



Approval Process

Annex I

Version December 2022

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

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

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

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

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

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

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

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

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

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

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

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