

Sika

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|---------------------|-----------------------------------|
| Land | Schweiz |
| Versammlungstermin | Dienstag, 14. April 2015 14:00 |
| Versammlungsort | Waldmannhalle, Neugasse 55, Baar |
| Art der Versammlung | Ordentliche Generalversammlung |
| Wertpapiere | ISIN CH0000587979, Telekurs 58797 |

Schwerpunkte der Generalversammlung

PUNKT 4.1 Wiederwahlen in den Verwaltungsrat (VR). Ethos ist der Auffassung, dass die 3 VR-Mitglieder, welche zum Zeitpunkt der Transaktion mit Saint-Gobain mit Schenker-Winkler Holding (SWH) assoziiert waren, nicht im Interesse des Unternehmens und seiner Minderheitsaktionäre gehandelt haben. Deshalb kann Ethos ihre Wiederwahl nicht unterstützen und empfiehlt GEGEN **PUNKTE 4.1.2** Hr. Burkard, **4.1.4** Hr. Leimer und **4.1.8** Hr. Tinggren zu stimmen (Punkt 2.1.b der Ethos Richtlinien).

PUNKT 4.2 Antrag der SWH: Neuwahl von Herrn Dr. iur. Max C. Roesle. Eine Mehrheit des Verwaltungsrats empfiehlt, seine Wahl abzulehnen. Falls er gewählt wird, ist SWH im VR übervertreten, was nicht akzeptabel ist. Ethos empfiehlt DAGEGEN zu stimmen.

PUNKT 4.3 Wahl des VR-Präsidenten. Der VR schlägt vor, Dr. Hälg wiederzuwählen. Dr. Hälg ist mit der nötigen Sorgfalt gegenüber Sikas Minderheitsaktionären vorgegangen, und Ethos ist der Auffassung, dass er wiedergewählt werden muss. Ausserdem werden alle VR-Mitglieder, die nicht mit SWH assoziiert sind, zurücktreten, falls Dr. Hälg nicht wiedergewählt wird. Dadurch würde der VR massgeblich an Expertise verlieren und nur noch aus Vertretern von SWH bestehen. SWH schlägt die Wahl von Dr. Roesle vor. Die Mehrheit im VR empfiehlt SWHs Vorschlag abzulehnen. Ethos ist der Auffassung, dass Dr. Roesle nicht die nötige Industrie- und Management Erfahrung besitzt, um ein Unternehmen von der Grösse von Sika zu leiten. Ethos empfiehlt FÜR Dr. Hälg (**PUNKT 4.3.1**) zu stimmen und GEGEN Dr. Roesle (**PUNKT 4.3.2**) zu stimmen.

PUNKT 6.1 Antrag der Aktionärsgruppe um die Ethos Stiftung: Streichung der Opting out-Klausel. Dieser Antrag ist im Interesse des Unternehmens und seiner Minderheitsaktionäre. Ethos empfiehlt DAFÜR zu stimmen.

PUNKTE 6.2 und 6.3 Anträge der Gruppe Cascade, Bill & Melinda Gates Foundation Trust, Fidelity und Threadneedle: Sonderprüfung (**PUNKT 6.2**) und Sachverständigen-Ausschuss (**PUNKT 6.3**). Beides ist im Interesse des Unternehmens und der Minderheitsaktionäre. Die Sonderprüfung wird bei der Transaktion mit Saint-Gobain die Rolle der SWH-Vertreter im Sika VR untersuchen. Der Sachverständigen-Ausschuss wird die zukünftige Geschäftstätigkeit Sikas im Falle eines Transaktionsabschlusses überprüfen. Ethos empfiehlt DAFÜR zu stimmen.

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1. Generalversammlungs-Übersicht

1.1 Stimmempfehlungen an dieser Generalversammlung

| Traktandum | Vorschlag | | Abstimmungs- empfehlung Ethos | VR Empfehlung |
|------------|--|---|----------------------------------|---------------|
| 1 | Genehmigung des Jahresberichts, der Jahresrechnung und der Konzernrechnung | | DAFÜR | DAFÜR |
| 2 | Verwendung des Bilanzgewinns und Festsetzung der Dividende | | DAFÜR | DAFÜR |
| 3 | Entlastung der Mitglieder des Verwaltungsrates und der Geschäftsleitung | | DAFÜR | DAFÜR |
| 4 | Wahlen in den Verwaltungsrat | | | |
| 4.1.1 | Wiederwahl von Herrn Dr. sc. techn. Paul J. Hälg | | DAFÜR | DAFÜR |
| 4.1.2 | Wiederwahl von Herrn Urs F. Burkard | ● | DAGEGEN | DAFÜR |
| 4.1.3 | Wiederwahl von Herrn Frits Van Dijk | | DAFÜR | DAFÜR |
| 4.1.4 | Wiederwahl von Herrn Dr. oec. Willi K. Leimer | ● | DAGEGEN | DAFÜR |
| 4.1.5 | Wiederwahl von Frau Monika Ribar | | DAFÜR | DAFÜR |
| 4.1.6 | Wiederwahl von Herrn Daniel J. Sauter | | DAFÜR | DAFÜR |
| 4.1.7 | Wiederwahl von Herrn Prof. Dr. sc. techn. Ulrich W. Suter | | DAFÜR | DAFÜR |
| 4.1.8 | Wiederwahl von Herrn Jürgen Tinggren | ● | DAGEGEN | DAFÜR |
| 4.1.9 | Wiederwahl von Herrn Christoph Tobler | | DAFÜR | DAFÜR |
| 4.2.1 | Antrag der Schenker-Winkler Holding: Neuwahl von Herrn Dr. iur. Max C. Roesle | | DAGEGEN | DAGEGEN |
| 4.3 | Wahl des Verwaltungsratspräsidenten | | | |
| 4.3.1 | Antrag des Verwaltungsrats: Wiederwahl von Herrn Dr. sc. techn. Paul J. Hälg als Präsident | | DAFÜR | DAFÜR |
| 4.3.2 | Antrag der Schenker-Winkler Holding: Neuwahl von Herrn Dr. iur. Max C. Roesle als Verwaltungsratspräsident | | DAGEGEN | DAGEGEN |
| 4.4 | Wahlen in den Nominierungs- und Vergütungsausschuss | | | |
| 4.4.1 | Wiederwahl von Herrn Frits Van Dijk als Mitglied des Nominierungs- und Vergütungsausschusses | | DAFÜR | DAFÜR |
| 4.4.2 | Wiederwahl von Herrn Urs F. Burkard als Mitglied des Nominierungs- und Vergütungsausschusses | ● | DAGEGEN | DAFÜR |
| 4.4.3 | Wiederwahl von Herrn Daniel J. Sauter als Mitglied des Nominierungs- und Vergütungsausschusses | | DAFÜR | DAFÜR |
| 4.5 | Wahl der Revisionsstelle | | DAFÜR | DAFÜR |
| 4.6 | Wahl des unabhängigen Stimmrechtsvertreters | | DAFÜR | DAFÜR |
| 5 | Vergütungen | | | |
| 5.1 | Konsultativabstimmung über den Vergütungsbericht | | DAFÜR | DAFÜR |

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|-----|---|---------|-------|
| 5.2 | Verbindliche prospektive Abstimmung über die gesamte Vergütung des Verwaltungsrats | DAFÜR | DAFÜR |
| 5.3 | Verbindliche prospektive Abstimmung über die gesamte Vergütung der Geschäftsleitung | DAFÜR | DAFÜR |
| | Antrag der Aktionärsgruppe um die Ethos Stiftung | | |
| 6.1 | Streichung der Opting Out Klausel | DAFÜR | DAFÜR |
| | Anträge der Aktionärsgruppe Cascade, Bill & Melinda Gates Foundation Trust, Fidelity und Threadneedle | | |
| 6.2 | Sonderprüfung | DAFÜR | DAFÜR |
| 6.3 | Einsetzung eines Sachverständigen-Ausschusses | DAFÜR | DAFÜR |
| | Verschiedenes ● | DAGEGEN | |

1.2 Abstimmungsergebnisse der Generalversammlung vom Dienstag, 15. April 2014

| Traktandum | Vorschlag | % JA | Resultat | Abstimmungsempfehlung Ethos | VR Empfehlung |
|------------|---|-------|----------|-----------------------------|---------------|
| 1. | Genehmigung des Jahresberichts, der Jahresrechnung und der Konzernrechnung | 100 % | Annahme | DAFÜR | DAFÜR |
| 2. | Verwendung des Bilanzgewinns und Festsetzung der Dividende | 100 % | Annahme | DAFÜR | DAFÜR |
| 3. | Entlastung der Mitglieder des Verwaltungsrates und der Geschäftsleitung | 99 % | Annahme | DAFÜR | DAFÜR |
| 4. | Statutenänderung: Umsetzung der VegüV | 88 % | Annahme | ● DAGEGEN | DAFÜR |
| | Wahlen in den Verwaltungsrat | | - | | |
| 5.1.1 | Wiederwahl von Herrn Dr. sc. techn. Paul J. Hälg als Verwaltungsratspräsident | 99 % | Annahme | DAFÜR | DAFÜR |
| 5.1.2 | Wiederwahl von Herrn Urs F. Burkard | 98 % | Annahme | DAFÜR | DAFÜR |
| 5.1.3 | Wiederwahl von Herrn Frits Van Dijk | 99 % | Annahme | DAFÜR | DAFÜR |
| 5.1.4 | Wiederwahl von Herrn Dr. oec. Willi K. Leimer | 99 % | Annahme | DAFÜR | DAFÜR |
| 5.1.5 | Wiederwahl von Frau Monika Ribar | 99 % | Annahme | DAFÜR | DAFÜR |
| 5.1.6 | Wiederwahl von Herrn Daniel J. Sauter | 99 % | Annahme | DAFÜR | DAFÜR |
| 5.1.7 | Wiederwahl von Herrn Prof. Dr. sc. techn. Ulrich W. Suter | 99 % | Annahme | DAFÜR | DAFÜR |
| 5.1.8 | Wiederwahl von Herrn Christoph Tobler | 99 % | Annahme | DAFÜR | DAFÜR |
| 5.2 | Neuwahl von Herrn Jürgen Tinggren | 96 % | Annahme | ● DAGEGEN | DAFÜR |
| 5.3 | Wahlen in den Nominierungs- und Vergütungsausschuss | | - | | |
| 5.3.1 | Neuwahl von Herrn Frits Van Dijk in den Nominierungs- und Vergütungsausschuss | 99 % | Annahme | DAFÜR | DAFÜR |
| 5.3.2 | Neuwahl von Herrn Urs F. Burkard in den Nominierungs- und Vergütungsausschuss | 95 % | Annahme | DAFÜR | DAFÜR |
| 5.3.3 | Neuwahl von Herrn Daniel J. Sauter in den Nominierungs- und Vergütungsausschuss | 96 % | Annahme | DAFÜR | DAFÜR |
| 5.4 | Wahl der Revisionsstelle | 99 % | Annahme | DAFÜR | DAFÜR |
| 5.5 | Wahl des unabhängigen Stimmrechtsvertreters | 100 % | Annahme | DAFÜR | DAFÜR |
| 6.1 | Konsultativabstimmung über den Vergütungsbericht | 98 % | Annahme | DAFÜR | DAFÜR |
| 6.2 | Genehmigung der Gesamtsumme der künftigen Vergütung des Verwaltungsrates | 99 % | Annahme | DAFÜR | DAFÜR |
| 6.3 | Genehmigung der Gesamtsumme der künftigen Vergütung der Konzernleitung | 99 % | Annahme | DAFÜR | DAFÜR |

Präsenzmeldung

Die Stimmbeteiligung an der Generalversammlung 2014 war 65% der stimmberechtigten Aktien (Unabhängiger Stimmrechtsvertreter: 19% und anwesende Aktionäre: 81%)

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 2014.</p> <p>Company performance in 2014 (see detailed figures in section 3.3 of this report)</p> <table border="0"> <tr> <td>- Total revenues variation in 2014</td> <td style="text-align: right;">+8.3%</td> </tr> <tr> <td>- Total revenues variation (3-year annualised)</td> <td style="text-align: right;">+4.9%</td> </tr> <tr> <td>- Operating margin 2014</td> <td style="text-align: right;">11.4%</td> </tr> <tr> <td>- Operating margin 2013</td> <td style="text-align: right;">10.2%</td> </tr> <tr> <td>- Net income variation</td> <td style="text-align: right;">+28.0%</td> </tr> <tr> <td>- Return on equity 2014</td> <td style="text-align: right;">19.6%</td> </tr> <tr> <td>- Return on equity 2013</td> <td style="text-align: right;">17.0%</td> </tr> <tr> <td>- Total Shareholder Return (TSR)</td> <td style="text-align: right;">-5.9%</td> </tr> <tr> <td>- 3-year TSR</td> <td style="text-align: right;">76.2%</td> </tr> </table> <p>Change of control</p> <p>On 5 December 2014, the board of directors and the Group management of Sika were informed that the Burkard family (Sika's founding family) intends to sell Schenker-Winkler Holding (SWH) to Saint-Gobain for CHF 2.75 billion, thereby indirectly transferring the control of Sika to Saint-Gobain. In fact, SWH owns all non-listed registered shares of Sika, which correspond to 15.3% of the capital and 52% of the voting rights (due to Sika's double class of shares, see point 3.2 of this report).</p> <p>According to the Swiss Federal Law on Stock Exchanges and Securities Trading, a shareholder who acquires more than one third of the voting rights of a listed company must make a public offer to acquire all listed shares at the same conditions as the last shares acquired. However, Swiss law allows companies to opt out of this obligation by including an ad hoc provision in their articles of association (opting out clause), which is the case at Sika. Saint-Gobain confirmed it has no intention to make an offer on Sika's listed shares.</p> <p>The combination of the double class of shares and the opting out clause allows the Burkard family to sell its stake in Sika with an 80% premium on the share price (based on the share price prior to the announcement of the transaction). Ethos notes that between the day of the announcement of the transaction and the year-end 2014, the price of Sika's listed shares dropped by 24% (which explains the negative TSR shown above).</p> <p>On 8 December 2014, Sika's board of directors and management announced that they do not support the change of control. In fact, the board and the management have neither been involved nor consulted in connection with the proposed transaction. Ethos supports the board of directors and management and considers that the hostile takeover of Sika by its competitor Saint-Gobain jeopardises the demonstrated success of the company. Shareholders holding more than half of Sika's capital have explicitly declared their support for the board and the management. In fact, the takeover by Saint-Gobain appears to be highly detrimental to the company and its minority shareholders, mainly for the following reasons:</p> <ul style="list-style-type: none"> • Sika will be under the control of a competitor. In fact, Saint-Gobain is the main competitor of Sika on the mortar market. Therefore, Saint-Gobain has a clear commercial interest to favour its own activities at the expense of Sika's. • The corporate governance of the company will fundamentally change: Saint-Gobain announced that, upon completion of the transaction, a majority of the board members will be representatives of Saint-Gobain, while Sika's board has always consisted in majority of directors who were not linked to the controlling shareholder. | - Total revenues variation in 2014 | +8.3% | - Total revenues variation (3-year annualised) | +4.9% | - Operating margin 2014 | 11.4% | - Operating margin 2013 | 10.2% | - Net income variation | +28.0% | - Return on equity 2014 | 19.6% | - Return on equity 2013 | 17.0% | - Total Shareholder Return (TSR) | -5.9% | - 3-year TSR | 76.2% | |
| - Total revenues variation in 2014 | +8.3% | | | | | | | | | | | | | | | | | | | |
| - Total revenues variation (3-year annualised) | +4.9% | | | | | | | | | | | | | | | | | | | |
| - Operating margin 2014 | 11.4% | | | | | | | | | | | | | | | | | | | |
| - Operating margin 2013 | 10.2% | | | | | | | | | | | | | | | | | | | |
| - Net income variation | +28.0% | | | | | | | | | | | | | | | | | | | |
| - Return on equity 2014 | 19.6% | | | | | | | | | | | | | | | | | | | |
| - Return on equity 2013 | 17.0% | | | | | | | | | | | | | | | | | | | |
| - Total Shareholder Return (TSR) | -5.9% | | | | | | | | | | | | | | | | | | | |
| - 3-year TSR | 76.2% | | | | | | | | | | | | | | | | | | | |

- Sika's financing costs will increase: Shortly after the announcement of the transaction, Standard & Poor's announced the downgrade of Sika's credit rating from A- to BBB.

On 10 December 2014, Sika received a request from SWH to convene an EGM in order to remove 3 directors from the board (Dr. sc. tech. Paul J. Hält (chairman), Ms. Monika Ribar and Mr. Daniel Sauter) and to appoint Dr. iur. Max C. Roesle as board chairman and Dr. oec. Chris Tanner as board member. In the end of December, Dr. Tanner withdrew his candidacy on the grounds that his independence is not guaranteed.

Following the announcement of the EGM, 2 separate groups of shareholders requested to put additional items on the agenda:

- Ethos and 11 other shareholders filed a resolution to remove the opting out clause from Sika's articles of association (see ITEM 6.1).
- Cascade Investment L.L.C., Bill & Melinda Gates Foundation Trust, Fidelity Worldwide Investment and Threadneedle Investments filed 2 resolutions to (1) conduct a special audit and (2) appoint a special expert committee (see ITEMS 6.2 and 6.3).
Since the EGM was not held (see below), all shareholder resolutions (except the removal of 3 board members, which will be decided based on the voting results of their re-election) will be voted at this AGM.

On 26 January 2015, Sika's board of directors announced its decision to apply art. 4 of the company's articles of association (restriction of registration of registered shares to 5% of the total number of registered shares) to the shareholder group formed by SWH and Saint-Gobain and announced to the SIX Swiss Exchange on 11 December 2014. The shareholder group owns 2'330'858 registered shares and 42'701 bearer shares. Therefore, 116'694 registered shares are registered with voting rights (the voting rights of the bearer shares are not limited). The voting shares held by the shareholder group represent 3.6% of the total voting rights and 2.4% of the capital. Since 10% of the capital are necessary to convene an EGM, the board decided that SWH's request to convene an EGM was not valid. SWH submitted a request to the Cantonal Court of Zug to lift the registration restriction. On 23 March 2015, the Cantonal Court of Zug denied SWH's request and ruled that the registration restriction can be applied.

SWH also submitted a request to the Swiss Takeover Board (TOB) to determine (1) that the opting out clause applies in the case of the transaction between the Burkard family and Saint-Gobain and (2) whether and how the voting rights of SWH should be exercised on Ethos' resolution to remove the opting out clause. On 5 March 2015, the TOB validated the general principle of the opting out clause included in the articles of association. However, the TOB did not make a decision on whether the opting out applies to the specific case of the acquisition by Saint-Gobain. In addition, the TOB determined that SWH's voting rights can be exercised on Ethos' resolution to remove the opting out clause. On 6 March 2015, Bill and Melinda Gates Foundation Trust and Cascade Investment requested the TOB to declare that Saint-Gobain is obliged to submit a public tender offer for all the publicly-held shares in Sika. At the time of issue of this report, the TOB has not taken a position on this subject.

Ethos' recommendation

Ethos has no special concerns regarding the accuracy of the company's financial statements and accounts. As required by the Swiss Code of Obligations, the auditors confirmed that an internal control system designed for the preparation of financial statements exists as of 31 December 2014. Ethos, 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 | 1'404'800'000 |
| 2014 Income | CHF | +258'700'000 |
| At the disposal of the AGM | CHF | 1'663'500'000 |
| Payment of dividend | CHF | -182'600'000 |
| Allocation to reserves | CHF | - |
| Carry forward to statutory accounts | CHF | 1'480'900'000 |

Key indicators

| | | |
|---|-----|---------------|
| Consolidated net income | CHF | 439.0 million |
| Free cash flow (Cash flow from operating activities - Capital expenditures) | CHF | 432.7 million |
| Dividend per bearer share | CHF | 72 (2013: 57) |
| Payout ratio | | 41.6% |
| Dividend yield (based on the share price at year-end) | | 2.5% |
| Net debt (Current and non-current debt - Cash and cash equivalents - Marketable securities) | CHF | 224.0 million |

Given the company's results, Ethos, in accordance with its voting guidelines, recommends to vote FOR.

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| 3 | Discharge board members and executive management | FOR |
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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 2014.

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 this item, 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 requested under ITEM 6.2. Therefore, Ethos considers that the discharge can be approved and, in accordance with its voting guidelines, recommends to vote FOR.

However, Ethos notes that, 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, as mentioned above, 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, if an individual discharge is requested during the AGM, Ethos (who will be represent in person at the AGM) will, in accordance with point 1.2.d of its voting guidelines, OPPOSE the discharge of the following board members:

- Mr. Urs F. Burkard
- Dr. oec. Willi K. Leimer
- Mr. Jürgen Tinggren

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| 4 | Elections to the board of directors |
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The board of directors proposes that all its members be re-elected to serve for another 1-year term. In addition, Schenker-Winkler Holding (SWH) proposes that Dr. iur. Max C. Roesle be newly appointed as board member (ITEM 4.2.1) and chairman (ITEM 4.3.2). SWH's proposals are not supported by the board of directors.

SWH recommends to oppose the re-election of Ms. Monika Ribar, Dr. sc. tech. Paul J. Hälg (chairman) and Mr. Daniel J. Sauter. The board members who are not representatives of SWH (Ms. Ribar, Dr. Hälg, Mr. Sauter, Prof. Dr. Suter, Mr. Tobler and Mr. van Dijk) announced that they will accept re-election only if they are all re-elected and Dr. Hälg is confirmed as chairman (i.e. if Dr. Roesle is not elected as chairman).

Main features of the board 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% |
| % representatives of SWH | 33.3% |
| % executive directors | 0.0% |
| % women directors | 11.1% |
| % directors with industry experience | 44.4% |
| Average age of directors | 60.4 |
| Average board tenure | 9.0 years |

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

| | |
|--|-----------|
| Board size | 4 |
| Combination of the functions of Chairman and CEO | No |
| % independent directors | 0.0% |
| % representatives of SWH | 100.0% |
| % executive directors | 0.0% |
| % women directors | 0.0% |
| % directors with industry experience | 25.0% |
| Average age of directors | 59.5 |
| Average board tenure | 7.8 years |

Ethos notes that if the recommendations of SWH prevail and thus Ms. Ribar, Dr. Hälg, Mr. Sauter, Prof. Dr. Suter, Mr. Tobler and Mr. van Dijk do not accept re-election, the composition of the board will not be in line with the company's articles of association, which stipulate that the board must consist of 5 or more members.

In addition, 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.

As mentioned above, 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.

4.1.1 Re-elect Dr. sc. techn. Paul J. Hälg FOR

The board proposes to re-elect Dr. sc. techn. Paul J. Hälg (Swiss, 61) for a further 1-year term. He has been board member since 2009 and chairman since 2012. He is considered independent. 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, 58) 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 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, 68) 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. oec. Willi K. Leimer OPPOSE**
- The board proposes to re-elect Dr. oec. Willi K. Leimer (Swiss, 57) 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, 56) 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, 58) 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, in accordance with its voting guidelines, recommends to vote FOR.
- 4.1.7 Re-elect Prof. Dr. sc. techn. Ulrich W. Suter FOR**
- The board proposes to re-elect Prof. Dr. sc. techn. Ulrich W. Suter (Swiss, 71) 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, in accordance with its voting guidelines, recommends to vote FOR.
- 4.1.8 Re-elect Mr. Jürgen Tinggren OPPOSE**
- The board proposes to re-elect Mr. Jürgen Tinggren (Swedish, 57) 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, 58) 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.

- 4.2.1 Schenker-Winkler Holding's proposal: Elect Dr. iur. Max C. Roesle** **OPPOSE**
- SWH proposes to newly appoint Dr. iur. Max C. Roesle (Swiss, 66) as board member for a 1-year term. As representative of SWH, he is considered affiliated. Ethos notes that a majority of the board recommends to OPPOSE the election of Dr. Roesle as board member.
- If Dr. Roesle is elected, SWH will be over-represented on the board, which is not acceptable. In addition, Ethos considers that it is not in the interest of good governance to elect a nominee whose election is not supported by a majority of the incumbent directors. Therefore, Ethos, in accordance with its voting guidelines, recommends to OPPOSE.

4.3 Election of the chairman of the board

In accordance with the provisions of the Minder ordinance, the chairman of the board of directors must be elected by the shareholders. The board of directors proposes to re-elect Dr. Hälg as board chairman, while SWH proposes to newly appoint Dr. Roesle as board chairman. Since only one of the two candidates can be elected as board chairman, shareholders are requested to vote on each of the proposed nominees. The candidate who will receive the higher approval rate will be elected as chairman, provided that his election was approved by at least a majority of the votes cast.

As mentioned above, if Dr. Hälg is not re-elected as chairman, all the board members who are not linked to SWH will not accept re-election. Therefore, the board will lose significant expertise and be exclusively composed of directors who are linked to SWH. In addition, the board considers that Dr. Roesle does not have the industrial and management experience required to lead a global corporation with sales of over CHF 5.5 billion and 17,000 employees, which Ethos agrees. Therefore, Ethos considers that Dr. Hälg must be re-elected as chairman. Moreover, Dr. Hälg has fulfilled his chairmanship with the required diligence toward Sika's minority shareholder in the hostile takeover launched by Saint-Gobain.

- 4.3.1 Board's proposal: Re-elect Dr. sc. techn. Paul J. Hälg as chairman** **FOR**
- The board proposes to re-elect Dr. sc. techn. Paul J. Hälg (Swiss, 61) as board chairman for a further 1-year term. He has been board member since 2009 and chairman since 2012. He is considered independent. Ethos, in accordance with its voting guidelines, recommends to vote FOR.
- 4.3.2 Schenker-Winkler Holding's proposal: Elect Dr. iur. Max C. Roesle as chairman** **OPPOSE**
- SWH proposes to newly appoint Dr. iur. Max C. Roesle (Swiss, 66) as board chairman for a 1-year term. As representative of SWH, he is considered affiliated. Ethos notes that a majority of the board recommends to reject the election of Dr. Roesle as chairman. As mentioned above, Ethos cannot support the appointment of Dr. Roesle as chairman and, in accordance with its voting guidelines, recommends to OPPOSE.

4.4 Elections to the nomination and remuneration committee

The board of directors proposes that Messrs. Burkard, Sauter and van Dijk 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 |

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 is therefore acceptable.

- 4.4.1 Re-elect Mr. Frits van Dijk to the nomination and remuneration committee FOR**
The board proposes to elect Mr. Frits van Dijk to the nomination and remuneration committee for a 1-year term. Ethos, in accordance with its voting guidelines, recommends to vote FOR.
- 4.4.2 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.
- 4.4.3 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.

- 4.5 Election of the 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 (2014) | 45.7% |
| Non-audit fees / Audit fees (3-year aggregate) | 37.6% |
- The breakdown of fees paid to the external auditor is adequately disclosed (see section 3.4 of this report). In light of the ratio of non-audit fees paid by the company to its external auditor, the re-appointment of the auditor can be accepted. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

- 4.6 Election of the independent proxy FOR**
- The Minder ordinance requires that the independent proxy be elected by the shareholders. The board of directors therefore proposes the appointment of Dr. Max Brändli (lawyer in Zug) as independent proxy for a 1-year term.
- Ethos is not aware of any potential conflict of interests and, in accordance with its voting guidelines, recommends to vote FOR.

- 5 Remuneration**
- In accordance with the Minder ordinance, the amounts of remuneration of the board of directors and the executive management are submitted to shareholder approval (binding separate votes). In addition, the board requests an advisory vote on the remuneration report. Therefore, the board requests 3 separate votes as follows:
- Advisory vote on the remuneration report 2014 (ITEM 5.1)
 - Prospective vote on the total remuneration of the board of directors for the period from the 2015 AGM to the 2016 AGM (ITEM 5.2)
 - Prospective vote on the total remuneration of the executive management for the financial year 2016 in a single vote (ITEM 5.3)

5.1

Advisory vote on the remuneration report

FOR

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 2014 remuneration of the board of directors and of the members of the executive management of the company.

A) Changes implemented

In 2014, the following changes were introduced to the remuneration structure and report:

- The company further improved the transparency with regard to the performance achieved during the year under review. The pay-for-performance connection for the annual bonus is therefore clearer.
- The company discloses for the first time the ROCE taken into account to determine the vesting of the long-term incentive (ROCE excluding acquisitions).
- The vesting condition under the long-term incentive was amended: For the grants made until 2013, the performance condition (ROCE excluding acquisitions) was measured in the last year of the 3-year vesting period. For the grants made from 2014, the performance condition will be measured as the average ROCE of the 1st year, the 2nd year and the 3rd year of the vesting period. Acquisitions will be excluded from the calculation of the ROCE in the year of acquisition and for 2 additional calendar years.
- The remuneration structure of the members of the board was amended: Up to 2013, the board members received a fixed fee paid in cash and a fixed number of shares. From 2014, they receive a fixed fee paid in cash and a fixed amount converted into shares based on the share price prior to the beginning of their annual term of office (AGM). The shares remain blocked for 4 years.

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.

B.2) Remuneration structure: Board members

During the year under review, the chairman of the board, Dr. Hälg, received CHF 867'415 (-9.3%), while the other members of the board received on average CHF 247'563 (-1.2%). The chairman's remuneration is 3.5 times the average remuneration of the other members of the board.

Positive features

- The non-executive directors do not receive any performance-related remuneration or options, which is compliant with best practice.
- Part of their remuneration is paid in shares blocked for 4 years, which helps to align the interests of the board members with those of the shareholders. Ethos welcomes the change from a fixed number of shares to a fixed amount converted into shares, which avoids volatility in total remuneration at grant due to share price variations.
- Ethos considers that the amounts paid are acceptable in view of the size and complexity of the company (see ITEM 5.2).

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 3'396'000 (+0.7%), of which 65% is variable. His total variable remuneration at grant represents 2.73 times his base salary. The other members of the management received on average CHF 1'678'625 (+4.8%), of which 51% is variable. Their total variable remuneration at grant represents 1.73 times their average base salary.

Positive features

- The overall level of remuneration of the CEO as well as the other members of the executive management is acceptable: It is below the median for companies comparable to Sika (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).
- 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 120% of his base salary. For the other members of the management, the bonus is capped at between 87% and 139% of the base salary (depending on the function), while the long-term incentive is capped at between 49% and 86% of the base salary.
- 20% of the annual bonus is mandatorily converted into shares blocked for 4 years. The members of the management can voluntarily defer a further 20%. Such a structure aims to align the interests of the management with those of the shareholders, acts as a retention and avoids large cash payouts for short-term results. In order to compensate the members of the executive management for the blocking period of the part of the bonus paid in shares, matching shares are allocated. However, 1 matching share is granted for every 5 bonus shares blocked, which is not excessive.
- The major part of the variable remuneration is deferred and paid in shares. In addition, an important part of the variable remuneration is conditional upon the achievement of forward-looking long-term performance conditions.
- The variable remuneration effectively paid is in line with the performance of the company. In fact, 2014 was a record year for Sika in terms of sales growth as well as profitability. Since all targets were overachieved, the bonus payout is above the target set at the beginning of the financial year, and the long-term incentive vested in full.

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 reasonable with regard to the size of the company. In view of the abovementioned positive features of the remuneration system, Ethos, in accordance with its voting guidelines, recommends to vote FOR.

5.2 Binding prospective vote on the total remuneration of the board of directors FOR

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 (prospective vote).

A) Board proposal

The board requests a maximum total amount of CHF 3 million for the members of the board (including the chairman). In the meeting agenda, the amount is broken down as follows:

| | | |
|--|-----|-----------|
| Fixed fee in cash | CHF | 2'030'000 |
| Fixed fee paid in the form of shares (blocked for 4 years) | CHF | 750'000 |
| Social security contributions | CHF | 220'000 |
| Total | CHF | 3'000'000 |

B) Comparison to company peers

In 2013 (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 | 750'750 |
| Median remuneration of other board members | CHF | 250'471 |

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 2014, CHF 2'775'718 were paid to the 8.7 (full-time equivalent) members of the board. If the board size remain at 9 members, the requested amount allows for a 5% increase in the total fees to be paid to the board.

Taking into account the fee structure in 2014 (see point 4.2.B of this report) and the 5% potential increase in remuneration, the requested amount can be split as follows:

| | | |
|-------------------------------|-----|---------|
| Chairman | CHF | 910'000 |
| Other board members (average) | CHF | 260'000 |

Therefore, the potential remuneration of the chairman is 21% higher than the median of the peer group (4% higher than the peer group for the other board members).

C) Ethos' recommendation

As mentioned above, 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.

5.3 Binding prospective vote on the total remuneration of the executive management FOR

The board of directors requests shareholder approval of the total maximum remuneration to be paid to the executive management for the 2016 financial year (prospective vote).

The board requests a maximum amount of CHF 18 million to be paid to the 9 members of the executive management (including the CEO). In the meeting agenda, the amount is broken down as follows:

| | | |
|------------------------|-----|------------|
| Fixed remuneration* | CHF | 8'300'000 |
| Short-term incentive** | CHF | 6'100'000 |
| Long-term incentive*** | CHF | 3'600'000 |
| Total | CHF | 18'000'000 |

* The amount requested for the fixed remuneration includes base salaries, expenses as well as social security and pension contributions (calculated based on the maximum potential variable remuneration)

** The amount requested for the short-term incentive corresponds to the maximum that can be paid out in early 2017 in case of overachievement of targets in relation to the performance of the 2016 financial year.

*** The amount requested for the long-term incentive corresponds to the maximum that can vest in 2019 in relation to the grants made in 2016.

Ethos notes that the amount requested for 2016 is the same as the amount that was requested at the 2014 AGM for the 2015 financial year, for the same number of beneficiaries. Ethos approved the requested amount at the 2014 AGM.

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 particular the base salaries are reasonable and the proportion between variable and fixed remuneration respects the limits set in Ethos' guidelines. In addition, the effective remuneration paid, as described in the remuneration report, is in line with the company's performance (see ITEM 5.1). Therefore, Ethos, in accordance with its voting guidelines, recommends to vote FOR.

Proposal by the shareholder group led by the Ethos Foundation

Ethos and 11 other shareholders (Aargauische Pensionskasse, Bernische Pensionskasse (BPK), CIEPP – Caisse Inter-Entreprises de prévoyance professionnelle, comPlan, Luzerner Pensionskasse (LUPK), Anlagestiftung der Migros-Pensionskasse, Pensionskasse Basel-Stadt, Pensionskasse Stadt Zürich, Pictet Funds SA (Ethos), Vontobel Fonds Services AG (für Raiffeisen Futura Swiss Stock) und Vontobel Fonds Services AG (für Vontobel Fund (CH) – Ethos Equities Swiss Mid & Small A)) propose that the opting out clause be removed from Sika's articles of association. As of 23 March 2015, the group created by Ethos to support this resolution consisted of 58 institutional shareholders (including the co-filers of the resolution) and 170 private shareholders who jointly own 6.92% of the capital and 3.92% of the voting rights.

6.1 Deletion of the opting out clause FOR

The shareholder group led by Ethos proposes to delete art. 5 from the articles of association to remove the opting out clause.

As mentioned under ITEM 1, opting out clauses exempt shareholders who acquire more than one third of the voting rights from the obligation to make a public offer to the rest of the capital. Such clauses can put a company at risk and be very detrimental to the stakeholders, in particular to minority shareholders, as is currently the case at Sika.

In the particular case of Sika, the opting out clause was introduced in the articles of association in 1998 to provide the Burkard family with more flexibility to manage their stake in the company without risking to cross a threshold requiring them to make an offer on all listed shares. This provision was not introduced to allow the Burkard family to sell their stake with a significant control premium. In fact, the Burkard family emphasised that if they sold their stake, the principle of fairness would apply, and they repeatedly and explicitly mentioned the importance of maintaining the independence of Sika. Therefore, the Burkard family has created a relationship of trust upon which the public shareholders could rely and which was breached by the transaction with Saint-Gobain.

As it turned out, the opting out clause currently included in Sika's articles of association strongly penalises minority shareholders in the case of a sale of the shares by a controlling shareholder. After the removal of the opting out clause, the buyer of the shares held by Schenker-Winkler Holding will have to make an offer to the rest of the capital. In addition, the offer must be made at equal conditions to all shareholders as the payment of a control premium is prohibited by Swiss law. Under such constraint, it is probable that Saint-Gobain will refrain from the purchase.

The resolution is in the interest of the company and its minority shareholders. Ethos notes that the board of directors recommends that this proposal be approved. Ethos, in accordance with its voting guidelines, recommends to vote FOR.

Proposals by the shareholder group formed by Cascade, Bill & Melinda Gates Foundation Trust, Fidelity, and Threadneedle

A group of shareholders consisting of Cascade Investment (USA), Bill & Melinda Gates Foundation Trust (USA), Fidelity Worldwide Investment (USA) and Threadneedle Investments (UK) proposes that:

- A special audit be conducted (ITEM 6.2) pursuant to art. 697a al. 1 of the Swiss Code of Obligations.
- A special expert committee be appointed (ITEM 6.3) pursuant to art. 731a al. 3 of the Swiss Code of Obligations.

As of 11 March 2015, the above shareholder group held 8.3% of the capital and 4.7% of the voting rights. Ethos notes that the board of directors recommends that both proposals be approved.

According to art. 693 al. 3 of the Swiss Code of Obligations, the affirmative vote of a majority of the capital represented (excluding voting rights privileges) is sufficient to approve both these proposals.

6.2

Special audit

FOR

Cascade, Bill & Melinda Gates Foundation Trust, Fidelity, and Threadneedle propose that a special audit be conducted regarding the events leading up to the announcement of the planned transaction by Schenker-Winkler Holding (SWH) and Saint-Gobain. In particular, the special audit would investigate the question of whether, within the 24 months prior to the 2015 AGM, non-public information regarding Sika was made available to Saint-Gobain or SWH. In addition, the special audit would clarify whether any arrangements have been made between board members (in particular the representatives of SWH) and Saint-Gobain or SWH.

Board members have a duty of loyalty to the company and all its shareholders. Therefore, they must act in the interests of both the company and its shareholders. As mentioned under ITEM 3, it is unclear at this stage 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. The special audit would clarify this question.

In view of the controversies surrounding the transaction, Ethos considers that the goals of the proposed special audit are in the interests of the company and its stakeholders. Therefore, Ethos, in accordance with its voting guidelines, recommends to vote FOR.

6.3

Appointment of a special expert committee

FOR

Cascade, Bill & Melinda Gates Foundation Trust, Fidelity, and Threadneedle propose the appointment of a special expert committee until at least the 2017 AGM to review and investigate the future conduct of business of Sika relating to SWH, the Burkard family and Saint-Gobain, in particular with regard to its effect on the public shareholders. Under the proposal, the special expert committee would in particular be instructed and authorised to:

- Review and investigate the business conduct of Sika that is related to SWH and/or Saint-Gobain or any of their representatives or advisors.
- Access all records and information of Sika (e.g. board minutes, board materials, confidential reports, plans and projects, correspondence, e-mail communication, drafts of such documents, etc.).
- Request any information from any member of the board of directors and Group management, employee or advisor of Sika.
- Inform the shareholders about its activities and findings at each general meeting and report at least twice a year.
- Enforce its rights to fulfil its mandate and to take all actions required to safeguard proper fulfilment of its mandate.

The shareholder group proposes that Peter Montagnon, Peter Spinnler and Jörg Walther be appointed to the special expert committee.

- Peter Montagnon (British, 65) is Associate Director of the Institute of Business Ethics (UK) since September 2013. Prior to that, he was Senior Investment Adviser at the Financial Reporting Council (the UK's independent regulator responsible for promoting high quality corporate governance and reporting). He served on the European Commission's Corporate Governance Forum from 2005 to 2011. He is the former chairman of the International Corporate Governance Network (ICGN). He is also a visiting Professor in Corporate Governance at the Cass Business School of the City University, London, a member of the Corporate Governance Advisory Board of the Norges Bank Investment Management and of Board of the Hawkamah Institute for Corporate Governance in Dubai.
- Peter Spinnler (Swiss, 69) is board member of numerous boards and committees of governance organisations.
- Jörg Walther (Swiss, 54) is a partner at the law firm Schärer Rechtsanwälte in Aarau. He is board member at SFS Group (a Swiss listed company) and several non-listed companies.

Ethos considers that the appointment of a special expert committee to review the future conduct of the business of Sika with regard to the transaction between the Burkard family and Saint-Gobain is in the interest of the company and its stakeholders. In addition, Ethos considers that the proposed members of the committee are suitable for the role, since they have relevant experience and an appropriate balance of competencies. Therefore, Ethos, in accordance with its voting guidelines, recommends to vote FOR.

Transact any other business

OPPOSE

Ethos recommends to oppose any unannounced additional proposals made during the AGM either by the board or by a shareholder. The formal meeting agenda does not include this proposal which is only included in the proxy card with no precise item number. Ethos, in accordance with point 9.1 of its voting guidelines, recommends to OPPOSE.

3. Company Information

Before the General Meeting of 14 April 2015

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 (81% of Group sales in 2014) and the Industry Division (19%). Sika is active in processing materials used in sealing, bonding, damping, reinforcing, and protecting of load-bearing structures. |
| Employees | Total number on 31.12.2014: 16895 |
| Chairman | Dr. sc. techn. Paul J. Hälg (since 2012), Swiss, aged 61 |
| CEO | Jan Jenisch (since 2012), German, aged 49 |
| Listing | SIX Swiss Exchange |

3.2 Capital

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

Only bearer shares are listed.

As of 31 December 2014, the company has the authorisation to increase its share capital without pre-emptive rights via a conditional capital of 259'822 bearer shares (12.08% of bearer share capital) reserved for the exercise of options or conversion rights. There were no options or conversion rights outstanding at year-end 2014.

The company's articles of association include an exemption (opting-out clause) to the obligation to make a public offer to acquire all listed shares as stipulated in the Federal Law on Stock Exchanges and Securities Trading when a shareholder exceeds the 33.3% ownership threshold. Ethos and 11 other shareholders filed a resolution to remove the opting out clause (see ITEM 6.1).

| | | | | | |
|---|------|------------|--------|---------------------------|------------|
| Conditions to file a shareholder resolution | Date | 31.12.2014 | In CHF | Nominal value required | 10'000 |
| | | | | Market value required | 48'934'312 |
| | | | | % of voting share capital | 0.66 % |

The threshold to add an item to the agenda corresponds to 0.77% of the listed 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

On 23 March 2015:

- Shareholder group of the Burkard family and Saint-Gobain (France) mainly through Schenker-Winkler Holding: 17.0% of the capital and 52.9% of the voting rights (SIX - 28.02.2015), restricted to 3.6% of the voting rights (decision of Sika's board - 26.01.2015)*
- Shareholder group of Cascade (USA), Fidelity (USA), Threadneedle (UK), Bill and Melinda Gates Foundation (USA): 8.3% of the capital and 4.7% of the voting rights (SIX - 11.03.2015)
- Support group for the resolution filed by Ethos and 11 other shareholders: 6.92% of the capital and 3.92% of the voting rights (Ethos' website - 23.03.2015)
- BlackRock (USA): 5.3% of the capital and 2.99% of the voting rights (SIX - 18.02.2015)

* The shareholder group owns 2'330'858 registered shares and 42'701 bearer shares. As per the restriction on registration, 116'694 registered shares are registered with voting rights. The voting rights of the bearer shares are not limited.

3.3 Financials and Key Figures

Year end 31. December
Reporting standard IFRS

| | | 2014 | 2013 | 2012 |
|--|-----|------------------|------------------|------------------|
| Total revenues | CHF | 5'571.30 million | 5'142.20 million | 4'828.90 million |
| EBIT | CHF | 633.20 million | 523.50 million | 433.00 million |
| Net income attributable to shareholders (without minority interests) | CHF | 439.00 million | 342.20 million | 276.90 million |
| Shareholders' equity | CHF | 2'367.10 million | 2'120.10 million | 1'894.90 million |
| Market capitalisation at year-end | CHF | 6'315.92 million | 6'822.00 million | 4'539.03 million |
| Earnings per registered share (basic) | CHF | 28.87 | 22.55 | 18.33 |
| Earnings per bearer share (basic) | CHF | 173.19 | 135.27 | 109.95 |
| Dividend per registered share | CHF | 12.00 | 9.50 | 8.50 |
| Dividend per bearer share | CHF | 72.00 | 57.00 | 51.00 |
| Payout ratio (on group net income) | | 41.57 % | 42.14 % | 45.95 % |
| Market value per bearer share at year end | CHF | 2'936.00 | 3'171.00 | 2'110.00 |

Comments Since only bearer shares are listed, the market capitalisation is calculated based only on their value.

3.4 External Auditor

Auditor Ernst & Young, since 1995

| Fees | In CHF | 2014 | 2013 | 2012 |
|----------------|--------|------------------|------------------|------------------|
| Audit fees | | 3'500'000 | 3'500'000 | 3'900'000 |
| Non-audit fees | | 1'600'000 | 1'400'000 | 1'100'000 |
| Total | | 5'100'000 | 4'900'000 | 5'000'000 |

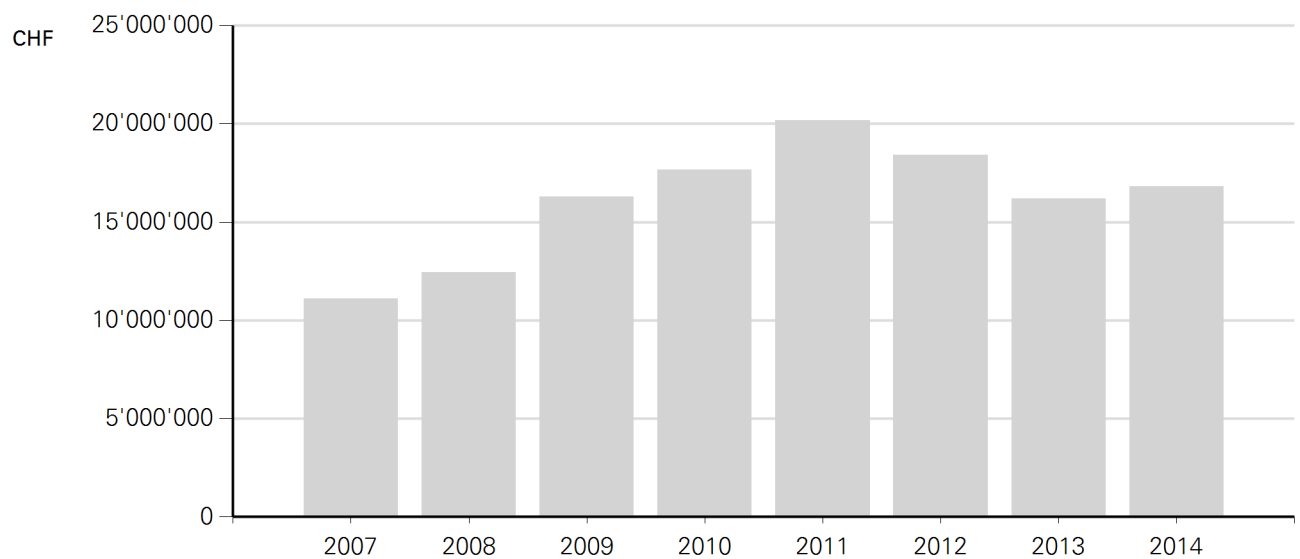
Comments The lead auditor, Ms. Bernadette Koch, has been in charge since 2010.

In 2014, non-audit fees were broken down as follows:
- Tax consultancy fees: CHF 1.0 million
- Audit-related consultancy fees: CHF 0.6 million

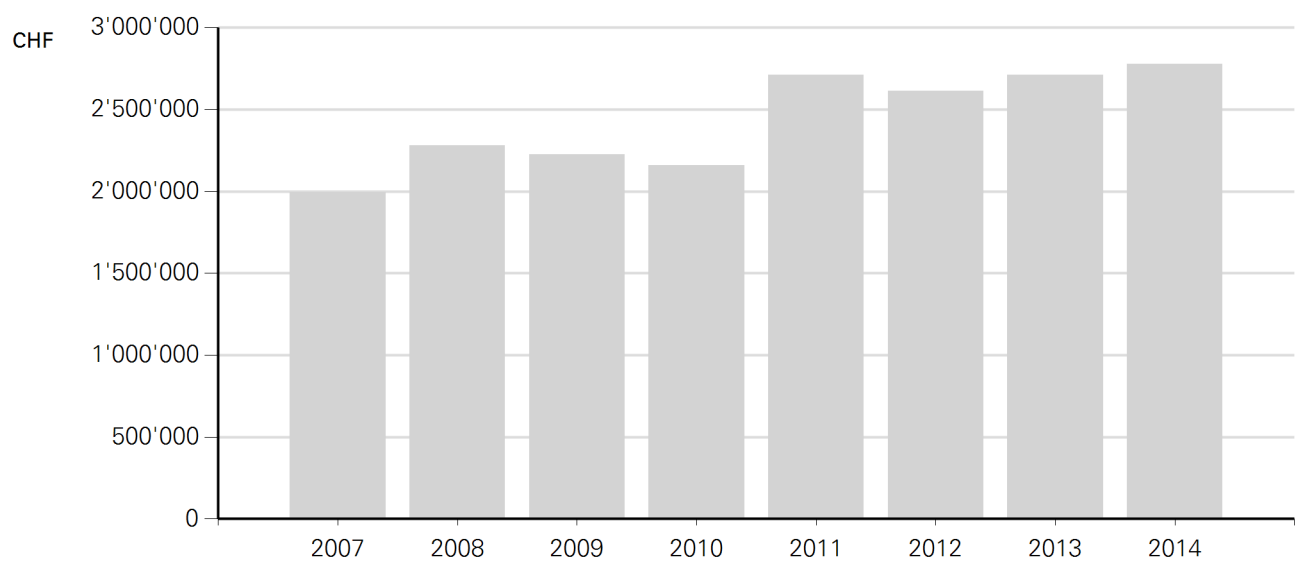
4. Remuneration Report

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

| | | 2014 Number | 2014 CHF | 2013 Number | 2013 CHF | Var. |
|-------------------------------|----------|----------------|-------------------|----------------|-------------------|-------------|
| Total number of persons (FTE) | | 9.0 | | 9.0 | | |
| Cash | Fixed | | 4'797'000 | | 4'728'000 | 1.5% |
| | Variable | | 4'148'000 | | 3'442'000 | 20.5% |
| Shares | Fixed | 0 | 0 | 0 | 0 | 0.0% |
| | Variable | NA | 4'970'000 | NA | 5'173'000 | -3.9% |
| Options | Variable | 0 | 0 | 0 | 0 | 0.0% |
| Other | | | 2'910'000 | | 2'843'000 | 2.4% |
| Total | | | 16'825'000 | | 16'186'000 | 3.9% |
| Highest paid executive | | | 3'396'000 | | 3'374'000 | 0.7% |
| Average other executives | | | 1'678'625 | | 1'601'500 | 4.8% |

B Board Members (Outside Executive Management)

| | | 2014 Number | 2014 CHF | 2013 Number | 2013 CHF | Var. |
|-------------------------------|----------|----------------|------------------|----------------|------------------|-------------|
| Total number of persons (FTE) | | 8.7 | | 8.0 | | |
| Cash | Fixed | | 1'883'333 | | 1'800'000 | 4.6% |
| | Variable | | 0 | | 0 | 0.0% |
| Shares | Fixed | NA | 705'594 | NA | 734'000 | -3.9% |
| | Variable | 0 | 0 | 0 | 0 | 0.0% |
| Options | Variable | 0 | 0 | 0 | 0 | 0.0% |
| Other | | | 186'789 | | 175'700 | 6.3% |
| Total | | | 2'775'716 | | 2'709'700 | 2.4% |
| Highest paid non-executive | | | 867'415 | | 956'400 | -9.3% |
| Average other non-executives | | | 247'563 | | 250'471 | -1.2% |

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 2013 and 2014.

B. Non-executive board members:

Members of the board (excluding the chairman) receive the following elements:

- 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 receive additional remuneration in the amount of CHF 5'000 per day if additional work is required (e.g. to step in in the absence of the board chairman).

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 highest paid non-executive board member was Dr. Paul Hälgi (chairman) both in 2013 and 2014.

4.3 Individual Remuneration Figures

Individual figures for 2014 (CHF)

A Members of the Executive Management

| Name, Function | Cash Fixed | Cash Variable | Shares Fixed | Shares Variable | Options Variable | Other | Total |
|--------------------------|------------|---------------|--------------|-----------------|------------------|---------|-----------|
| J. Jenisch, CEO | 808'000 | 960'000 | 0 | 1'248'000 | 0 | 380'000 | 3'396'000 |
| Average other executives | 498'625 | 398'500 | 0 | 465'250 | 0 | 316'250 | 1'678'625 |

B Board Members (Outside Executive Management)

| Name, Function | Cash Fixed | Cash Variable | Shares Fixed | Shares Variable | Options Variable | Other | Total |
|------------------|------------|---------------|--------------|-----------------|------------------|--------|---------|
| P. Hälg, Ch | 510'000 | 0 | 299'872 | 0 | 0 | 57'543 | 867'415 |
| J. Tinggren, VCh | 100'000 | 0 | 34'540 | 0 | 0 | 10'214 | 144'754 |
| U. Burkard, Mbr | 180'000 | 0 | 53'026 | 0 | 0 | 17'690 | 250'716 |
| W. Leimer, Mbr | 180'000 | 0 | 53'026 | 0 | 0 | 17'690 | 250'716 |
| M. Ribar, Mbr | 200'000 | 0 | 53'026 | 0 | 0 | 19'153 | 272'179 |
| D. Sauter, Mbr | 180'000 | 0 | 53'026 | 0 | 0 | 17'690 | 250'716 |
| U. Suter, Mbr | 153'333 | 0 | 53'026 | 0 | 0 | 12'998 | 219'357 |
| C. Tobler, Mbr | 180'000 | 0 | 53'026 | 0 | 0 | 17'690 | 250'716 |
| F. van Dijk, Mbr | 200'000 | 0 | 53'026 | 0 | 0 | 16'121 | 269'147 |

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's companies 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 | 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 |

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 | - |

4.5 Remuneration Structure (Executives)

A Remuneration Breakdown

| Breakdown | Base salary | Short-term incentives | Long-term incentives | Pensions / Other |
|---------------------------|-------------|-----------------------|----------------------|------------------|
| Of highest paid executive | 23.8% | 36.7% | 28.3% | 11.2% |
| Of other executives | 29.7% | 31.3% | 20.2% | 18.8% |

B Short-term Incentives

| Short-term incentives in % of base salary | On target | Maximum | Actual |
|---|-----------|---------|--------|
| Of highest paid executive | 100.0% | 162.0% | 154.4% |
| Of other executives | NA | NA | 105.3% |

Performance criteria mentioned:

Group performance measured against a peer group of 25 companies (disclosed by the company):

- EBIT improvement
- Net sales growth

Individual objectives:

- Profitability (EBIT) of the business under responsibility
- Net working capital of the business under responsibility
- People and projects management

Additional description of the short-term incentive:

Group performance accounts for 60% of the bonus (EBIT improvement: 40%, net sales growth: 20%), while the individual objectives account for 40% of the bonus (EBIT: 20%, net working capital (NWC): 10%, people/project management: 10%).

For each objective of the Group performance, the payout factors are the following:

- Below the lower quartile of the peer group: no payout
- 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 must convert 20% of their bonus into shares and can voluntarily defer a further 20%. 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 (for the other members of the executive management: between 45% and 86%). The maximum bonus shown above has been calculated including matching shares in case of maximum deferral (40% of the bonus).

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 | 4 years | | |
| Absolute performance criteria for vesting | ROCE | | |
| Relative performance criteria for vesting | None | | |
| Initial grant for the highest paid (in % of the base salary) | 120% | | |
| Minimum final grant (in % of initial grant) | 0% | | |
| Maximum final grant (in % of initial grant) | 100% | | |

Comments

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 2014 grant, the ROCE target (excluding acquisitions) is 20% and the threshold is 18%.

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

The shares are allocated at their fair market value in the month of April following the 3-year vesting period. From this allocation date, the shares have a further blocking period of 4 years, during which they are excluded from trading.

In case of change of control, the shares are unblocked immediately and the board of directors has the discretion to determine the appropriate measure regarding the PSUs.

In 2014, the target amounts to 120% of base salary for the CEO and ranges between 49%-86% for other executives.

For the LTI that vested in 2014, the ROCE performance condition of 20% in the last year of the vesting period (old plan rule) has been overachieved: in 2014, ROCE (excluding acquisitions) amounts to 27.3%, leading to a full vesting.

4.6 Remuneration and Financial Performance

A Change in Remuneration 2013-2014

| | |
|------------------------------|-------|
| Highest paid executive | 0.7% |
| Average other executives | 4.8% |
| Highest paid non-executive | -9.3% |
| Average other non-executives | -1.2% |

B Change in Financial Performance 2013-2014

| | |
|--------------------------|-------|
| Sales | 8.3% |
| Operating income | 21.0% |
| Net income | 28.3% |
| Total shareholder return | -5.6% |

4.7 Share and Option Holdings

A Members of the Executive Management

| Name | Function | 31.12.2014 Shares | 31.12.2014 Options | 31.12.2013 Shares | 31.12.2013 Options |
|------------------------|----------|----------------------|-----------------------|----------------------|-----------------------|
| J. Jenisch | CEO | 1'400 | 0 | 1'350 | 0 |
| Total other executives | – | 4'905 | 0 | 8'088 | 0 |
| Total | | 6'305 | 0 | 9'438 | 0 |

B Board Members (Outside Executive Management)

| Name | Function | 31.12.2014 Shares | 31.12.2014 Options | 31.12.2013 Shares | 31.12.2013 Options |
|--------------|----------|----------------------|-----------------------|----------------------|-----------------------|
| P. Hälg | Ch | 490 | 0 | 350 | 0 |
| J. Tinggren | VCh | 84 | 0 | NA | NA |
| U. Burkard | Mbr | 770 | 0 | 190 | 0 |
| W. Leimer | Mbr | 52 | 0 | 26 | 0 |
| M. Ribar | Mbr | 74 | 0 | 48 | 0 |
| D. Sauter | Mbr | 2'052 | 0 | 2'026 | 0 |
| U. Suter | Mbr | 52 | 0 | 26 | 0 |
| C. Tobler | Mbr | 252 | 0 | 326 | 0 |
| F. van Dijk | Mbr | 102 | 0 | 51 | 0 |
| Total | | 3'928 | 0 | 3'043 | 0 |

Comments

The shareholdings of Mr. Burkard do not include the shares held by Schenker-Winkler Holding.

5. Board of Directors

Composition after the General Meeting of 14 April 2015

| Committee | Executive | Affiliated non-executive | Independent non-executive | Total |
|---------------------------------------|-----------|--------------------------|---------------------------|-------|
| Board of Directors | 0 | 7 | 3 | 10 |
| 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 |
| Single signature | No |
| Number of board meetings during the past year | 8 |
| Number of audit committee meetings during the past year | 5 |
| Number of nomination and remuneration committee meetings during the past year | 6 (94% attendance) |
| Attendance rate at board meetings not disclosed | |

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

The board includes 1 woman.

Dr. sc. techn. Paul J. Hälg

Independent Chairman Up for Re-election

| | |
|----------------------------|---|
| Nationality | Swiss |
| Age | 61 |
| Director since / term ends | 2009 / 2016 |
| Committee memberships | none |
| Main activity | – Dätwyler, CEO |
| Directorships | – Alvest AG, Chairman |
| Other relevant mandates | – Wohlfahrtsfonds der Dätwyler Holding AG, Chairman – Wohlfahrtsstiftung der Sika, Chairman |
| Comments | Executive Vice President of Forbo International SA (2001-2004). Various positions at Gurit-Essex (1987-2001), ultimately as CEO. |

Dr. iur. Max C. Roesle

Affiliated Chairman New Nominee

| | |
|----------------------------|---|
| Nationality | Swiss |
| Age | 66 |
| Director since / term ends | 2015 / 2016 |
| Committee memberships | none |
| Affiliation | – Important shareholder or its representative Chairman of Schenker-Winkler Holding. |
| Main activity | – Roesle Frick & Partner law firm, Partner and founder |
| Directorships | – Schenker-Winkler Holding, Chairman – Banca des Cerisio SA, Chairman – CRH Finance Switzerland AG, Chairman – Genco Capital AG, Chairman – ConCardis Schweiz AG, Vice Chairman – Primapa AG, Vice Chairman – Bank von Roll AG, Member – GFG Gesellschaft für Grundeigentum AG, Member – Specialma AG, Member – Zuri-Invest AG, Member |
| Other relevant mandates | – W + I Kerscher Stiftung, Member – CLB Stiftung, Member – Fondation à la mémoire de Oskar Kokoschka, Member – Stiftung sahee, Member |

Urs F. Burkard

Affiliated Member Up for Re-election

| | |
|----------------------------|---|
| Nationality | Swiss |
| Age | 58 |
| Director since / term ends | 1990 / 2016 |
| Committee memberships | – Nomination and remuneration committee |
| Affiliation | – Important shareholder or its representative – Board membership exceeding time limit for independence |
| Main activity | Member of the founding family. Vice chairman of Schenker-Winkler Holding. – Büro Design Burkard GmbH, CEO |
| Directorships | – Schenker-Winkler Holding, Co-owner and Vice Chairman – Pynogin AG, Co-owner and Member – Gazet Holding AG, Member |

Dr. oec. Willi K. Leimer

Affiliated Member Up for Re-election

| | |
|----------------------------|---|
| Nationality | Swiss |
| Age | 57 |
| Director since / term ends | 2010 / 2016 |
| Committee memberships | – Audit committee |
| Affiliation | – Miscellaneous |
| Main activity | Chairman of Schenker-Winkler Holding until 9 December 2014. – WMPartners Wealth Management AG, Partner |
| Directorships | – ISPartners Investment Solutions AG, Chairman and co-owner – WMPartners Wealth Management AG, 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 | 56 |
| Director since / term ends | 2011 / 2016 |
| Committee memberships | – Audit committee, Chairman |
| Main activity | – ribar partners GmbH (Consulting Firm, Switzerland), Managing partner |
| Directorships | – Logitech, Member – Lufthansa (Germany), Member – Rexel (France), Member – Swiss Federal Railways (SBB-CFF-FFS) (Switzerland), Vice Chairman – Chain IQ Group AG (Switzerland), Member – Swiss International Air Lines 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 | 58 |
| Director since / term ends | 2000 / 2016 |
| Committee memberships | – Nomination and remuneration committee |
| Affiliation | – Board membership exceeding time limit for independence |
| Main activity | none |
| Directorships | – Julius Bär, Chairman – Trinsic AG, Co-owner and Chairman – Hadimec AG, Chairman |
| Comments | Chairman of the board of directors of Alpine Select AG (2001-2012). CEO and Delegate of the board of Xstrata AG (1994-2001). CFO and Senior Partner of Glencore International AG (1983-1998). |

| Prof. Dr. sc. techn. Ulrich W. Suter | | Up for Re-election |
|--------------------------------------|--------|--------------------|
| Affiliated | Member | |

| | |
|----------------------------|--|
| Nationality | Swiss |
| Age | 71 |
| Director since / term ends | 2003 / 2016 |
| Committee memberships | none |
| Affiliation | – Board membership exceeding time limit for independence |
| Main activity | none |
| Directorships | – Wicor Holding AG, Chairman – ETH Zürich SEC AG, Chairman – Rainbow Photonics AG, Member |
| Other relevant mandates | – Stiftung Bibliothek Werner Oechslin, Chairman – Swisscontact, Schweizerische Stiftung für technische Entwicklungszusammenarbeit, Member – Pensionskasser der Weidmann Unternehmen, Member |
| Comments | Consultant to the Head National Reasearch 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

Affiliated Member Up for Re-election

| | |
|----------------------------|---|
| Nationality | Swedish |
| Age | 57 |
| Director since / term ends | 2014 / 2016 |
| Committee memberships | none |
| Affiliation | – Miscellaneous Board member of Schenker-Winkler Holding until 9 December 2014. |
| Main activity | none |
| Directorships | – Schindler, Member – Tyco International (Ireland), Member |
| Other relevant mandates | – The Conference Board (USA), Board of Trustees, Member |
| Comments | Several managing positions at Schindler (1997-2013): - 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

Affiliated Member Up for Re-election

| | |
|----------------------------|--|
| Nationality | Swiss |
| Age | 58 |
| Director since / term ends | 2005 / 2016 |
| Committee memberships | – Audit committee |
| Affiliation | – Miscellaneous Linked to the company since 1998. |
| Main activity | – Sefar Holding AG, CEO and board member |
| Directorships | – Aktiengesellschaft Cilander, Chairman |
| Other relevant mandates | – economiesuisse, Member – Swiss National Bank (SNB), Regional Advisory Board, Member |
| Comments | Head of Sika's Industry Division (1998-2004). |

Frits van Dijk

Independent

Member

Up for Re-election

Nationality

Dutch

Age

68

Director since / term ends

2012 / 2016

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 (2000-2011).

6. Glossar

| 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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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 one hundred Swiss pension funds and non-profit foundations. Its fully owned 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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