vesting of the LTIP (ROCE) is disclosed in advance (ex-ante)
- The effective level of variable remuneration (short-term and long-term) paid is clearly explained with regard to the performance achieved.
- The peer groups used by the company to compare its performance, as well as its overall level of remuneration are disclosed.

B.2) Remuneration structure: Board members

As mentioned above, the members of the board of directors have not received any remuneration since April 2015, since SWH repeatedly rejected the amounts submitted to shareholder approval in accordance with the Minder ordinance.

The annual report mentions the remuneration for the full-year 2016 (which will not be paid unless ITEMS 5.1 and 5.2 are approved). The full-year remuneration of the chairman, Dr. Hälgi is CHF 871'980, while the full-year remuneration of the other members of the board is CHF 245'032 on average.

B.3) Remuneration structure: Executive management

Members of the executive management, including the CEO, have a base salary and can receive variable remuneration under 2 incentive plans, which are described in detail under section 4.5 of this report. For the year under review, the company CEO, Mr. Jenisch, received a total remuneration of CHF 3'782'000 (+7.8%), of which 61% is variable. His total variable remuneration at grant represents 2.56 times his base salary. The other members of the management received on average CHF 1'518'353 (-3.9%), of which 48% is variable. Their total variable remuneration at grant represents 1.6 times their average base salary.

Pay-for-performance connection

In order to assess the pay-for-performance connection, and thus the relevance of the level of bonus paid, Ethos reviews the performance of the company compared to 69 other companies active in the same industry as Sika (based on the Global Industry Classification Standard (GICS) level 3). Ethos considers that the sales growth, the evolution of EBITDA (relative to the sales at the beginning of the period) and the total shareholder return (TSR) give a good overview of the performance of the company.

For the 2016 financial year, the company ranks at the following percentiles (100 is best) for each of the indicators:

Sales growth	81st
Evolution of EBITDA	71st
TSR	84th

Based on the three indicators, the performance of the company is well above the median of the peer group. In fact, the performance of the company is in the top quartile of the peer group.

Positive features

- The effective bonus (compared to the target bonus) is in line with the performance of the company. In fact, Ethos considers that the target bonus should reward median performance. In view of the performance of the company in 2016, Ethos considers that the payment of a bonus slightly below the maximum, which is the case at Sika, is appropriate. Ethos notes that the effective bonus of the members of the executive management ranges from 122% to 150% of the target bonus (147% for the CEO), which is on or just below the maximum of 150% of the target.

- Both the annual bonus and the long-term incentive are clearly capped at reasonable levels. In fact, the CEO's bonus is capped at 162% of his base salary (including matching shares), while his long-term incentive is capped at 111% of his base salary. Therefore, the total variable remuneration of the CEO is capped at 273% of his base salary. For the other members of the management, the bonus is capped at between 86% and 138% of the base salary (depending on the function), while the long-term incentive is capped at between 40% and 86% of the base salary.
- While the obligation to take part of the annual bonus in shares has been removed in 2017, shareholding requirements are introduced in 2017. This aims to align the interests of the management with those of the shareholders.
- An important part of the variable remuneration is conditional upon the achievement of forward-looking long-term performance conditions.
- 60% of the annual bonus is based on relative performance conditions (measured against a peer group).

C) Ethos' recommendation

Ethos considers that the company's overall transparency with regard to remuneration is very good, and that the level of remuneration is acceptable with regard to the size of the company and its performance. In view of the above-mentioned positive features of the remuneration system, Ethos, in accordance with its voting guidelines, recommends to vote FOR.

5.4	Approval of the total remuneration of the board of directors for the term of office 2017/18	FOR
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The board of directors requests shareholder approval of the total maximum remuneration to be paid to the board of directors for the period from the 2017 AGM to the 2018 AGM (prospective vote).

A) Board proposal

The board requests a maximum total amount of CHF 3 million for its 9 members, including the chairman (see section 5 of this report for details).

B) Comparison to company peers

In 2015 (most recent figures available), the total remuneration paid to the members of the board of directors of companies similar to Sika (peers) was the following:

Median remuneration of chairmen	CHF	974'538
Median remuneration of other board members	CHF	271'677

NB: Ethos' peer group consists of 21 companies (excluding companies active in financial services) listed in Switzerland, including Sika, that are comparable to Sika in terms of market capitalisation, number of employees, and total revenues.

In 2016, Sika's board members did not receive any remuneration. However, the remuneration report mentions that if ITEMS 5.1 and 5.2 are approved, CHF 2'832'232 will be paid to the 9 board members. The requested amount therefore includes a 6% reserved compared to the 2016 remuneration. The envisaged 2016 board remuneration is as follows:

Chairman	CHF	871'980
Other board members (average)	CHF	245'032

The remuneration for the chairman as well as the other board members is below the median of the peer group.

C) Ethos' recommendation

The members of the board of directors cannot receive options or variable remuneration, which is in line with best practice. In addition, in view of the company's size and complexity, Ethos considers that the proposed board remuneration is acceptable. Therefore, Ethos, in accordance with its voting guidelines, recommends to vote FOR.

5.5	Approval of the total remuneration of the executive management for the financial year 2018	FOR
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The board of directors requests shareholder approval of the total maximum remuneration to be paid to the executive management for the 2018 financial year (prospective vote).

A) Board proposal

The board requests a maximum amount of CHF 19 million to be paid to the members of the executive management, including the CEO (see section 5 of this report for details). The number of beneficiaries is not disclosed in the invitation to the general meeting. Sika's executive management currently includes 9 members.

B) Ethos' appraisal of the requested amount

B.1) Fixed remuneration (CHF 9.1 million)

The amount includes the base salaries, benefits in kind and other payments, as well as the expected employer contributions to social security (based on the maximum amounts of variable remuneration) and employer contributions to pension funds.

In 2015 (most recent figures available), the base salaries paid to the members of the executive management of companies similar to Sika (peers) were the following:

Median base salary of CEOs	CHF	1'253'000
Median base salary of other executives	CHF	567'495

NB: Ethos' peer group consists of 21 companies (excluding companies active in financial services) listed in Switzerland, including Sika, that are comparable to Sika in terms of market capitalisation, number of employees, and total revenues.

In 2016, CHF 9'191'000 were paid to the 9.5 full-time equivalent members of the executive management as fixed remuneration (incl. CHF 4'774'000 as base salaries). On a full-time basis, the requested amount includes a 15% reserve on the fixed remuneration paid to the executive management in 2016. The reserve is not explained in the meeting agenda.

In 2016, the base salaries of the members of the executive management of Sika were as follows:

CEO	CHF	908'000
Other executives (average)	CHF	454'824

The base salaries of the CEO and the other members of the executive management are below the median of the peer group.

B.2) Variable remuneration (annual bonus: CHF 6.2 million, long-term incentive: CHF 3.7 million)

The amount reserved for the annual bonus corresponds to the maximum potential bonus that can be paid to the executive management, including the corresponding maximum potential number of matching shares (see point 4.5.B of this report).

The amount reserved for the long-term incentive (LTIP) includes the maximum that can be granted under the LTIP in the financial year 2018. Since the LTIP is not leveraged (the maximum vesting corresponds to 100% of the initial grant), the requested amount also corresponds to the maximum that can vest in 2021.

While the functioning of the variable remuneration system is clearly described ex-post in the remuneration report, no indication is provided by the company with regard to the system that will be applied for the 2018 grants. However, Ethos notes that the historical pay-for-performance connection appears to be adequate and that the company does not pay out excessive remuneration (see ITEM 5.2). In addition, the current remuneration system is in line with Ethos' guidelines.

C) Ethos' recommendation

While Ethos would have preferred to vote retrospectively on the annual bonus to be able to assess the pay-for-performance connection, Ethos considers that the requested amount is adequate. In fact, Sika's remuneration structure is in line with Ethos' guidelines. In addition, the effective remuneration paid, as described in the remuneration report, is in line with the company's performance. Therefore, Ethos, in accordance with its voting guidelines, recommends to vote FOR.

6

Proposals not listed in the invitation

OPPOSE

As mentioned under ITEM 4.1, after the publication of the invitation to the AGM, Schenker-Winkler Holding (SWH) requested that the election of Prof. Dr. iur. Jacques Bischoff be added to the agenda of the AGM. Since SWH's request was made after the deadline, the board did not add SWH's proposal to the agenda. For shareholders voting by proxy, the voting instruction on SWH's proposal must be given to the independent proxy under ITEM 6 (Proposals not listed in the invitation). At the time of issue of this report, Sika's board of directors has not published its position on this proposal. However, Ethos notes that Prof. Dr. Bischoff was already proposed for election at the 2016 AGM. At the 2016 AGM, a majority of the members of Sika's board recommended to OPPOSE the election of Prof. Dr. Bischoff.

Prof. Dr. iur. Jacques Bischoff (Swiss, 62) is currently board member of SWH. The Burkard-Schenker family has announced its intention to sell its stake to Saint-Gobain and that they will not negotiate any other solution. While Ethos accepts that the founding family has the right to exit the company, Ethos considers that the takeover by Saint-Gobain is not the best solution for the company, its minority shareholders and the other stakeholders. Therefore, Ethos cannot accept the election of Prof. Dr. Bischoff, who will represent SWH against the interests of the non-family shareholders and other stakeholders. Therefore, Ethos, in accordance with its voting guidelines, recommends to OPPOSE the election of Prof. Dr. Bischoff.

In addition, Ethos recommends to OPPOSE ANY unannounced additional proposals made during the AGM. Ethos notes that Sika's board also recommends to OPPOSE unannounced proposals.

3. Company Information

Before the General Meeting of 11 April 2017

3.1 General Information

Headquarters	Baar (ZG), Switzerland
Activities	Sika is active in the field of specialty chemicals with operations divided into two business areas, the Construction Division (79% of Group sales in 2016) and the Industry Division (21%). Sika is active in processing materials used in sealing, bonding, damping, reinforcing, and protecting of load-bearing structures.
Employees	Total number on 31.12.2016: 17419
Chairman	Dr. sc. techn. Paul J. Hälg (since 2012), Swiss, aged 63
CEO	Jan Jenisch (since 2012), German, aged 51
Listing	SIX Swiss Exchange

3.2 Capital

Issued Capital	In CHF	Number	Nominal Value	Issued Capital
Registered shares		2'333'874	0.10	233'387
Bearer shares		2'151'199	0.60	1'290'719
Total issued capital				1'524'107

Only bearer shares are listed.

The company's articles of association include an exemption (opting-out clause) to the obligation to make a public offer to acquire all listed securities as stipulated in the Federal Law on Financial Market Infrastructure when a shareholder exceeds the 33.3% ownership threshold.

Authorisation to issue shares without guaranteed pre-emptive rights	In CHF	Equity Type	Number	% of Issued Capital
Conditional capital for the conversion of convertible bonds		Bearer shares	259'822	10.2%
Total authorisation				10.2%

The conditional capital corresponds to 12.1% of the listed bearer share capital. There are no convertible bonds outstanding.

Conditions to file a shareholder resolution	Date	31.12.2016	In CHF	Nominal value required	10'000
				Market value required	81'534'964
				% of listed voting capital	0.77%

The articles of association set the threshold to add an item to the agenda at CHF 10'000 nominal (0.66% of the total capital).

Restriction on registration of shares or voting rights	The board can refuse the registration as shareholder of buyers of registered shares exceeding 5% of the total number of registered shares. The board made an exception to this rule for the Burkard family.				
	Nominees are registered without voting rights.				

Important shareholders	Shareholder	% of Voting Rights	% of Capital	Comments
	Schenker-Winkler Holding	52.9%	17.0%	*
	Threadneedle and Bill & Melinda Gates Foundation	5.0%	8.8%	
	BlackRock	4.8%	8.5%	**
	Total	62.7%	34.3%	

* On 8 December 2014, the Burkard-Schenker family (owner of Schenker-Winkler Holding) announced the sale of their participation in Sika to Saint-Gobain via the sale of Schenker-Winkler Holding. On 11 December 2014, the Burkard-Schenker family and Saint-Gobain announced the formation of a shareholder group to SIX Swiss Exchange. On 7 April 2015, the Burkard-Schenker family and Saint-Gobain announced the dissolution of their group. On 7 April 2015, Saint-Gobain announced that it itself held 52.92% of the voting rights via Schenker-Winkler Holding. However, legal proceedings are underway in connection with the planned transaction, which has not yet been concluded.

** BlackRock also holds derivatives on 0.14% of the capital in purchase positions.

The above shareholdings are as announced to the SIX Swiss Exchange as of 15 March 2017.

3.3 Financials and Key Figures

Year end 31. December
Reporting standard IFRS

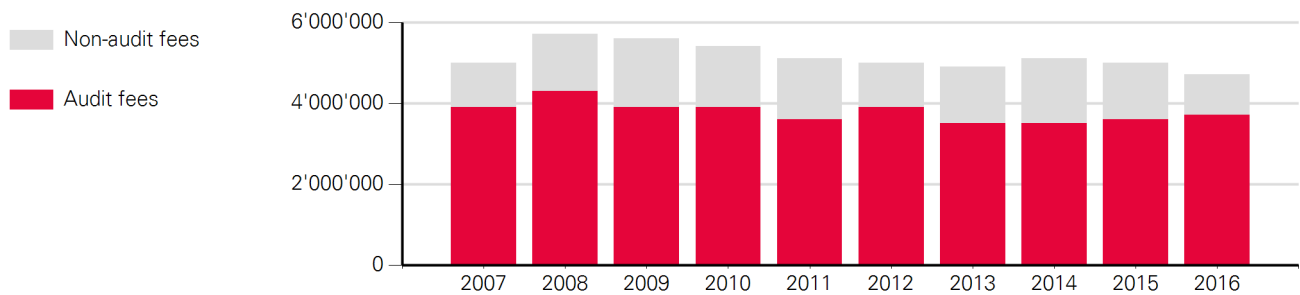
		2016	2015	2014
Total revenues	CHF	5'747.70 million	5'489.20 million	5'571.30 million
EBIT	CHF	795.30 million	673.30 million	633.20 million
Net income attributable to shareholders (without minority interests)	CHF	563.10 million	460.30 million	439.00 million
Shareholders' equity	CHF	2'924.30 million	2'530.80 million	2'367.10 million
Market capitalisation at year-end	CHF	10'523.67 million	7'787.34 million	6'315.92 million
Earnings per registered share (basic)	CHF	36.97	30.23	28.87
Earnings per bearer share (basic)	CHF	221.81	181.37	173.19
Dividend per registered share	CHF	17.00	13.00	12.00
Dividend per bearer share	CHF	102.00	78.00	72.00
Payout ratio (on group net income)		45.99 %	43.01 %	41.57 %
Market value per bearer share at year-end	CHF	4'892.00	3'620.00	2'936.00

Comments The above market capitalisation corresponds to the market value of the listed bearer shares. Taking into account all shares (listed and not listed) and no control premium, the market value of the company is CHF 12.4 billion.

3.4 External Auditor

Auditor Ernst & Young, since 1995

Fees	In CHF	2016	2015	2014
Audit fees		3'700'000	3'600'000	3'500'000
Non-audit fees		1'000'000	1'400'000	1'600'000
Total		4'700'000	5'000'000	5'100'000



Comments The lead auditor, Mr. Christoph Michel, has been in charge since 2015.

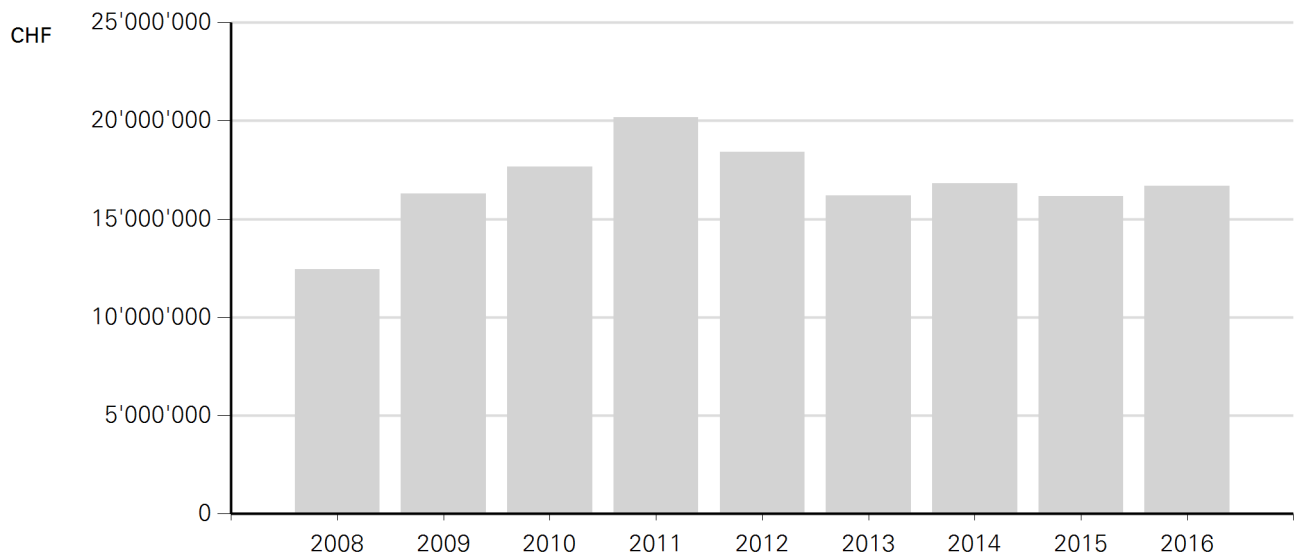
In 2016, non-audit fees were broken down as follows:

- Tax consultancy fees: CHF 700'000
- Audit-related consultancy fees: CHF 300'000

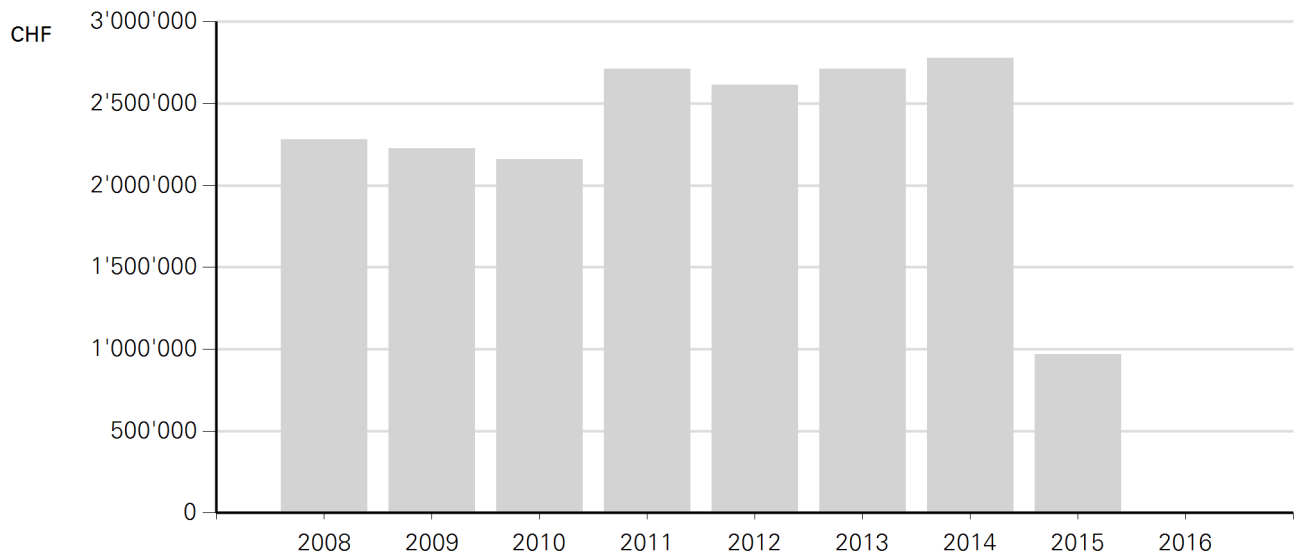
4. Remuneration Report

4.1 Evolution of the Aggregate Remuneration

A Members of the Executive Management



B Board Members (Outside Executive Management)



4.2 Global Remuneration Figures

A Members of the Executive Management

		2016 Number	2016 CHF	2015 Number	2015 CHF	Var.
Total number of persons (FTE)		9.5		9.0		
Cash	Fixed		4'774'000		4'771'000	0.1%
	Variable		4'539'000		3'438'000	32.0%
Shares	Fixed	0	0	0	0	0.0%
	Variable	NA	3'958'000	NA	4'809'000	-17.7%
Options	Variable	0	0	0	0	0.0%
Other			3'417'000		3'135'000	9.0%
Total			16'688'000		16'153'000	3.3%
Highest paid executive			3'782'000		3'509'000	7.8%
Average other executives			1'518'353		1'580'500	-3.9%

B Board Members (Outside Executive Management)

		2016 Number	2016 CHF	2015 Number	2015 CHF	Var.
Total number of persons (FTE)		9.0		9.0		
Cash	Fixed		0		643'334	-100.0%
	Variable		0		0	0.0%
Shares	Fixed	0	0	NA	238'326	-100.0%
	Variable	0	0	0	0	0.0%
Options	Variable	0	0	0	0	0.0%
Other			0		87'391	-100.0%
Total			0		969'051	-100.0%
Highest paid non-executive			0		313'009	-100.0%
Average other non-executives			0		82'005	-100.0%

Comments

A. Members of the executive management:

The executive remuneration includes the following elements:

- Base salary
- Short-term incentive paid in cash and shares (see point 4.5.B of this report)
- Long-term incentive in the form of Performance Share Units (PSUs, see point 4.5.C of this report)
- Pension
- Social security contributions, benefits in kind and other expenses

The highest paid executive was Mr. Jan Jenisch (CEO) both in 2015 and 2016. The increase in his remuneration is due to the following elements:

- The performance achievement under the annual bonus was higher in 2016 than in 2015 (see point 4.5.B of this report). Therefore, his annual bonus increased from CHF 1'140'000 to CHF 1'322'000.
- The pension contributions have increased from CHF 414'000 to CHF 503'000 due to the fact that the contribution rates are age-related and that the CEO moved in a different age-bracket in 2016.

B. Non-executive board members:

In principle, the annual remuneration of the members of the board (excluding the chairman) is as follows:

- Basic fee for board membership: CHF 150'000*
 - Fixed amount paid in shares blocked for 4 years: CHF 50'000
 - Additional fee for committee chairmanship: CHF 50'000
 - Additional fee for committee membership: CHF 30'000
- * In addition, the vice chairman of the board receives additional remuneration of CHF 5'000 per day if additional work is required (e.g. to step in for the absence of the chairman).

In principle, the chairman of the board receives the following elements:

- Basic fee (individually determined based on skills and experience) paid in cash
- Fixed amount (individually determined based on skills and experience) paid in shares blocked for 4 years
- Representation allowance

In case of change of control or liquidation, the shares are unblocked immediately.

The above-mentioned fees relate to a full year. However, SWH rejected the amounts requested for the board of directors at the AGMs held in April 2015 and 2016, as well as the amounts requested at the EGM held in July 2016. As a result, the members of the board of directors have not received any remuneration since April 2015.

4.3 Individual Remuneration Figures

Individual figures for 2016 (CHF)

A Members of the Executive Management

Name, Function	Cash Fixed	Cash Variable	Shares Fixed	Shares Variable	Options Variable	Other	Total
J. Jenisch, CEO	908'000	1'322'000	0	1'003'000	0	549'000	3'782'000
Average other executives	454'824	378'471	0	347'647	0	337'412	1'518'353

B Board Members (Outside Executive Management)

Name, Function	Cash Fixed	Cash Variable	Shares Fixed	Shares Variable	Options Variable	Other	Total
P. Hälg, Ch	0	0	0	0	0	0	0
U. Burkard, Mbr	0	0	0	0	0	0	0
W. Leimer, Mbr	0	0	0	0	0	0	0
M. Ribar, Mbr	0	0	0	0	0	0	0
D. Sauter, Mbr	0	0	0	0	0	0	0
U. Suter, Mbr	0	0	0	0	0	0	0
J. Tinggren, Mbr	0	0	0	0	0	0	0
C. Tobler, Mbr	0	0	0	0	0	0	0
F. van Dijk, Mbr	0	0	0	0	0	0	0

Comments

The members of the board of directors have not been paid since April 2015 (SWH repeatedly rejected the amounts submitted to shareholder approval in accordance with the Minder ordinance).

4.4 Best Practice Checklist

A Members of the Executive Management

Company practice	Each member's remuneration disclosed separately	-
	All pay components disclosed separately (salary, bonus, LTI, pension)	Ok
	Peer group for setting the remuneration levels disclosed	Ok
	Peer group for benchmarking the company's performance under the variable remuneration plan(s) disclosed	Ok
	Accrual principle applied	Ok
	Performance criteria for short-term incentive adequately disclosed	Ok
	% of annual bonus depending on individual criteria disclosed	Ok
	Ex-post explanation of the level of achievement of the performance objectives for the short-term incentive	Ok
	Performance criteria for the vesting of long-term incentive adequately disclosed	Ok
	Precise performance objectives for the vesting of the long-term incentive disclosed ex-ante	Ok
	Precise performance objectives for the vesting of the long-term incentive disclosed ex-post	Ok
	Level of vesting of the long-term incentive (in % of the initial grant) disclosed	Ok
	Value realised upon vesting of the long-term incentive disclosed	Ok
	Shares granted valued at fair market value	Ok
	Options granted valued at fair market value	Not relevant
	Reconciliation of reported remuneration with amounts approved prospectively	Ok

B Board Members (Outside Executive Management)

Company practice	Non-executive directors' fees partly paid in shares	Ok
	Non-executive directors do not receive options	Ok
	Non-executive directors do not receive performance based remuneration	Ok
	Minimum share ownership requirements exist for non-executive board members	-
	Reconciliation of reported remuneration with amounts approved prospectively	Not relevant

4.5 Remuneration Structure (Executives)

A Remuneration Breakdown

Breakdown	Base salary	Short-term incentives	Long-term incentives	Pensions / Other
Of highest paid executive	24.0%	35.0%	26.5%	14.5%
Of other executives	30.0%	28.6%	19.3%	22.2%

B Short-term Incentives

Short-term incentives in % of base salary	On target	Maximum	Actual
Of highest paid executive	100.0%	162.0%	145.6%
Of other executives	NA	NA	95.4%

Performance criterion	Type	Weighting (highest paid)	Weighting (other executives)
Net sales	Relative	20.0%	20.0%
EBIT	Absolute	20.0%	20.0%
EBIT	Relative	40.0%	40.0%
Net working capital	Absolute	10.0%	10.0%
People and projects management	Absolute	10.0%	10.0%

Additional description of the short-term incentive:

The relative criteria (EBIT improvement and net sales growth) correspond to the Group performance conditions, while the absolute criteria are measured at the level of the business under responsibility of the beneficiary (EBIT, net working capital, people and project management).

For each objective of the Group performance, the performance is measured against a peer group of 25 companies and the payout factors are the following:

- Below the lower quartile of the peer group: no payout
- Below median: 50% of target
- At the median: 100% of target
- Upper quartile: 150% of target
- Best in the peer group: 200% of target

Any payout factor in between is interpolated linearly.

For each individual objective, the payout factor can be between 0% and 200% of the target. The overall bonus is however capped at 150% of the target bonus.

According to the Sika Share Purchase Plan (SSPP), the members of management can either take 100% of their bonus in cash, or they can convert 20% or 40% of their bonus into shares. For every 5 shares purchased under the SSPP, Sika grants 1 matching share. All shares have a blocking period of 4 years. In case of change of control or termination of employment due to retirement, death or disability, the blocking period may be shortened.

The target bonus of the CEO is set at 100% of his base salary (between 53% and 86% for the other members of the executive management). The maximum bonus shown above has been calculated including matching shares in case of maximum deferral (40% of the bonus).

Company's explanation of the bonus paid:

Sika has outperformed the peer companies both in terms of net sales growth (ranked 13th, payout of 101%) and in terms of EBIT improvement year on year (ranked 8th, payout of 139%). The group performance achievement is estimated at 127% (best-estimate at time of publication) and will be calculated by Obermatt based on the annual report publications of the peer companies before the payout date in April 2017. Individual performance, which is mainly measured by EBIT and net working capital improvement versus previous year, at Group and regional level, ranges from 115% to 190% (178% for the CEO). Consequently, the overall bonus payout percentage ranges from 122% to 150% (cap) of the target bonus (147% for the CEO).

C Long-term Incentives

Incentive	Plan 1	Plan 2	Plan 3
Type of awards	PSUs		
Fair value at grant date disclosed	No		
Vesting period for time-vesting awards	Not relevant		
Performance period	3 years		
Sale restriction after performance/vesting period	None		
Absolute performance criteria for vesting	ROCE		
Relative performance criteria for vesting	None		
Initial grant for the highest paid (in % of the base salary)	111%		
Minimum final grant (in % of initial grant)	0%		
Maximum final grant (in % of initial grant)	100%		
Maximum payout (valued at date of grant, in % of the base salary)	111%		

Comments

Plan 1

Each year, a certain number of Performance Share Units (PSUs) is granted to each executive manager. The PSUs vest after a period of 3 years depending on the return on capital employed (ROCE). The average ROCE achieved during the performance period is assessed against the target ROCE set by the board at the beginning of the vesting period. For the 2016 grant, the ROCE target (excluding acquisitions) is 28% and the threshold is 23%.

The PSUs vest into shares as follows:

- ROCE below the threshold level: 0%
- ROCE at the threshold level: 50%
- ROCE at or above target: 100%
- ROCE between threshold and target level: linear interpolation

To determine the level of vesting, the acquisitions are excluded from the ROCE calculations in the year of acquisition and for 2 additional calendar years.

In case of change of control, the PSUs are subject to an early vesting, pro-rated for the number of months that have expired since the grant date and based on an achievement payout of 75%.

In 2016, the target grant corresponds to 111% of base salary for the CEO (between 40% and 86% for the other executives).

For the LTI that vested in 2016, the ROCE performance condition of 20% average ROCE over the 3-year performance period has been overachieved: The average ROCE (excluding acquisitions) was 28.2%, leading to a full vesting.

4.6 Remuneration and Financial Performance

A Change in Remuneration 2015-2016

Highest paid executive	7.8%
Average other executives	-3.9%
Highest paid non-executive	-100.0%
Average other non-executives	-100.0%

B Change in Financial Performance 2015-2016

Sales	4.7%
Operating income	18.1%
Net income	22.3%
Total shareholder return	37.3%

4.7 Share and Option Holdings

A Members of the Executive Management

Name	Function	31.12.2016 Shares	31.12.2016 Options	31.12.2015 Shares	31.12.2015 Options
J. Jenisch	CEO	1'650	0	1'350	0
Total other executives	–	4'145	0	4'855	0
Total		5'795	0	6'205	0

B Board Members (Outside Executive Management)

Name	Function	31.12.2016 Shares	31.12.2016 Options	31.12.2015 Shares	31.12.2015 Options
P. Hälg	Ch	577	0	577	0
U. Burkard	Mbr	67	0	67	0
W. Leimer	Mbr	67	0	67	0
M. Ribar	Mbr	89	0	89	0
D. Sauter	Mbr	2'067	0	2'067	0
U. Suter	Mbr	67	0	67	0
J. Tinggren	Mbr	99	0	99	0
C. Tobler	Mbr	167	0	267	0
F. van Dijk	Mbr	92	0	92	0
Total		3'292	0	3'392	0

5. Remuneration Requested

Executive Management

Item	Component	Type	Amount requested (CHF)	Nb. of pers. (FTE)	Modality
5.5	Fixed remuneration	Cash	9'100'000	NA	Prospective
5.5	Short-term variable remuneration	Cash, shares	6'200'000	NA	Prospective
5.5	Long-term variable remuneration	Shares	3'700'000	NA	Prospective

Total remuneration requested for the executive management: 19'000'000

Board of Directors

Item	Component	Type	Amount requested (CHF)	Nb. of pers. (FTE)	Modality
5.1	Fixed fees	Cash	1'930'000	9	Retrospective
5.1	Fixed fees	Shares	725'000	9	Retrospective
5.1	Social security contributions	Other	215'000	9	Retrospective
5.2	Fixed fees	Cash	1'930'000	9	Retrospective
5.2	Fixed fees	Shares	725'000	9	Retrospective
5.2	Social security contributions	Other	215'000	9	Retrospective
5.4	Fixed fees	Cash	2'030'000	9	Prospective
5.4	Fixed fees	Shares	750'000	9	Prospective
5.4	Social security contributions	Other	220'000	9	Prospective

Total remuneration requested for the board of directors: 8'740'000

Comments

The amount requested under ITEM 5.1 is for the term of office from the 2015 AGM to the 2016 AGM (previously rejected by SWH).

The amount requested under ITEM 5.2 is for the term of office from the 2016 AGM to the 2017 AGM (previously rejected by SWH).

The amount requested under ITEM 5.4 is for the term of office from the 2017 AGM to the 2018 AGM.

6. Board of Directors

Composition after the General Meeting of 11 April 2017

Committee	Executive	Affiliated non-executive	Independent non-executive	Total
Board of Directors	0	6	3	9
Audit committee	0	2	1	3
Nomination and remuneration committee	0	2	1	3

Election procedure for directors	Individual
Mandate duration	1 year
Mandatory age limit	70 years
Single signature	No
Number of board meetings during the past year	9
Number of audit committee meetings during the past year	5
Number of nomination and remuneration committee meetings during the past year	6 (93% attendance)
Attendance rate at board meetings not disclosed	

Upon reaching the age of 70, directors generally resign. Prof. Ulrich Suter reached the age of 70 in 2014.

The board includes 1 woman.

The 6 affiliated directors include the following board members:

- 3 directors with links to SWH (currently or at the time of the transaction between SWH and Saint-Gobain): Mr. Urs Burkard, Dr. Willi Leimer and Mr. Jürgen Tinggren.
- 3 directors who are considered affiliated due to their long tenure at Sika, but are not linked to SWH: Mr. Daniel Suter, Prof. Ulrich Suter, and Mr. Christoph Tobler.

Dr. sc. techn. Paul J. Hälg

Independent Chairman Up for Re-election

Nationality	Swiss
Age	63
Director since / term ends	2009 / 2018
Committee memberships	none
Main activity	none
Directorships	<ul style="list-style-type: none"> – Dätwyler (listed), Switzerland - Chairman – Dätwyler Cabling Solutions AG (100% owned by Pema Holding AG), Switzerland - Member
Other relevant mandates	<ul style="list-style-type: none"> – Wohlfahrtsstiftung der Sika, Switzerland - Chairman – Swissmem, Switzerland - Member
Comments	<p>CEO of Dätwyler (2004 - 31 December 2016). Executive Vice President of Forbo (2001-2004). Various positions at Gurit-Essex (1987-2001), ultimately as CEO.</p>

Urs F. Burkard

Affiliated Member Up for Re-election

Nationality	Swiss
Age	60
Director since / term ends	1990 / 2018
Committee memberships	<ul style="list-style-type: none"> – Nomination and remuneration committee
Affiliation	<ul style="list-style-type: none"> – Important shareholder or its representative – Board membership exceeding time limit for independence <p>Member of the founding family. Vice chairman of Schenker-Winkler Holding.</p>
Main activity	<ul style="list-style-type: none"> – Büro Design Burkard GmbH, Switzerland - Managing director
Directorships	<ul style="list-style-type: none"> – Unitrend Burkard AG, Switzerland - Chairman – Schenker-Winkler Holding, Switzerland - Vice chairman and co-owner – Pynogin AG, Switzerland - Member and co-owner – Gazet Holding AG, Switzerland - Member

Dr. oec. Willi K. Leimer

Affiliated	Member	Up for Re-election
Nationality	Swiss	
Age	59	
Director since / term ends	2010 / 2018	
Committee memberships	– Audit committee	
Affiliation	– Miscellaneous	
Main activity	Chairman of Schenker-Winkler Holding until 9 December 2014. – WMPartners Wealth Management AG, Switzerland - Partner and board member	
Directorships	– ISPartners Investment Solutions AG, Switzerland - Chairman and co-owner – Mojo Capital, Luxembourg - Chairman – Canica Holding AG, Switzerland - Member – Helvetica Capital AG, Switzerland - Member	
Comments	Managing director of Private Wealth Management at Bank Morgan Stanley, Zurich (1990-2002).	

Monika Ribar

Independent	Member	Up for Re-election
Nationality	Swiss	
Age	58	
Director since / term ends	2011 / 2018	
Committee memberships	– Audit committee, Chairman	
Main activity	– ribar partners GmbH (consulting firm), Switzerland - Managing partner	
Directorships	– SBB CFF FFS, Switzerland - Chairman – Lufthansa (listed), Germany - Member – Chain IQ Group AG, Switzerland - Member	
Comments	Several positions at Panalpina (1991-2013), including: - CEO (2006-2013) - CFO (2005-2006) - Chief Information Officer (2000-2005) - Corporate Controller (1991-2000)	

Daniel J. Sauter

Affiliated Member Up for Re-election

Nationality	Swiss
Age	60
Director since / term ends	2000 / 2018
Committee memberships	– Nomination and remuneration committee
Affiliation	– Board membership exceeding time limit for independence
Main activity	none
Directorships	– Julius Bär (listed), Switzerland - Chairman – Trinsic AG, Switzerland - Chairman and co-owner – Hadimec AG, Switzerland - Chairman and co-owner – Tabulum AG, Switzerland - Chairman – ARAS Holding, Switzerland - Member – Richnerstutz AG, Switzerland - Member
Other relevant mandates	– Avenir Suisse, Switzerland - Member
Comments	Chairman of the board of directors of Alpine Select (2001-2012). CEO and Delegate of the board of Xstrata (1994-2001). CFO and Senior Partner of Glencore International (1983-1998).

Prof. Dr. sc. techn. Ulrich W. Suter

Affiliated Member Up for Re-election

Nationality	Swiss
Age	73
Director since / term ends	2003 / 2018
Committee memberships	none
Affiliation	– Board membership exceeding time limit for independence
Main activity	none
Directorships	– Wicor Holding AG, Switzerland - Chairman – Rainbow Photonics AG, Switzerland - Member
Other relevant mandates	– Stiftung Bibliothek Werner Oechslin, Switzerland - Chairman – Swisscontact, Switzerland - Member – Pensionskasse der Weidmann Unternehmen, Switzerland - Member – Swiss National Science Foundation, Switzerland - Member
Comments	Consultant to the Head National Research Foundation (Singapore). Professor at ETH Zurich (Swiss Federal Institute of Technology), Department of Material Science (1988-2008). Professor at MIT, Department of Chemical Engineering (1982-1989).

Jürgen Tinggren		Up for Re-election
Affiliated	Member	
Nationality	Swedish	
Age	59	
Director since / term ends	2014 / 2018	
Committee memberships	none	
Affiliation	– Miscellaneous Board member of Schenker-Winkler Holding until 9 December 2014.	
Main activity	none	
Directorships	– Johnson Controls (listed), USA - Member	
Other relevant mandates	– The Conference Board, USA - Member	
Comments	Several positions at Schindler (1997-2016): - Executive board member (2013-2016) - CEO (2011-2013) - President of the Group Executive Committee (2007-2011) - Deputy President of the Group Executive Committee, responsible for Technology and Strategic Procurement (2005-2007) - Member of the Group Executive Committee, responsible for Asia/Pacific (1999-2005) - Member of the Group Executive Committee, responsible for Europe (1997-1999) Various positions at Sika (1985-1997), ultimately as member of the management committee with responsibility for North America.	

Christoph Tobler		Up for Re-election
Affiliated	Member	
Nationality	Swiss	
Age	60	
Director since / term ends	2005 / 2018	
Committee memberships	– Audit committee	
Affiliation	– Miscellaneous – Board membership exceeding time limit for independence Linked to the company since 1998.	
Main activity	– Sefar Holding AG, Switzerland - CEO and board member	
Directorships	– AG Cilander, Switzerland - Chairman – Viscosistadt AG, Switzerland - Member	
Other relevant mandates	– Wohlfahrtsfonds Sefar AG, Switzerland - Vice chairman – economiesuisse, Switzerland - Member – Swiss National Bank (SNB), Switzerland - Member, Regional advisory board	
Comments	Head of Sika's Industry Division (1998-2004).	

Frits van Dijk

Independent	Member	Up for Re-election
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Nationality	Dutch
Age	70
Director since / term ends	2012 / 2018
Committee memberships	– Nomination and remuneration committee, Chairman
Main activity	none
Directorships	– Nestlé Malaysia Berhad - Member
Comments	Career at Nestlé (1970-2011), ultimately member of the executive management responsible for Asia, Oceania, Africa & Middle East (2000-2011).

7. Glossary

English	Deutsch	Français
A		
Activities	Aktivitäten	Activités
Affiliated	Affiliert	Affilié
AGM (Annual General Meeting)	Ordentliche Generalversammlung	Assemblée générale ordinaire
Annual bonus	Jahresbonus	Bonus annuel
Attendance rate	Teilnahmequote	Taux de présence
Audit committee	Prüfungsausschuss	Comité d'audit
Audit fees	Honorare für Revisionsdienstleistungen	Honoraires de révision
Audit-related fees	Honorare für revisionsnahe Dienstleistungen	Honoraires pour les services liés à la révision
Autorised capital	Genehmigtes Kapital	Capital autorisé
Average	Mittelwert	Moyenne
B		
Base salary	Grundgehalt	Salaire de base
Bearer share	Inhaberaktie	Action au porteur
Board meeting	Verwaltungsratssitzung	Séance du conseil d'administration
Board members	Verwaltungsratsmitglieder	Membres du conseil d'administration
Board of directors	Verwaltungsrat	Conseil d'administration
Breakdown	Detaillierte Offenlegung	Répartition détaillée
C		
Capital	Kapital	Capital
Capital contribution reserves	Reserven aus Kapitaleinlagen	Réserves issues d'apports en capital
CEO (Chief Executive Officer)	Geschäftsleiter	Président de la direction générale
Chairman	Verwaltungsratspräsident	Président du conseil d'administration
Chairman's committee	Ausschuss des Verwaltungsratspräsidenten	Comité du président du conseil d'administration
Comments	Kommentare	Commentaires
Committee meeting	Ausschusssitzung	Séance du comité
Conditional capital	Bedingtes Kapital	Capital conditionnel
Corporate governance committee	Ausschuss für Corporate Governance	Comité de gouvernance d'entreprise
D		
Dividend	Dividende	Dividende
Dividend rights certificates	Partizipationsscheine	Bons de participation
E		
Earnings per share	Gewinn pro Aktie	Bénéfice par action

English	Deutsch	Français
E		
EGM (Extraordinary General Meeting)	Ausserordentliche Generalversammlung	Assemblée générale extraordinaire
Election	Neuwahl	Election
Election procedure for directors	Wahlverfahren für Verwaltungsräte	Procédure d'élection des administrateurs
Employees	Personalbestand	Employés
Executive management	Geschäftsleitung	Direction générale
External auditor	Externe Revisionsstelle	Auditeur externe
F		
Fair value	Beizulegender Zeitwert	Juste valeur
Fees	Gebühren	Honoraires
Financial performance	Finanzergebnis	Performance financière
Financial reporting	Finanzberichterstattung	Information financière
Financials	Finanzergebnis	Données financières
G		
General information	Allgemeine Informationen	Informations générales
Global remuneration figures	Allgemeine Vergütungsangaben	Rémunérations agrégées
H		
Headquarters	Hauptsitz	Siège social
Highest paid executive	Höchstbezahltes Mitglied der Konzernleitung	Membre le mieux rémunéré de la direction générale
I		
Important shareholders	Bedeutende Aktionäre	Actionnaires importants
Independent	Unabhängig	Indépendant
Individual remuneration figures	Individuelle Vergütungsangaben	Rémunérations individuelles
Internal Control	Internes Kontrollsystem	Contrôle interne
K		
Key figures	Kennzahlen	Chiffres clés
L		
Listing	Kotierung	Cotation
LTIP (Long-term incentive plan)	Langfristige Beteiligungspläne	Plan de participation à long terme
M		
Mandate duration	Mandatsdauer	Durée du mandat
Mandatory age limit	Obligatorische Altersgrenze	Limite d'âge statutaire
Market capitalisation	Marktkapitalisierung	Capitalisation boursière
Market value	Marktwert	Valeur boursière
N		
NA (Not available)	Nicht verfügbar	Pas disponible
ND (Not disclosed)	Nicht offengelegt	Pas publié
Net income	Reingewinn	Bénéfice net

English	Deutsch	Français
N		
Net revenues	Nettoerträge	Revenus nets
New nominee	Neuer Kandidat / Neue Kandidatin	Nouveau candidat
Nomination and remuneration committee	Nominations- und Vergütungsausschuss	Comité de nomination et de rémunération
Nomination committee	Nominationsausschuss	Comité de nomination
Non-audit fees	Honorare für nicht revisionsbezogene Dienstleistungen	Honoraires non liés à la révision
Non-voting equity securities	Genussscheine	Bons de jouissance
Notice period	Kündigungsfrist	Délai de préavis
NR (Not relevant)	Irrelevant	Pas pertinent
O		
Operating income	Betriebsergebnis	Résultat d'exploitation
Operating margin	Operative Marge	Marge opérationnelle
P		
Payout ratio	Gewinnausschüttungsquote	Taux de distribution du bénéfice
Peer group	Vergleichsgruppe	Groupe de référence
Pensions	Altersvorsorge	Contributions de retraite
Performance criteria	Leistungskriterien	Critères de performance
R		
Re-election	Wiederwahl	Réélection
Registered share	Namensaktie	Action nominative
Remuneration	Vergütung	Rémunération
Remuneration committee	Vergütungsausschuss	Comité de rémunération
Reporting standard	Rechnungslegungsstandard	Norme comptable
Restriction on registration of shares or voting rights	Beschränkungen der Übertragbarkeit der Aktien und des Stimmrechts	Restrictions relatives à l'inscription des actions ou aux droits de vote
Return on equity	Eigenkapitalrendite	Rendement des capitaux propres
Risk committee	Risiko-Ausschuss	Comité des risques
S		
Share and option holdings	Aktien- und Optionenbesitz	Détention d'actions et d'options
Share capital	Aktienkapital	Capital-actions
Shareholder resolution	Aktionärsantrag	Résolution d'actionnaire
Shareholders' equity	Eigenkapital	Capitaux propres
Short-term incentives	Kurzfristige variable Vergütung	Rémunération à court-terme
Stock ownership requirements	Aktienbesitz Anforderungen	Exigences en matière de détention d'actions
Strategy committee	Strategie-Ausschuss	Comité de stratégie
Structure	Struktur	Structure
Sustainability committee	Ausschuss für Nachhaltigkeit	Comité de développement durable

English	Deutsch	Français
T		
Total revenues	Betriebsertrag	Revenus totaux
Total shareholder return	Gesamte Aktienrendite	Rentabilité de l'action
U		
Up for re-election	Zur Wiederwahl	A réélection
Y		
Year end	Jahresende	Fin de l'année

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Analyst:

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About Ethos

The Ethos Foundation aims at promoting socially responsible investment as well as a stable and prosperous socio-economic environment. Ethos is composed of more than 210 Swiss pension funds and other tax-exempt institutions. Its subsidiary Ethos Services is an acknowledged provider of consulting services comprising socially responsible investment (SRI) funds, shareholder meeting analyses and an investor engagement and dialogue programme.

For further information: www.ethosfund.ch.

Frequently used abbreviations

AGM	Annual General Meeting
EGM	Extraordinary General Meeting
NA	Not available
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
OE	Other Executive Function
Ex-	Former



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