

# Corporate governance

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# Corporate structure and shareholders

medmix Ltd was established on September 20, 2021 when the shareholders of Sulzer Ltd during an extraordinary general meeting (EGM) approved the spin-off of Sulzer's Applicator Systems division. The spin-off was effectuated by way of a symmetrical demerger pursuant to art. 29 lit. b in conjunction with art. 31 para. 2 lit. a of the Swiss Federal Merger Act dated October 3, 2003. Each shareholder of Sulzer Ltd received one share of medmix Ltd for each share in Sulzer Ltd held at the time of the demerger.

medmix Ltd is subject to the laws of Switzerland, in particular Swiss corporate and stock exchange laws. The company also applies the Swiss Code of Best Practice for Corporate Governance. medmix Ltd has a single share class and has separated the functions of Chairman of the Board of Directors and CEO. Unless otherwise indicated, the following information refers to the situation on December 31, 2021. Further information on corporate governance is published on [medmix.swiss/en/Investors/Governance](https://medmix.swiss/en/Investors/Governance). The information in the following section is set out in the order defined by the SIX Swiss Exchange directive on information relating to corporate governance (RLCG), with subsections summarized as far as possible. medmix Ltd's consolidated financial statements comply with International Financial Reporting Standards (IFRS), and in certain sections, readers are referred to the financial reporting section in the medmix annual report 2021. medmix Ltd reports the compensation of the Board of Directors and the Executive Committee in the [compensation report](#).

## Corporate structure

The group is organized into two business areas, Healthcare and Consumer & Industrial, and the organizational group structure corresponds to these reported business areas. More information on this operational corporate structure can be found under [note 3](#) to the consolidated financial statements in the financial reporting section. medmix Ltd is the only medmix group company listed on a stock exchange. It is based in Zug, Switzerland. Its shares are listed and traded on SIX Swiss Exchange in Zurich (Securities No. 112.967.710/ISIN CH1129677105). On December 31, 2021, the market capitalization of all issued shares of medmix Ltd was CHF 1'863'408'629. Information on the subsidiaries included in the consolidation can be found under [note 33](#) to the consolidated financial statements. The list comprises all consolidated direct subsidiaries of medmix Ltd and all further consolidated subsidiaries.

## Significant shareholders

According to notifications received from medmix Ltd shareholders, several shareholders held more than 3% of medmix Ltd's share capital on December 31, 2021. As published on the SIX disclosure platform on October 8, 2021, Viktor F. Vekselberg held 40.54% of medmix' shares. The shares are directly held by Tiwel Holding AG. On October 5, 2021, The Capital Group Companies, Inc. held 5.01% of medmix' shares, while FIL Limited held 4.90%, as published on November 17, 2021. As published on October 8, 2021, UBS Fund Management (Switzerland) AG held a pre-capital increase shareholding of 4.35% of medmix' shares. For information on shareholders of medmix Ltd that have reported shareholdings of over 3% or a reduction of shareholdings below 3%, please refer to the website of the Disclosure Office of SIX Swiss Exchange (<https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html>). For the positions held by medmix and information on shareholders, see [note 21](#) to the consolidated financial statements. There are no cross-shareholdings where the capital or voting stakes on either side exceeds the threshold of 5%.

# Capital structure

## Share capital

As of December 31, 2021, the fully paid-up share capital of medmix Ltd amounts to CHF 412'623.70 and is divided into 41'262'370 registered shares with a par value of CHF 0.01 per share. All shares are issued in the form of uncertificated securities within the meaning of art. 973c of the Swiss Code of Obligations and are held as intermediated securities within the meaning of the Swiss Federal Act on Intermediated Securities of October 3, 2008. Each registered share entitles the holder to one vote at the shareholders' meeting. In order to strengthen the capital structure of medmix Ltd, fund organic and inorganic growth, increase trading liquidity and introduce new, healthcare-focused investors, the EGM on September 20, 2021 approved art. 3a of the Articles of Association (on [medmix.swiss/en/Investors/Governance](#); under Downloads), which authorizes the Board of Directors to increase the share capital of medmix Ltd at any time until September 20, 2023, in the maximum nominal amount of CHF 80'000 by issuing up to 8'000'000 fully paid in shares with a nominal value of CHF 0.01 each. Based on this art. 3a, the company increased its share capital in September of the reporting period from CHF 342'623.70 to CHF 412'623.70, by issuing 7'000'000 fully paid in shares with a nominal value of CHF 0.01. The Board of Directors decided to withdraw the subscription rights of the existing shareholders and to allocate them to a third-party for placement of the new shares on the capital market at market conditions.

As only part of the authorized capital has been used, the Board of Directors is further authorized to increase the share capital of the company, at any time until September 20, 2023, up to a maximum nominal amount of CHF 10'000 by issuing up to 1'000'000 fully paid in shares with a nominal value of CHF 0.01 each, which equates to 2.42% of the existing share capital. Furthermore, the Board of Directors may withdraw the shareholders' subscription rights for good cause and allocate it to third-parties, in particular if it serves the fast and seamless placement of the new shares — in this case, the new shares must be issued at market conditions (for more details, see art. 3a of the Articles of Association). There is no conditional capital, nor are there any participation or dividend certificates. The latest version of the Articles of Association is available on [medmix.swiss/en/Investors/Governance](#) (under Downloads). As of December 31, 2021, medmix Ltd held 150'000 of its own shares, which represents 0.36% of the total number of issued shares.

## Restrictions on transferability and nominee registrations

medmix shares are freely transferable provided that, when requested by the company to do so, buyers declare that they have purchased and will hold the shares in their own name and for their own account (see art. 6 of the Articles of Association; on [medmix.swiss/en/Investors/Governance](#); under Downloads). Nominees shall only be entered in the share register with the right to vote if they meet the following conditions: the nominee is subject to the supervision of a recognized banking and financial market regulator; the nominee has entered into a written agreement with the Board of Directors concerning its status; the share capital held by the nominee does not exceed 3% of the registered share capital entered in the commercial register; and the names, addresses, and number of shares of those individuals for whose accounts the nominee holds at least 0.5% of the share capital have been disclosed.

The Board of Directors is also entitled, beyond these limits, to enter shares of nominees with voting rights in the share register if the above-mentioned conditions are not met (see art. 6a of the Articles of Association). The Board of Directors further has the right to cancel registrations in the share register retroactively as of the date of registration if such registrations were made based on incorrect information. Before such cancellation, the

Board of Directors shall seek comment from the concerned shareholders. In any event, the concerned shareholders shall be informed immediately about such cancellation (see art. 6a of the Articles of Association).

In the 2021 reporting period, 12 nominees applied for registration with voting rights in the share register, holding a total of 1'193'398 shares (2.9% of total shares) as of December 31, 2021. As these nominees had not yet signed the requested agreement as of December 31, 2021, all shares held by these nominees have been entered in the share register without voting rights. In the 2021 reporting period, the Board of Directors did not have to cancel any registrations in the share register retroactively as of the date of entry. There are no further transfer restrictions and no privileges under the Articles of Association. A removal or amendment of the transfer restriction requires a shareholders' resolution with a majority of at least two-thirds of the votes represented.

## Convertible bonds and options

No convertible bonds or warrants are currently outstanding. Details of the restricted share units (RSUs) held by the members of the Board of Directors and performance share units (PSUs) held by the members of the Executive Committee are set out under [note 28](#) to the consolidated financial statements and under [note 8](#) to the financial statements of medmix Ltd.

# Board of Directors

medmix group is the former Applicator Systems division of Sulzer group, which was spun off on September 20, 2021, and became medmix Ltd. Hence, medmix Ltd was only incorporated as recently as September 20, 2021. Therefore, during a transitional period presumably until June 30, 2023, Sulzer Management Ltd (either directly or through its affiliates) continues to provide certain corporate support services, such as accounting, treasury, tax, internal audit, legal, risk management, compliance and investor relations services.

None of the board members has been, or currently is, a member of the Executive Committee of medmix Ltd. Also, when medmix Ltd was part of Sulzer group as its Applicator Systems division, none of the board members were part of Applicator Systems division's management team or the management team of any of this division's subsidiaries. In addition, no significant business relationships exist between members of the Board of Directors and medmix Ltd or subsidiaries of medmix Ltd.

Transactions with related parties are mainly with the Sulzer group and comprise primarily charges for corporate support functions, centrally procured indirect spend utilized by the group, as well as borrowings and related interest expenses. All related party transactions are priced on an arm's-length basis. For detailed information on transactions with related parties, please see [note 29](#) to the consolidated financial statements.

In 2021, the Board of Directors started an initiative to further strengthen the Board of Directors by adding additional members, in particular to strengthen the Board's healthcare know-how and its diversity. As a consequence of this initiative, the Board of Directors plans to propose to the annual general meeting (AGM) in 2022 the election of up to five additional members of the Board of Directors.

## Elections and terms of office

Art. 18 of the Articles of Association (on [medmix.swiss/en/Investors/Governance](https://medmix.swiss/en/Investors/Governance); under Downloads) stipulates that the Board of Directors of medmix Ltd shall comprise three to seven members. Each member is elected individually. The term for members of the Board of Directors is one year until the next AGM, but reelection is possible. On September 20, 2021, Grégoire (Greg) Poux-Guillaume was elected as Chairman of the Board of Directors, while Jill Lee and Marco Musetti were elected as members of the Board of Directors, all for terms until the next AGM. The Board of Directors currently consists of three members, with the intention to have additional members elected at the AGM in 2022.

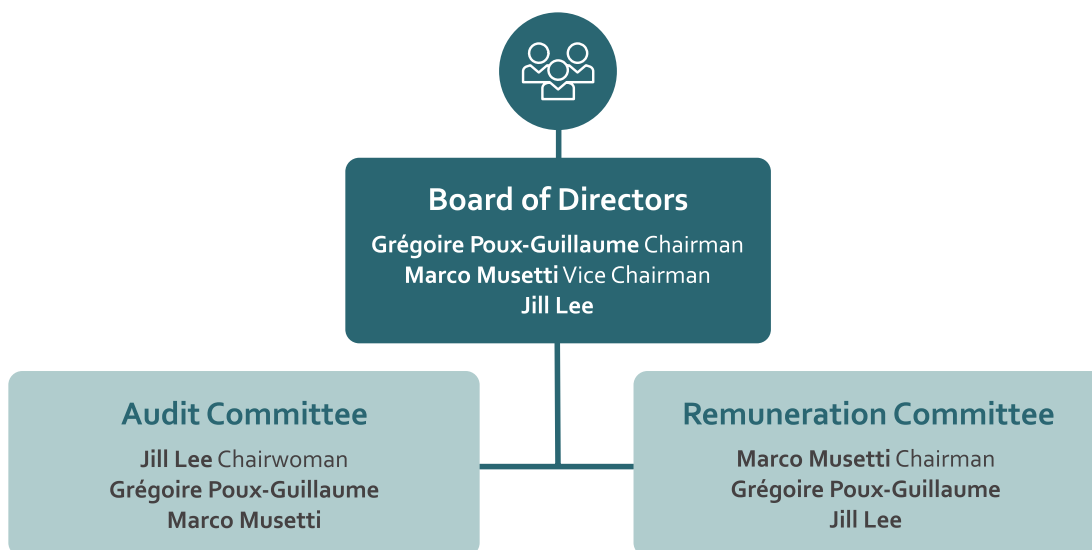
According to art. 4 of the Organizational Regulations of the Board of Directors (on [medmix.swiss/en/Investors/Governance](https://medmix.swiss/en/Investors/Governance); under Downloads), the term of office of a board member ends no later than on the date of the AGM in the year when the member reaches the age of 70. The Board of Directors can make exceptions up to but not exceeding the year in which the member reaches the age of 73.

## Internal organization

The Board of Directors constitutes itself, except for the Chairman of the Board of Directors, who is elected by the shareholders' meeting. The Board of Directors appoints from among its members the Vice Chairman of the Board of Directors and the members of the Board Committees, except for the members of the Remuneration Committee, who are elected by the shareholders' meeting. In addition, the Board of Directors appoints a secretary, who does not need to be a member of the Board.

There are currently two standing Board Committees (for their constitutions, see below):

- the Audit Committee
- the Remuneration Committee



The Organizational Regulations of the Board of Directors and the relevant Committee Regulations, which are published on [medmix.swiss/en/Investors/Governance](https://www.medmix.swiss/en/Investors/Governance) (under Downloads), define the division of responsibilities between the Board of Directors and the CEO. They also define the authorities and responsibilities of the Chairman of the Board of Directors and of the two standing Board Committees.

## Members of the Board of Directors

**Grégoire (Greg) Poux-Guillaume**, Chairman of the Board of Directors, member of the Remuneration Committee and of the Audit Committee, elected on September 20, 2021, is a French citizen born in 1970.

Binding interests: Member of the Board of Directors of the Swiss-American Chamber of Commerce. Greg Poux-Guillaume was the Chief Executive Officer of Sulzer Ltd until February 18, 2022, a position he held since 2015. He joined Sulzer from General Electric, where he had been named CEO of GE Grid Solutions upon GE’s takeover of Alstom’s energy businesses. Previously, he was a member of the Board of Directors of Delachaux SA (2012 to 2018). From 2011 to 2015, he was Executive Vice President of Alstom Group (member of the Executive Committee) and served as President and CEO of Alstom Grid. From 2009 to 2011, he was a Senior Managing Director at CVC Capital Partners. Prior to this, he held various positions with Alstom Group (2003 to 2008), in technology venture capital with Softbank and in consulting with McKinsey & Company. Greg Poux-Guillaume started his career in Exploration and Production with Total (1993 to 1997). He has been a member of the Board of Directors of the Swiss-American Chamber of Commerce since 2019. He holds an MBA from Harvard Business School, USA and a Master of Science, Mechanical Engineering from the Ecole Centrale Paris, France.

**Jill Lee**, member of the Board of Directors, member of the Remuneration Committee and Chairwoman of the Audit Committee, elected on September 20, 2021, is a citizen of Singapore born in 1963.

Binding interests: Member of the Board of Directors and Chairperson of the Audit Committee of Schneider Electric SE, Switzerland; member of the Advisory Board of the Nanyang Technological University, Singapore;

member of the Foundation Board of the IMD Business School, Switzerland.

Jill Lee is the Chief Financial Officer of Sulzer Ltd since 2018. From 2011 until 2018, she was a member of the Board of Directors of Sulzer Ltd. She is a member of the Board of Directors and of the Audit Committee of Schneider Electric since 2020 and is the Chairperson of the Audit Committee since 2022. Previously, she was a member of the Supervisory Board of Signify Ltd, where she acted as Chairperson of the Audit Committee (2017 to 2020). From 2015 to 2018, she was the Senior Group Vice President and Head of Next Level Program Management of ABB Ltd. From 2012 to 2014, she was the Senior Vice President and CFO for ABB China and North Asia Region. Prior to this, she served as Senior Vice President, Finance Strategy and Investments for Neptune Orient Lines in Singapore (2010 to 2011). She has also held a number of leadership positions with Siemens, including Global Chief Diversity Officer (2008 to 2010), North-East Region CFO and Senior Executive Vice President of Siemens in China (2004 to 2008), CFO and Senior Vice President of Siemens in Singapore (2000 to 2004). She is currently a member of the Advisory Board of the Nanyang Technological University in Singapore and a member of the Foundation Board of the IMD Business School in Switzerland. She holds an MBA in Business Administration from Nanyang Technological University and a Bachelor's Degree in Business Administration from the National University of Singapore.

**Marco Musetti**, Vice Chairman of the Board of Directors, Chairman of the Remuneration Committee, and member of the Audit Committee, elected on September 20, 2021, is a Swiss and Italian citizen born in 1969.

Binding interests: Member of the Board of Directors of United Company RUSAL; member of the Board of Directors of Octo Telematics; President of the Board of Directors of GEM Capital Ltd; member of the Board of Directors of UMK; member of the Board of Directors of Kalahari Minerals Marketing Ltd.

Marco Musetti has been a member of the Board of Directors of United Company Rusal Plc (today United Company RUSAL, international public joint-stock company) since 2016, a member of the Board of Directors of Octo Telematics since 2017, the president of the Board of Directors of GEM Capital Ltd since 2018, a member of the Board of Directors of UMK since 2014, and a member of the Board of Directors of Kalahari Minerals Marketing Ltd since 2021. Marco Musetti was also a member of the Board of Directors of Sulzer Ltd from 2011 to April 2021, a member of the Board of Directors of Schmolz+Bickenbach AG (today Swiss Steel Holding AG) from 2013 to 2019 and a member of the Board of Directors of Kalahari Trading Ltd from 2017 to November 2021. Previously, he was COO and deputy CEO of Aluminium Silicon Marketing (Sual Group) (2000 to 2007), Head of Metals and Structured Finance Desk for Banque Cantonale Vaudoise (1998 to 2000), and Deputy Head of Metals Desk for Banque Bruxelles Lambert (1992 to 1998). Marco Musetti holds a Master of Science in Accounting and Finance from the London School of Economics and Political Science, UK, and a Major degree in Economics from the University of Lausanne, Switzerland.

## Operating principles of the Board of Directors and its Committees

All decisions are made by the full Board of Directors. For each application, written documentation is distributed to the members of the Board of Directors ahead of each meeting. The Board of Directors and the Committees meet as often as required by the circumstances. The Board of Directors meets at least four times per year, the Audit Committee and the Remuneration Committee meet at least two times per year. The Board of Directors shall be deemed quorate if at least half of its members are present. Resolutions of the Board of Directors are passed upon the majority of votes cast. In case of a tie, the Chairperson of the meeting shall have the casting vote.

Since its inception in September 2021, the Board has held four meetings (either in person or via video conference), lasting between 15 minutes and four hours. The Audit Committee and the Remuneration Committee held one meeting each in 2021, lasting one and a half hours (Audit Committee) and two and a half

hours (Remuneration Committee). For further details, see the table below. The CEO, the CFO and the Secretary of the Board of Directors also generally attend the Board meetings in an advisory role. Other members of the Executive Committee and the Leadership Team are invited to attend Board meetings as required to discuss the midterm planning, the strategy, the budget, and market segment-specific items (such as large investments and acquisitions).

The Committees do not make any decisions, but rather review and discuss the matters assigned to them and submit the required proposals to the full Board of Directors for a decision. At the next full Board meeting following the Committee meeting, the Chairpersons of the Committees report to the full Board of Directors on all matters discussed, including key findings, opinions and recommendations.

Members of the Board					Attending meetings of the		
Name	Nationality	Position	Entry	Elected until	Board	AC	RC
Grégoire Poux-Guillaume	French	Chairman	September 2021	2022	4	1	1
		Member AC					
		Member RC					
Marco Musetti	Swiss/Italian	Vice Chairman of the Board	September 2021	2022	4	1	1
		Member AC					
		Chairman RC					
Jill Lee	Singaporean	Chairwoman AC	September 2021	2022	4	1	1
		Member RC					

AC = Audit Committee, RC = Remuneration Committee

## Additional mandates of members of the Board of Directors outside the medmix group

According to art. 33 of medmix' Articles of Association (on [medmix.swiss/en/Investors/Governance](https://www.medmix.ch/en/Investors/Governance); under Downloads), the maximum number of additional mandates held by members of the Board of Directors outside the medmix group is ten (of which a maximum of four mandates may be with listed companies). Exceptions (e.g. for mandates held at the request of medmix or mandates in charity organizations) are also defined in art. 33 of the Articles of Association. All board members comply with these requirements and no exceptions were granted in the reporting period.

## Audit Committee

The Audit Committee (members listed above) assesses the midyear and annual consolidated financial statements and, in particular, the activities — including effectiveness and independence — of the internal and statutory auditor and the cooperation between the two bodies. It also assesses the internal control system as well as risk management and compliance, with at least one meeting per year dedicated to risk management and compliance. The Regulations of the Audit Committee can be viewed on [medmix.swiss/en/Investors/Governance](https://www.medmix.ch/en/Investors/Governance) (under Downloads). The CEO, the CFO, the Secretary of the Board, the Deputy CFO (who is also the secretary of this Committee) and the external auditor-in-charge attend the meetings of the Audit Committee. Since its inception in September 2021, the Audit Committee held one meeting in November 2021.



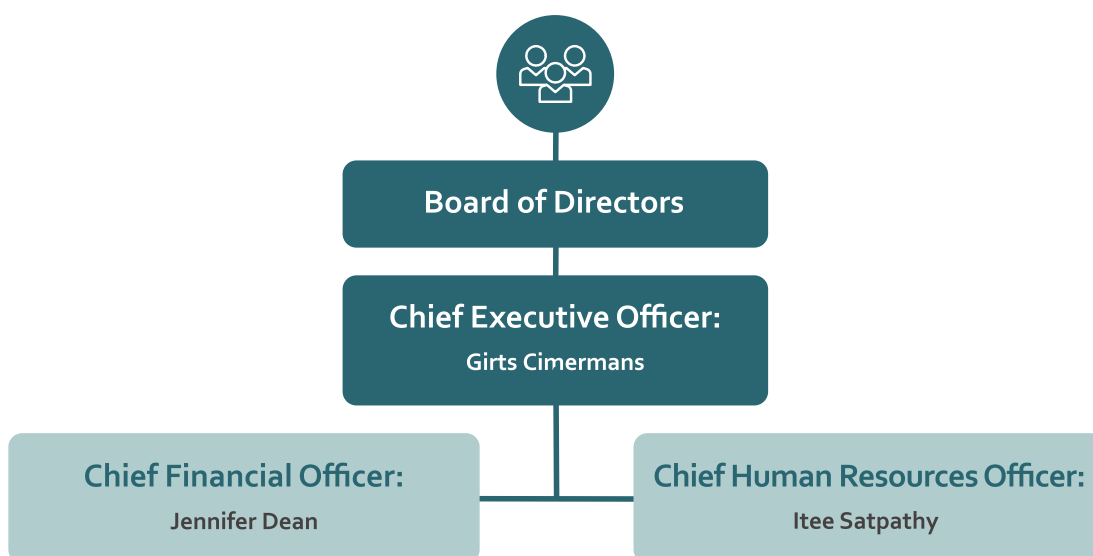
The statutory auditor attended the meeting, and internal subject matter experts gave presentations to the Audit Committee during the meeting.

## Remuneration Committee

The Remuneration Committee (members listed above) assesses the compensation systems and recommends compensation for the members of the Board of Directors and the upper two management levels (including the Executive Committee) (including short-term and long-term variable components) on behalf of the Board of Directors and in accordance with its specifications. It carries out broad compensation benchmarking with an international comparison group, supported by studies of consulting firms if necessary, and it scrutinizes the work of internal and external consultants. The Remuneration Committee also deals with nomination matters and assesses the criteria for the election and reelection of board members and the nomination of candidates for the Executive Committee. It is furthermore responsible for the succession planning for the CEO and the Executive Committee. The members of the Remuneration Committee are elected by the shareholders' meeting. The Remuneration Committee Regulations are available on [medmix.swiss/en/Investors/Governance](https://medmix.swiss/en/Investors/Governance) (under Downloads). The CEO, the Secretary of the Board and the Chief Human Resources Officer attend the meetings of the Remuneration Committee. Since its inception in September 2021, one meeting was held in November 2021.

## Division of powers between the Board of Directors and the CEO

The Board of Directors has largely delegated executive management powers to the CEO. However, it is still responsible for matters that cannot be delegated in accordance with Art. 716a of the Swiss Code of Obligations. These matters include corporate strategy, the approval of midterm planning and the annual budget, key personnel decisions and the preparation of the compensation report. The same applies to acquisition and divestiture decisions exceeding CHF 20 million, investments in fixed assets exceeding CHF 10 million, major corporate restructurings, approval of dispute settlements with an impact on operating income of more than CHF 5 million, approval of research and development projects exceeding CHF 5 million, other matters relevant to the company, and decisions that must be made by law by the Board of Directors. The competency regulations and the nature of the collaboration between the Board of Directors and the Executive Committee can be viewed in the Organizational Regulations of the Board of Directors on [medmix.swiss/en/Investors/Governance](https://medmix.swiss/en/Investors/Governance) (under Downloads).



Management structure medmix

## Information and control instruments

Each member of the Board of Directors receives a copy of the monthly financial information (January to May and July to November), plus the midyear and annual financial statements. These include information about the balance sheet, the income and cash flow statements, and key figures for the company and its market segments. They incorporate comments on the respective business results and a rolling forecast for the current business year. The CEO and CFO report at every Board meeting on business developments and all matters relevant to the company. Once per year, the Board receives the forecasted annual results. During these Board meetings, the Chairs of the Committees also report on all matters discussed by their Committees and on the key findings and assessments, and they submit proposals accordingly. Each year, the Board of Directors discusses and approves the budget for the following year and the midterm plan, which is also subject to periodic review. The Chairman of the Board of Directors regularly consults with the CEO and other representatives of the Executive Committee with respect to strategic matters and focus areas. In addition, the Board of Directors receives a status update on investor relations on a regular basis and each member of the Board may request information regarding all matters relating to the group's business.

## Group Internal Audit

The function of Group Internal Audit is currently still covered under the transitional services agreement between medmix group and Sulzer Management Ltd. medmix group plans to establish its own Group Internal Audit function in the course of 2022.

Meetings between internal audit and the statutory auditor take place regularly. They are used to prepare for the meetings of the Audit Committee, to review the interim and final reports of the statutory auditor, and to plan and coordinate internal and external audits. Group companies are audited by Group Internal Audit based on an audit plan that is approved by the Audit Committee. Depending on the risk category, such audits are carried out on a rotational basis, either annually or every second, third or fourth year. Group Internal Audit carried out three audits in the year under review. One of the focal points is the internal control system. The results of each audit are discussed in detail with the companies and (where necessary) members of the medmix executive team, and key measures are agreed upon. The Chairman of the Board of Directors, the members of the Audit Committee, the CEO, the CFO, the COO and other line managers of the audited entity receive a copy of the audit report. Significant findings and recommendations are also presented to and discussed with the

Executive Committee during the monthly Executive Committee meetings. Twice a year, the legal entities present the status of key measures agreed upon. A follow-up process is in place for all group internal audits, which allows efficient and effective monitoring of how the improvement measures are being implemented. Each year, Group Internal Audit compiles a report summarizing activities and results. This report is distributed to the members of the Board of Directors and the members of the Executive Committee, and it is presented to the Executive Committee and the Audit Committee. It is discussed in both Committees and, thereafter, reported to the Board of Directors.

## Risk management and compliance

Until September 20, 2021, medmix Ltd was part of Sulzer group and its compliance and risk management processes. Hence, in the first nine months of the reporting period, medmix Ltd was subject to Sulzer group's comprehensive value- and risk-based compliance program that focuses on prevention, detection and response. During this time, 258 employees from management, finance, legal, sales and project management functions participated in webinar compliance trainings covering anti-corruption and code of conduct topics. The webinar trainings were conducted by the Sulzer group Compliance department. In addition, in the same period of time, 1'266 compliance e-learning modules were completed by employees of the Applicator Systems division. The focus of compliance trainings was anti-corruption and anti-bribery. One internal compliance investigation was carried out for the Applicator Systems division and one employee was required to leave due to compliance violations.

In preparation for the spin-off, Sulzer group's compliance management processes were reassessed. The compliance assessment outcome will be used to further adapt medmix' compliance processes and to adapt them to medmix group's specific compliance risks and to further strengthen the compliance organization and process controls. Presumably until June 30, 2023, the group Compliance & Risk Management function of Sulzer Management Ltd, as well as Sulzer group's local compliance organization may provide dedicated compliance support under the transitional services agreement to medmix group, in order to maintain a comprehensive and robust compliance management system across medmix group and to support a seamless transition. The current setup, as operated by Sulzer group under the transitional services agreement, consists of a compliance hotline and an incident reporting system that provides employees with several options for reporting (potential) violations of law or internal rules. Such reports can be made anonymously or openly via a free hotline or a dedicated website. Furthermore, a directive sets clear rules for internal investigations.

medmix Ltd places high priority on conducting its business with integrity, in compliance with all applicable laws and internal rules, and on accepting only reasonable risks. In the course of the spin-off, medmix Ltd has therefore implemented an internal control system as well as several policies and directives addressing different compliance topics, such as a Code of Business Conduct published on [medmix.swiss/en/Investors/Governance](https://www.medmix.swiss/en/Investors/Governance) (under Downloads) and rules regarding antitrust risks, bribery and corruption risks, export control risks and other risks (e.g. non-compliance with stock exchange laws and regulations, insufficient protection of intellectual property and know-how, violations of privacy and data protection or risks with regard to environment, quality, safety and health). In order to strengthen medmix Ltd's compliance efforts, a dedicated Chief Compliance Officer was hired as of November 1, 2021, who will be responsible for the further development of medmix group's compliance management system. The aim is to further strengthen the compliance and risk management system by tailoring the processes to medmix group's specific business needs.

As part of medmix group's integrated risk management process, the Chief Compliance Officer will perform regular risk-based compliance assessments in order to evaluate adherence to the applicable laws and internal rules and to verify whether the existing compliance management system needs to be adapted. The results are discussed both with the Executive Committee and the Audit Committee. The Audit Committee

dedicates at least one meeting per year to risk management and compliance. In addition, the Board of Directors and the Executive Committee are regularly informed about legal matters and key changes in legislation that may affect medmix group, as well as on important litigations. Twice a year, the Audit Committee receives a report about any pending or threatened litigation with worst-case exposure exceeding CHF 0.15 million.

It is medmix group's goal to constantly improve its compliance and risk management approach also in terms of efficiency. Findings of audits and internal investigations will be assessed, internal processes and rules adjusted, and training modules improved. medmix group always reviews compliance violations to determine whether they are rooted in a process weakness. If that is found to be the case, the process will be improved and risk-mitigating measures will be implemented.

# Executive Committee

The Board of Directors delegates executive management powers to the CEO. The CEO delegates the appropriate powers to the members of the Executive Committee. The Organizational Regulations of the Board of Directors govern, among other things, the transfer of responsibilities from the Board of Directors to the CEO. The regulations can be viewed on [medmix.swiss/en/Investors/Governance](https://medmix.swiss/en/Investors/Governance) (under Downloads). There are no management contracts with third-parties. None of the Executive Committee members has a contract with a notice period exceeding 12 months. As of December 31, 2021, the Executive Committee consisted of three members.

**Girts Cimermans**, Chief Executive Officer and member of the Executive Committee, is a Latvian citizen born in 1969.

Binding interests: Member of the Board of Directors of Alpcot Ltd.

Before the incorporation and separate listing of medmix Ltd, Girts Cimermans was, since 2019, Division President of Sulzer Ltd's Applicator Systems division and member of the Sulzer Executive Committee. Starting in 2014, Girts Cimermans served as CEO of Hoya Vision Care in Bangkok and Amsterdam. From 2011 to 2013, he was President Europe Middle East & Africa of Pentax Medical in Germany and from 2009 to 2011 Director Eastern Europe of Danaher Group's Kavo Dental GmbH. Prior to this, Girts held several positions at GE Healthcare in Germany, including President Northeastern Europe. He holds a Master's Degree from the Stockholm School of Economics, Stockholm, Sweden.

**Jennifer Dean**, Chief Financial Officer and member of the Executive Committee, is an Australian citizen born in 1968.

Before the incorporation and separate listing of medmix Ltd, Jennifer Dean acted as the Chief Financial Officer for the Applicator Systems division of Sulzer Ltd (since 2017). From 2015 to 2017, she was CFO for Product Lines at GE Power Services. Prior to this, she held a number of positions at Alstom, including Vice President Finance for the Thermal Services division (2013 to 2015), Finance Director for Gas Turbine Product Line (2010 to 2013), and Finance Director for Environmental Control Systems & Carbon Capture Systems (2006 to 2010). Jennifer Dean holds a Bachelor's Degree in Economics from Macquarie University, Sydney, Australia and is a chartered accountant (Chartered Accountants Australia & New Zealand) and associate member of the Governance Institute of Australia.

**Itee Satpathy**, Chief Human Resources Officer and member of the Executive Committee, is a Swiss citizen born in 1978.<sup>1)</sup>

Before joining medmix Ltd, Itee Satpathy was appointed Global Head of People Development and Internal Communications at Sulzer in 2018. Prior to joining Sulzer, she led Talent Development and Diversity at Syngenta (2013 to 2017). Previously, she held various roles of increasing responsibility at Novartis across the Human Resources function, including leadership and organization development, talent management and diversity and inclusion (2003 to 2012). Itee started her career in India with ICICI Bank before moving to Switzerland in 2003. Itee Satpathy holds a Master's Degree (Diploma) in Human Resources Management from XLRI School of Management, Jamshedpur, India.

<sup>1)</sup> Itee Satpathy took over the position of Chief Human Resources Officer from Friedrich von Gadow effective as of December 1, 2021.

## Additional mandates of members of the Executive Committee outside the medmix group

No member of the Executive Committee may hold more than five mandates, of which no more than one may be in listed companies (see art. 33 of the Articles of Association on [medmix.swiss/en/Investors/Governance](https://medmix.swiss/en/Investors/Governance); under Downloads). Exceptions (e.g. for mandates held at the request of medmix or mandates in charity organizations) are also defined in art. 33 of the Articles of Association. All members of the Executive Committee comply with these requirements and no exceptions were granted in the reporting period.

# Shareholder participation rights

## Restrictions and representation of voting rights

Only nominees are subject to restrictions (see section [capital structure](#) of this corporate governance report). No exceptions were granted during the reporting year, and no measures to remove these restrictions are planned. According to art. 7 of the Articles of Association (on [medmix.swiss/en/Investors/Governance](#); under Downloads), a shareholder may be represented at a shareholders' meeting by its legal representative, another shareholder with the right to vote, or the independent proxy. Shares held by a shareholder may be represented by only one person.

## Statutory quorum

Generally, the shareholders' meeting passes its resolutions and carries out its elections upon an absolute majority of the votes represented (see art. 15 of the Articles of Association; on [medmix.swiss/en/Investors/Governance](#); under Downloads). However, changes to the Articles of Association may only be approved by a majority of at least two-thirds of the voting rights represented at the shareholders' meeting, other than ordinary share capital increases (against payment in cash and without exclusion of shareholders' pre-emptive rights), which are decided by an absolute majority of the votes represented. The dissolution or a merger of the company can only be decided upon if at least half the shares issued are represented at the shareholders' meeting and two-thirds thereof vote in favor of the corresponding proposal (see art. 16 of the Articles of Association).

## Convocation of the shareholders' meeting and submission of agenda items

The applicable regulations regarding requesting the convocation of an extraordinary shareholders' meeting are in line with the applicable law regarding the convocation of a shareholders' meeting. Shareholders representing at least 2% of the share capital may submit items for inclusion on the agenda of a shareholders' meeting. Such submissions must be requested in writing at least two months prior to the meeting and must specify the agenda items and proposals of the shareholder concerned (see art. 12 of the Articles of Association; on [medmix.swiss/en/Investors/Governance](#); under Downloads).

## Entry in the share register

Voting rights may be exercised by shareholders who are registered in the share register on the record date stated in the invitation to the respective shareholders' meeting.

## Independent proxy

On September 20, 2021, Proxy Voting Services GmbH was elected as the independent proxy of medmix Ltd for a term of office extending until completion of the next AGM. The Articles of Association (on [medmix.swiss/en/Investors/Governance](#); under Downloads) do not contain rules on the granting of instructions to the independent proxy and the electronic participation in the shareholders' meeting which deviate from the default Swiss law.

# Takeover and defense measures

The Articles of Association (on [medmix.swiss/en/Investors/Governance](https://www.medmix.swiss/en/Investors/Governance); under Downloads) contain no opting-out or opting-up clauses. If there is a change of control, the number of all outstanding restricted share units (RSUs) shall be prorated based on the period from the grant date to the effective date of the change of control, in proportion to the full original vesting period, and such prorated number of RSUs shall vest immediately on the effective date of the change of control. The Board of Directors, however, may determine any other treatment of outstanding RSUs in case of a change of control. A change of control includes a merger, consolidation, acquisition or other transaction as a result of which securities possessing 50% or more of the total combined voting power of medmix Ltd's outstanding securities are held by a person different from the person holding 50% or more of the total combined voting power of medmix Ltd's outstanding securities immediately prior to such transaction, as well as the sale of all or substantially all of the assets of medmix Ltd to a third-party.

With respect to the performance share units (PSUs), prior to the spin-off from the Sulzer group, the eligible employees of medmix group participated in the Sulzer performance share plan (PSP). The former Applicator Systems employees who received Sulzer PSU keep these PSU also after the spin-off, which, however, will be adjusted to neutralize the consequences from the spin-off for Sulzer's PSP (for further information please refer to [note 28](#) to the consolidated financial statements in the financial reporting section). If there is a change of control, the Sulzer PSU allocated to former Applicator Systems employees are converted into shares on a pro rata basis and based on actual achievement of the performance targets, without being subject to blocking restrictions. A change of control includes an acquisition of, or a public takeover offer in relation to, 50% or more of the voting rights. medmix group plans to introduce its own performance share plan in the course of 2022, subject to approval by the Board of Directors.



# Auditor

The statutory auditor is elected at the AGM for a one-year term of office. KPMG AG was elected as the statutory auditor on September 20, 2021. As of the financial year 2021, the acting external auditor-in-charge is Rolf Hauenstein. The external auditor-in-charge is replaced every seven years. The Audit Committee is in charge of supervising and monitoring the statutory auditor, and it reports to the Board of Directors (see section Audit Committee in the chapter [Board of Directors](#) of this corporate governance report). The members of the Audit Committee receive summaries of audit findings and improvement proposals at least once a year. Generally, the external auditor-in-charge and his deputy are invited to attend meetings of the Audit Committee. In 2021, the statutory auditor was present at the Audit Committee meeting in November 2021. The Audit Committee or its Chairperson meets separately with the statutory auditor at least once a year to assess (among other things) the independence of the statutory auditors. The Audit Committee evaluates the work done by the statutory auditor based on the documents, reports and presentations provided by the statutory auditor, as well as on the materiality and objectivity of their statements. To do so, the Committee gathers the opinion of the CFO. The Audit Committee reviews the fee paid to the auditor regularly and compares it with the auditing fees paid by other internationally active Swiss companies. Said fee is negotiated by the CFO and approved by the Board of Directors. Further information on the auditor, in particular the auditor's fees and any additional fees received by the auditor for advisory services outside its statutory audit mandate, is listed under [note 30](#) to the consolidated financial statements. All advisory services provided outside the statutory audit mandate (essentially, consulting services related to audit and accounting as well as legal and tax advisory services) are compliant with the applicable independence rules.

# Risk management

At medmix, risks are assessed regularly as part of the company's integrated risk management process. The procedure to understand and manage risk is based on a landscape framed by medmix' objectives and operating environment. Risks need to be documented, including key elements such as the risk event and the potential cause. Risk analysis establishes the potential impact of each risk and its likelihood of occurrence. The combination of these two factors determines the severity of the risk. The tolerability of each risk is based on a risk evaluation for which the results are discussed with the management and the Audit Committee. In case the severity of a risk exceeds the defined risk tolerance level, appropriate risk mitigation actions will be implemented. Monitoring and reviews are integral to medmix' successful risk management. Roles and responsibilities are regulated in the standardized framework of the three lines of defense model.

## EXTERNAL AND MARKETS

### Market assessment

**Risk:** Non-appropriate approaches to market development opportunities could cause business losses.

**Mitigation:** Continuous observation and identification of global market circumstances to ensure adjustment to market concepts.

### Geopolitical shocks

**Risk:** Geopolitical volatility becoming a key driver of uncertainty impacting currency risks and effectiveness of operational execution.

**Mitigation:** Consistent improvement in building full visibility of political risk exposures. Interrelations will be looked at holistically in the context of other risks.

## STRATEGIC

### Innovation

**Risk:** Failure in R&D and innovation activities could negatively impact the ability to operate and to grow the business. Insufficient investments in innovation could hinder maintaining leading technologies and the development of innovative products.

**Mitigation:** Active enforcement of R&D planning processes and robust tools to ensure that all risks are managed carefully, and failures will be caught early, before significant resources have been expended.

## OPERATIONAL

### Employee development

**Risk:** Failure to attract, retain, and develop people could lead to a lack of critical skills and knowledge, which hinders daily operations, growth potential, and long-term competitiveness.

**Mitigation:** Increase engagement in motivating performance for people based on a retention strategy and employee learning and development to reduce turnover and retain talent within the organization.

**Health and safety**

**Risk:** An unsafe working environment could lead to harm to people, reputational damage, fines as well as liability claims and could have a serious economic impact.

**Mitigation:** Implementation of global medmix environment, health and safety (EHS) directive, requiring all sites to conduct comprehensive workplace and/or activity risk assessments, establish relevant work instructions, and provide health and safety training as required. Usage of a single web-based solution for the reporting and analysis of work-related injuries and illnesses, near-miss incidents, EHS observations, and safety walks. Currently, 5 out of 13 medmix sites are certified according to ISO 45001 and we plan to have all sites certified by 2025.

**Environmental**

**Risk:** Environmental damage could lead to harm to people and nature, reputational damage, fines as well as liability claims and could have a serious economic impact.

**Mitigation:** Implementation of sustainability policy and road map requiring all sites to be supplied by low-carbon electricity, optimize water-usage, and divert all waste from landfill by 2025. Reduction of transportation of goods by air. Establishment of web-based reporting for environmental data and EHS incidents. Processing of due diligence of new acquisition and divestiture projects. Plan to have all manufacturing sites certified to ISO 14001 and ISO 50001 by 2025 for both standards.

**Compliance**

**Risk:** Non-conformance with laws, regulations, and compliance obligations, including business-specific regulations such as regulations applicable for medical products, could lead to fines, legal or regulatory sanctions, causing damage to business resilience or damage to reputation.

**Mitigation:** Implementing a corporate compliance framework that enables medmix to continuously achieve objectives, address potential uncertainty, and act with integrity. Mitigating non-compliant behavior by enforcing a Code of Business Conduct, policies, procedures, and other internal controls to steer the workforce to certain standards of behavior. The objective is to ensure that the company's conduct remains in compliance with the law. The compliance framework includes assessments and risk mitigation actions in compliance with regulations specific to the medical business. Regulatory compliance expertise has been built up and will be maintained.

### Quality of products and services

**Risk:** Product and services failing to comply with high-quality expectations and high operating standards and non-compliance with relevant regulation and contractual requirements could cause financial losses and reputational discredit. Our operations are subject to a broad range of regulatory requirements worldwide. Product deficiencies could result in product recalls ordered by authorities or customers.

**Mitigation:** Permanent development of quality controls based on agile risk assessment approaches including third-party accreditation and audits for early-signs detection. Maintaining a high standard of competence and qualification of employees to increase team productivity and product performances. The objective is to ensure that the company's conduct remains in compliance with global regulatory requirements and with the law. Product monitoring and traceability provide early indicators for product failures and reduce the response time to react to and mitigate exposures.

### Business interruptions

**Risk:** Physical or virtual business interruptions such as storms, fires or IT outages, occurring through malicious or accidental cause or driven by internal operations or external factors such as suppliers, service providers, or pandemics, could have an impact on operations and supply chains and thus could lead to serious economic impact.

**Mitigation:** Continuous monitoring of risk environment and development of risk mitigation policies and strategies for global crisis, emergency, and IT management systems. Continuous enhancement of IT infrastructure to ensure IT security standards contain a disaster recovery plan and incident response team availability. Extension of flexible alternative global procurement strategies and manufacturing footprint.

## FINANCIAL

### Financial markets

**Risk:** The movements in interest, foreign exchange and commodity markets could lead to fluctuations in the results of medmix.

**Mitigation:** Quantification of the market risks according to the exposure calculation stipulated in the risk framework and subsequent management of these exposures through hedging opportunities or financial derivatives to stay within the given limits.

### Credit

**Risk:** Deterioration or default of financial and commercial counterparties could lead to partial or full write-offs of outstanding receivables, impacting the results of medmix.

**Mitigation:** Effective establishment of credit policies, procedures, and processes to ensure effectiveness of economic transition by implementing individual risk assessments for customers (KYC) and key financial indicators (KFIs), credit risk rating scores, and a strong third-party credit quality check.

### Liquidity

**Risk:** Inability to meet payment obligations in a timely manner and lack of access to appropriate funding for medmix.

**Mitigation:** Continuous monitoring of group-wide account balances and cash forecasts to optimize liquidity and investments. Implementation of a funding structure in which the company's financing tranches mature at different points in the future.

# Information policy

According to art. 38 of the Articles of Association (on [medmix.swiss/en/Investors/Governance](https://medmix.swiss/en/Investors/Governance); under Downloads), the announcements of medmix Ltd are published in the Swiss Official Journal of Commerce. In addition, notices to registered shareholders in those cases prescribed by law shall take place in writing to the shareholder's address last known to the company.

medmix Ltd reports on its financial results every half year. In each case, it also comments on business performance and outlook. In addition, the company reports on important events on an ongoing basis (ad hoc publications). The reporting referred to in the [compensation report](#) (including the respective references to the financial reporting section) complies with the recommendations on the content of the compensation report as laid out in section 38 of annex 1 to the Swiss Code of Best Practice for Corporate Governance.

## Key dates in 2022

- February 22: Annual results 2021
- April 12: Annual general meeting 2022
- July 21: Midyear results 2022

These dates and any changes can be viewed on [medmix.swiss/en/Investors/Overview](https://medmix.swiss/en/Investors/Overview). Media releases (sent via e-mail) can be subscribed to on [medmix.swiss/en/News/Media-Release-Subscription](https://medmix.swiss/en/News/Media-Release-Subscription). Further information is available on [medmix.swiss](https://medmix.swiss), or by contacting Investor Relations at [investorrelations@medmix.com](mailto:investorrelations@medmix.com).

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## Material changes

On February 21, 2022, Jill Lee informed the Board of Directors of the company that she will not stand for re-election as member of the Board of Directors in 2022.

## Blackout periods

Generally and regardless of whether any inside information exists or not, pursuant to medmix' Securities Trading, Public Disclosure and Reporting Regulations, the trading in medmix Ltd securities is prohibited for (a) the members of the Board of Directors and the Executive Committee, (b) any staff reporting to any member of the Executive Committee, (c) members of Group Finance, Group Planning and M&A, Group Communications and Investor Relations, and (d) any external advisor having access to inside information in connection with medmix Ltd's financial reporting, during the following periods: the periods starting on January 1 and July 1 until and including the trading day of the public releases of the respective full-year or half-year reports (if published prior to 7:30 am CET) or the following trading day (if published between 5:40 pm and midnight CET). In the reporting period there have not been any general blackout periods as medmix Ltd has only been incorporated on September 20, 2021.

Under certain circumstances (in particular in case of personal hardship), the company may allow exceptions to a blackout period upon reasoned request by an employee, provided that such employee is not in possession of any inside information. Such exceptions must be issued in writing with a copy to the employee's file.