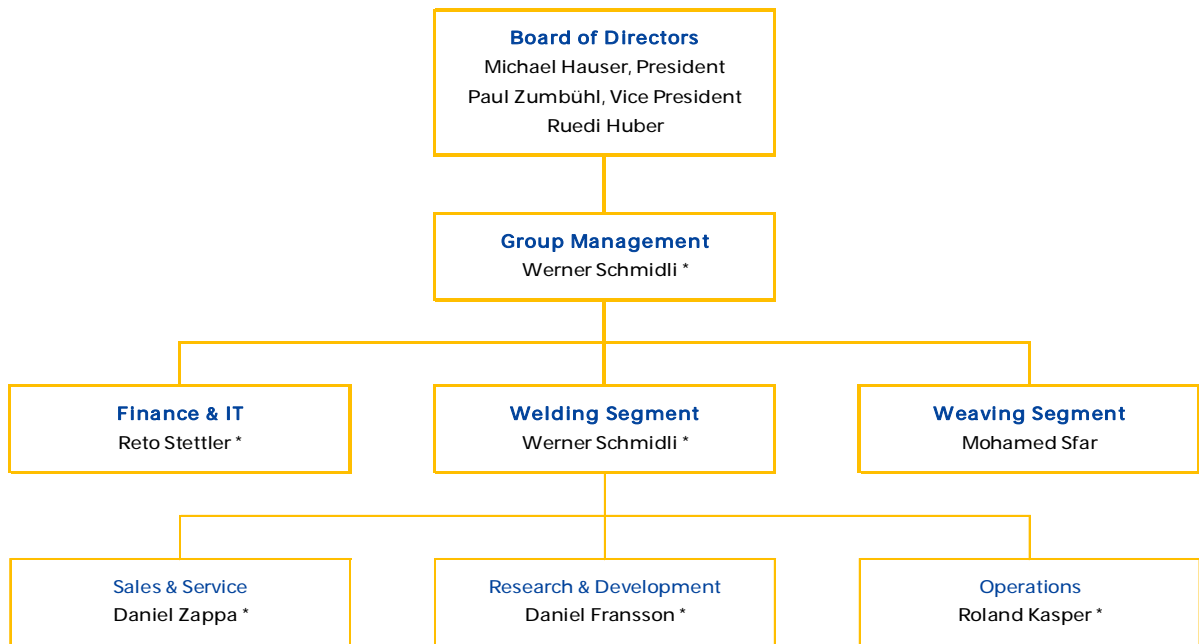


Corporate Governance

Responsible corporate governance

Schlatter Group's corporate governance is intended to ensure transparent and prudent business policies, as well as an efficient use of the resources deployed, by means of guidelines tailored to the size of the company. This Corporate Governance Report has been prepared in accordance with the requirements of the SIX Swiss Exchange Directive on Information Relating to Corporate Governance.

Group structure as of 31 December 2025



* Member of Group Management

Listed company

Schlatter Industries AG is the holding company of the Schlatter Group. Its registered office and principal place of business is at Brandstrasse 24 in Schlieren (CH). The company directly or indirectly holds all interests in the companies of the Schlatter Group. The registered shares of Schlatter Industries AG (formerly Schlatter Holding AG) were listed on the Main Segment of the SIX Swiss Exchange from 1998 until 30 November 2012. Following the change in accounting from IFRS to Swiss GAAP FER, the company moved to the Domestic Standard Segment on 3 December 2012. Due to the redesign of the regulatory standards, the shares were traded in the Swiss Reporting Standard of the SIX Swiss Exchange from 3 August 2015 until the end of 2024. Since 1 January 2025, the shares have been traded in the Sparks Standard.

Security number 227731

ISIN CH0002277314

Ticker symbol STRN

Reuters STRN.S

As of 31 December 2025, Schlatter Industries AG had a market capitalisation of CHF 22.8 million.

Non-listed Group companies

Information on the companies of the Schlatter Group is provided on pages 62 and 73 of the Annual Report.

Significant shareholders

	31.12.2025		31.12.2024	
	Number of shares	Participation in %	Number of shares	Participation in %
Huwa Finanz- und Beteiligungs AG, Au SG (CH)	219 545	19.87%	219 545	19.87%
Metall Zug AG, Zug (CH)	150 229	13.60%	150 229	13.60%
Marc Philipp Bär, Zürich (CH)	86 867	7.86%	86 867	7.86%
Main Line Development Inc, Hamilton (BM)	64 870	5.87%	64 870	5.87%
Brita Meier, Uitikon Wald (CH)	51 420	4.65%	51 420	4.65%
Civen Ltd., Kingstown (St. Vinc. & The Grenadines)	33 901	3.07%	33 901	3.07%

The published disclosure notifications can be viewed at the following link on the SIX Exchange Regulation website:

www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/

Shareholder structure

Number of stocks	Number of shareholders
1 to 10	49
11 to 100	94
101 to 1 000	158
1 001 to 10 000	31
more than 10 000	13

The information is based on the registered shareholders entered in the company's share register as of 31 December 2025. Of the 1,104,704 shares outstanding, 837,099 (75.8%) were recorded in the share register at the balance sheet date.

Cross-shareholdings

There are no reciprocal equity or voting interests between Schlatter Industries AG and the significant shareholders listed on page 17 of the Annual Report.

Capital structure

Share capital

Ordinary share capital

As of 31 December 2025, Schlatter Industries AG had ordinary share capital of CHF 1 104 794, divided into 1 104 704 registered shares with a nominal value of CHF 1.00 per share. The share capital is fully paid in. Each share entitles the holder to one vote at the General Meeting. All shares not held by the company or any of its subsidiaries are entitled to dividends. As of 31 December 2025, the company had neither conditional capital nor issued participation certificates, dividend-right certificates or bond issues of any kind.

Changes in share capital

At the Annual General Meeting of 7 May 2024, the shareholders resolved to reduce the share capital by CHF 16 570 560 to CHF 1 104 704. The nominal value per share is now CHF 1. The reduction amount was allocated to capital reserves (reserves from capital contributions).

As of 31 December 2025, the company had no authorised capital.

Information on changes in share capital, reserves, net profit and consolidated equity for the 2025 financial year is provided in the Annual Report on page 43 under "Consolidated statement of changes in equity". The corresponding information for the two preceding financial years can be found in the 2024 Annual Report on page 45 and in the 2023 Annual Report on page 47.

Restrictions on transferability and nominee registrations

Shares of Schlatter Industries AG are freely transferable. For nominees, fiduciary registration with voting rights is possible without restriction.

Convertible bonds and options

As of 31 December 2025, the company had neither issued convertible bonds nor similar equity-linked debt instruments or options.

Board of Directors

Members of the Board of Directors

In accordance with its Articles of Association, the Board of Directors of Schlatter Industries AG comprises at least three members and, as of 31 December 2025, consisted of the individuals listed below. None of the members of the Board of Directors has held an executive position within the Schlatter Group during the past three years or is involved in any material business relationships with a Group company.

Provisions of the Articles of Association on external mandates and remuneration

Article 28 of the Articles of Association governs the number of additional mandates permitted for members of the Board of Directors. The provisions on the remuneration of the members of the Board of Directors are set out in Article 30. No loans or credits may be granted to members of the Board of Directors (Article 27).

At the General Meeting, the members of the Board of Directors whose remuneration is being determined are also entitled to attend and vote.

The company's Articles of Association are published at the following URL:

www.schlattergroup.com/de/investor-relations/



Michael Hauser

Chairman of the Board of Directors

1961, Swiss/German, non-executive member, member of the Board of Directors since 03.05.2016, Chairman since 06.05.2025, term of office until the AGM 2026

Current position

Chairman of the Board of Directors of StarragTornos Group AG, Rorschacherberg (CH)

Professional background

- 01.12.2023 to 31.05.2024: Chairman of the Board of Directors and CEO of Starrag-Tornos Group AG, Rorschacherberg (CH)
- 2011 to 30.11.2023: CEO, Tornos Holding SA, Moutier (CH)
- 2008 to 2010: Member of the Group Executive Management of Georg Fischer AG and Head of the GF AgieCharmilles Business Division
- 2000 to 2008: Member of the Group Management of GF AgieCharmilles and Head of the Milling Technology Division (Mikron, Bostomatic, Step-Tec)
- 1996 to 2000: Member of Group Management, Mikron Technology Group, and Chairman of the Business Unit Management for milling machines

Education

Degree in Business Administration, University of Mannheim

Other mandates and vested interests

SWISSMEM, member of the Board and Chairman of the specialist group (until 08.2023) "Machine Tools and Manufacturing Technology"; CECIMO "European Committee for Cooperation of the Machine Tool Industries", delegate

(member of the Board of Directors until November 2017, Chairman from 2009 to 2011)



Paul Zumbühl

Vice Chairman of the Board of Directors

1957, Swiss, non-executive member, member of the Board of Directors since 29.10.2007, Chairman from 29.05.2012 to 06.05.2025, term of office until the AGM 2026

Current position

Various board mandates

Professional background

- 01.01.2000 to 30.04.2021: CEO of the Interroll Group, Sant'Antonino (CH)
- 1994 to 1999: Managing Director and CEO of Mikron Plastics Technology, and member of the Group Executive Management of the Mikron Group, Biel (CH)
- 1988 to 1994: Managing Director and other management functions within the Sarna Group, Sarnen (CH)
- 1984 to 1987: Sales Engineer and Sales Manager Europe at Symalit AG, Lenzburg (CH)

Education

Graduate Engineer (Lucerne University of Applied Sciences and Arts); MBA (Corporate Finance) from the joint university programme of the universities in Boston, Bern and Shanghai; Master of Advanced Studies in Philosophy + Management, University of Lucerne; AMP, Kellogg School of Management, Northwestern University, Evanston/Chicago

Other mandates and vested interests

Chairman of the Board of Directors of Interroll Holding AG and Mikron Holding AG, and Board member at Zumbühl Management AG



Ruedi Huber

Member of the Board of Directors

1960, Swiss, non-executive member, member of the Board of Directors since 11.05.2010, term of office until the AGM 2026

Current position

Various board mandates

Professional background

- 1996 to 2014: SFS Intec, Heerbrugg (CH)
- 1985 to 1996: Sales Engineer at SFS England and development of SFS USA

Education

Swiss Matura, Type C

Other mandates and vested interests

Member of the Board of Directors of Huwa Finanz- und Beteiligungs AG, Heerbrugg; Chairman of the Board of Directors of Locher Bewehrungen AG, St. Gallen; and member of the Board of Directors of Fisba AG, St. Gallen

Changes during the reporting period

At the Annual General Meeting on 6 May 2025, Michael Hauser was elected the new Chairman of the Board of Directors. Paul Zumbühl remains a member of the Board of Directors. There were no changes in 2024.

Election and term of office

Schlatter Industries AG complies with the requirements of the Swiss Code of Obligations regarding the election and term of office of the Board of Directors. The relevant amendments to the Articles of Association were approved by the General Meeting in 2015.

Internal organisation

The Board of Directors constitutes itself, subject to the mandatory authority of the General Meeting, by electing its Vice Chairman. The Board of Directors adopts resolutions and elects officers by an absolute majority of votes cast. In the event of a tie, the Chair has the casting vote. The Chairman convenes meetings of the Board of Directors whenever business so requires. As a rule, the Board of Directors meets for six full-/half-day meetings as well as one full-day strategy meeting. In the 2025 financial year, the Board of Directors held five meetings and one conference call.

Number of permitted external mandates

No member of the Board of Directors may hold more than five additional mandates in the highest executive and administrative bodies of listed companies outside the Group; the Board of Directors may grant up to two exceptions per member in individual cases. Multiple mandates within a group of companies count as one mandate.

Committees of the Board of Directors

The Board of Directors has established a Risk and Audit Committee and a Nomination and Compensation Committee; these committees support the Board of Directors but have no decision-making authority. The duties and powers assigned to the Board of Directors under the organisational regulations and by law remain with the Board of Directors as a whole. As a rule, the term of office of the members of the Board committees coincides with their term as members of the Board of Directors of Schlatter Industries AG.

Risk and Audit Committee

Members: Paul Zumbühl (Chair), Ruedi Huber

The Risk and Audit Committee supports the Board of Directors in overseeing the accounting function and in monitoring compliance with legal requirements. In particular, the committee has the following duties:

- Review of the design of the accounting function (applicable accounting standards and assessment of valuation and financing principles, internal and external financial reporting) with regard to appropriateness, reliability and effectiveness.

- Review of the annual financial statements and other financial information to be published.
- Monitoring and assessment of corporate risks and review of risk management practices.
- Monitoring business activities with regard to compliance with resolutions of the Board of Directors, internal regulations and guidelines, directives and legal provisions, including stock exchange regulations (compliance).
- Review of the performance, independence and remuneration of the external auditor, and recommendation on elections to the Board of Directors and/or the General Meeting.
- Review of audit reports; discussion of all significant findings and recommendations of the external auditor with Group Management and the external auditor.
- Monitoring the implementation of recommendations made by the external auditor.
- Review of the performance and remuneration of advisory mandates with related parties.
- Performance of other duties assigned to the committee by the Board of Directors.

The committee meets as often as business requires, but at least twice per year. In addition, it meets at least once a year with representatives of the external auditor. The CFO generally attends the committee meetings, and other members of the Board of Directors, the CEO, other members of Group Management or other subject-matter experts may also be invited. In the 2025 financial year, the Risk and Audit Committee held one meeting and one conference call, each attended by the CEO and CFO.

Nomination and Compensation Committee

Members: Michael Hauser (Chair), Paul Zumbühl

The Nomination and Compensation Committee prepares all relevant agenda items in the areas of nomination and compensation relating to members of the Board of Directors and Group Management. The committee has the following duties:

- Leading the selection process and submitting proposals regarding new members of the Board of Directors.
- Leading the selection process and submitting proposals regarding the CEO.
- Review of the process for selecting members of Group Management (including interviews at the final selection stage) and of the key terms of their employment contracts.
- Submitting proposals on the remuneration of the Board of Directors and its committees.
- Reviewing, negotiating and submitting proposals on the CEO's remuneration.
- Reviewing and submitting proposals on the remuneration of members of Group Management, based on the CEO's proposal.
- Reviewing, proposing and monitoring the implementation of option and participation plans for the Board of Directors, the CEO, Group Management and other employees.
- Succession planning at the top management level.
- Performance of other duties assigned to the committee by the Board of Directors.

The committee meets as often as business requires, but at least twice per year. The CEO generally attends meetings unless his performance is being assessed or his remuneration is being determined. Other members of the Board of Directors, other members of Group Management or other subject-matter experts may also be invited to attend the meetings. In the 2025 financial year, the Nomination and Compensation Committee held two meetings, each attended by the CEO.

Allocation of responsibilities

The Board of Directors is responsible for the overall management and supervision of the executive management. It determines the corporate and business policy, the long-term corporate objectives

and the resources required to achieve them. The non-transferable and inalienable duties of the Board of Directors arise from Article 716a of the Swiss Code of Obligations. The internal organisational structure and the allocation of responsibilities for the Board of Directors and Group Management are set out in organisational regulations.

The Board of Directors fully delegates executive management to the CEO insofar as the law, the Articles of Association or the organisational regulations do not provide otherwise. The CEO ensures implementation of the decisions of the Board of Directors as well as the resolutions he adopts within his own authority. To this end, the CEO issues directives and monitors compliance with standards by the company as well as its Group and associated companies.

With the exception of the managing directors of pure sales companies, who report to the Group's Head of Sales, the managing directors of all Group and associated companies report directly to the CEO. The CEO, or—upon his corresponding instruction—the responsible member of the executive management of a Group or associated company, submits proposals to the Board of Directors.

Information and control instruments vis-à-vis Group Management

At each meeting, the Board of Directors is informed by Group Management about the current business situation as well as the balance sheet and income statement, and additionally through monthly reports.

At each meeting, the Board of Directors is informed by the CEO and CFO about the general course of business, the most important business transactions and any measures taken. The CEO and CFO also prepare a written monthly report for the Board of Directors, providing information on business performance and key financial figures compared with budget and prior year. The monthly Management Information System includes information on the order and earnings situation at company level and by segment, liquidity development and cash flow statement, as well as the balance sheet. This is supplemented by selected key figures required to manage the business. In addition to the annual budget, an updated forecast for the entire current financial year is prepared quarterly and made available to the Board of Directors. Actual figures are compared with planning figures and analysed, and measures taken are described.

The CFO is responsible for Group controlling. In the event of significant business events, the Board of Directors is informed by the CEO and CFO on an ad hoc basis. As a rule, members of the Board of Directors do not attend Group Management meetings, but are promptly informed by the CEO and CFO in the event of significant business events or are involved in meetings where appropriate.

The Board of Directors and Group Management attach great importance to the careful handling of risks. For this reason, Group Management carries out an annual risk assessment, which is also presented to the Board of Directors. In addition to ensuring comprehensive insurance coverage, risk management includes the systematic identification and assessment of, and reporting on, strategic, operational and financial risks. In this process, the general business risks covering all business units and companies as well as the major balance sheet items are analysed and assessed. A detailed analysis of probability of occurrence and possible impacts has been carried out for the top nine risks. The assessment of all top nine risks is submitted to and presented to the Board of Directors. Depending on their impact and significance, these risks relate not only to the strategic area but may also affect operations and finance, insofar as the respective impact is relevant for the company. All risks are scaled and assessed qualitatively and quantitatively based on their probability of occurrence and impact. Based on the evaluated risks, control points and processes

are defined and monitored by the respective process owners. Cyber risk was added to the top risks in 2024.

The focus of risk management activities is on hedging currency risks, ensuring liquidity, maintaining flexibility in the cost structure, monitoring developments in customer markets, and handling customer projects.

Group Management

Members of Group Management

As of 31 December 2025, Schlatter Group Management consisted of the members listed below. These individuals also constitute the Executive Management of Schlatter Industries AG.



Werner Schmidli

Chief Executive Officer

1965, Swiss, with the Schlatter Group since 01.08.2004

Professional background

- Since 01.06.2012: CEO, Schlatter Group
- 2004 to 2012: CFO, Schlatter Group
- 2001 to 2004: CFO, Integra Biosciences, Baar (CH)
- 1998 to 2001: CFO, Tela-Kimberly Switzerland, Balsthal (CH)

Education

Lic. rer. pol. (Universität Fribourg)

Other mandates and vested interests

None



Reto Stettler

Chief Financial Officer

1975, Swiss, with the Schlatter Group since 01.01.2002

Professional background

- Since 01.06.2012: CFO, Schlatter Group
- 2002 to 2012: Head of Finance, Schlatter Schlieren (CH)
- 1997 to 2001: Head of Accounting, MADAG AG, Dietikon (CH)

Education

Certified Specialist in Finance and Accounting

Other mandates and vested interests

None



Daniel Zappa

Chief Sales Officer

1972, Swiss, with the Schlatter Group since 01.08.1995

Professional background

- Since 01.09.2012: Head of Sales & Service, Schlatter Group
- 2003 to 2012: Head of Customer Service, Schlatter Group
- Until 31.10.2003: Head of Sales, Sheet Metal Division, H.A. Schlatter AG, Schlieren (CH)
- 1999 to 2002: Sales Engineer, H.A. Schlatter AG, Schlieren (CH)

Education

Dipl. Masch.-Ing. FH; Dipl. Wirtsch.-Ing. FH

Other mandates and vested interests

None



Daniel Fransson

Chief Technology Officer

1971, Swedish/Swiss, with the Schlatter Group since 01.01.2005

Professional background

- Since 01.01.2024: Head of Technology, Schlatter Group
- 2012 to 2023: Head of Product Management, Schlatter AG, Schlieren (CH)
- 2007 to 2011: Head of Project Management, Schlatter AG, Schlieren (CH)
- 2005 to 2006: Project Manager, Schlatter AG, Schlieren (CH)
- 2002 to 2004: Calculation Engineer / Project Manager, Helbling, Aarau (CH)
- 1997 to 2002: Group Leader / Calculation Engineer, Alcan, Zurich (CH)

Education

Dipl.-Ing Maschinenbau, Chalmers Technische Hochschule (CTH), Göteborg (SE)

Other mandates and vested interests

None



Roland Kasper

Chief Operating Officer

1976, Swiss, with the Schlatter Group since 01.06.2013

Professional background

- Since 01.06.2013: Head of Operations, Schlatter Group
- 2010 to 2013: Head of Manufacturing, Maschinenfabrik Rieter AG, Winterthur (CH)
- 2009 to 2010: Project Manager, Graf+Cie AG, Rapperswil (CH)
- 2007 to 2009: Managing Director, Graf Metallic Inc., Spartanburg (US)
- 2002 to 2006: Project Manager, Rieter Group, Winterthur (CH)

Education

Dipl. Betriebs- & Produktions-Ing. ETH

Other mandates and vested interests

None

Changes during the reporting period

There were no changes in 2025. As of 01.01.2024, Daniel Fransson took over responsibility for Technology from Beat Huber. Beat Huber took early retirement at the end of January 2024.

Dominant Group companies

- Schlatter Industries AG (management since 01.06.2012: Werner Schmidli)
- Schlatter Deutschland GmbH & Co. KG (management since 01.08.2023: Mohamed Sfar)

Management agreements

Neither Schlatter Industries AG nor its Group companies have entered into management agreements with third parties.

Number of permitted external mandates

No member of Group Management may hold more than two additional mandates in the highest executive and administrative bodies of listed companies outside the Group; the Board of Directors may permit up to two exceptions per member in individual cases. Multiple mandates within a group of companies count as one mandate. In all cases, the Board of Directors must approve the acceptance of mandates.

Compensation, shareholdings and loans

The relevant disclosures are presented in the Remuneration Report on pages 31 to 35 of this Annual Report.

We also refer to the company's Articles of Association, which are published at the following URL: www.schlattergroup.com/de/investor-relations/

Shareholders' participation rights

Restrictions on voting rights and representation

Each share entitles the holder to one vote at the General Meeting. Membership rights may be exercised by anyone who is entered in the share register as a shareholder 30 days prior to the General Meeting and who has not sold his or her shares until the close of the General Meeting. A shareholder may be represented by another shareholder or by a third party; representatives of registered shareholders must present written authorisation.

Independent proxy / electronic participation in the General Meeting

The Articles of Association of Schlatter Industries AG do not provide for any provisions that deviate from the provisions of the Swiss Code of Obligations.

Quorums under the Articles of Association

There are no quorums under the Articles of Association that go beyond the statutory provisions.

Convening the General Meeting

The General Meeting is convened by the Board of Directors and, if necessary, by the statutory auditor. The right to convene also lies with the liquidators and the representatives of the bondholders. The General Meeting is held at the company's registered office or at another location in Switzerland or abroad. The Annual General Meeting is held each year within six months of the end of the financial year; extraordinary meetings are held as required.

The convening of an extraordinary General Meeting may also be requested in writing by one or more shareholders representing together at least 10% of the share capital, stating the subject matter for deliberation and the motions. The Board of Directors must hold the General Meeting within two months.

The General Meeting is convened at least 20 days prior to the meeting date by a one-time notice in the company's official publication organ. Registered shareholders are invited by letter sent to the most recent address recorded in the share register.

Adding items to the agenda

Shareholders representing at least 0.5% of the share capital may request that an item be placed on the agenda of the General Meeting. Such request must be submitted in writing to the Board of Directors no later than 45 days prior to the General Meeting, stating the subject matter for deliberation and the motions.

Entry in the share register

The company keeps a share register in which the owners, usufructuaries and nominees of the registered shares are entered by name, place of residence, address and nationality. Such entry requires evidence of the legally valid transfer of the share in accordance with form requirements and the Articles of Association, or the establishment of a usufruct. If a registered shareholder changes address, he or she must notify the company of the new address. Until such notification is received by the company, all written communications to the registered shareholder are validly sent to the address recorded in the share register. No entries are made in the share register of Schlatter Industries AG from 30 days prior to a General Meeting until the day following the General Meeting.

Change-of-control clauses and defensive measures

Mandatory offer

In its Articles of Association, the company has opted out of the mandatory offer obligation pursuant to Articles 32 and 52 of the Swiss Federal Act on Stock Exchanges and Securities Trading (opting out).

Change-of-control clauses

There are no change-of-control clauses in favour of members of the Board of Directors or Group Management.

Statutory auditor

Duration of the mandate and term of office of the lead auditor

The statutory auditor of Schlatter Industries AG has been KPMG AG, Zurich, since 1963. The statutory auditor is elected by the General Meeting for a term of one year. Since the 2023 financial year, the audit has been led by Anita Benz.

Audit fee

The ordinary audit fee paid to KPMG AG for the 2025 financial year amounted to CHF 128,950 (prior year: CHF 128,415).

Additional fees

No additional fees were paid to KPMG in the 2025 financial year. In the 2024 financial year, additional advisory fees (ESG advisory and audit of the capital reduction) amounting to CHF 46,335 were paid to KPMG.

Information instruments of the external auditor

The Risk and Audit Committee meets once a year with the external auditor; the CFO attends these meetings. Reporting by the external auditor to the Board of Directors takes place by means of a comprehensive report prepared after completion of the annual financial statements, as well as through the auditor's reports. The review and assessment of performance, independence and remuneration, as well as the election recommendation regarding the external auditor to the Board of Directors and/or the General Meeting, are carried out by the Risk and Audit Committee. The assessment criteria are the personal discussion between the Board of Directors and the auditor, the audit results, and the quality of the audit. The appointment of the external auditor was based on a tender process in which the Board of Directors compared the services and costs of the various providers.

The term of office of the lead auditor may not exceed seven years.

Information on general trading blackout periods

The Board of Directors sets generally applicable trading blackout periods in connection with the half-year and annual financial statements. A trading blackout period (so-called "blackout period") applies to the Board of Directors, Group Management and all persons who, in the course of their activities, have insight into the preparation of the Schlatter Group's financial figures: during an

appropriate period before and after the publication of Schlatter Industries AG's annual and half-year financial statements, these persons may not trade in Schlatter shares. For other non-public information, the Board of Directors, the Chairman of the Board of Directors or the CEO may determine ad hoc blackout periods.

Information policy

Schlatter Industries AG pursues an open information policy. The financial year of Schlatter Industries AG runs from 1 January to 31 December. Schlatter Group publishes its annual and half-year financial statements in accordance with Swiss GAAP FER.

Schlatter Industries AG informs its shareholders and the capital market through ad hoc announcements about price-sensitive facts. The relevant information is available on the Schlatter Group website (www.schlattergroup.com) or is automatically delivered by email to subscribers of the news service.

Registration: <https://www.schlattergroup.com/de/investor-relations/#newsservice>

The company's official publication organ is the Swiss Official Gazette of Commerce. The company's Articles of Association can be viewed on the Schlatter Group website.

Werner Schmidli, Chief Executive Officer, is responsible for Schlatter Group Investor Relations: Tel. +41 44 732 71 70 or werner.schmidli@schlattergroup.com.

Agenda

- 06.05.2026 Annual General Meeting
- 13.08.2026 Publication of half-year results 2026