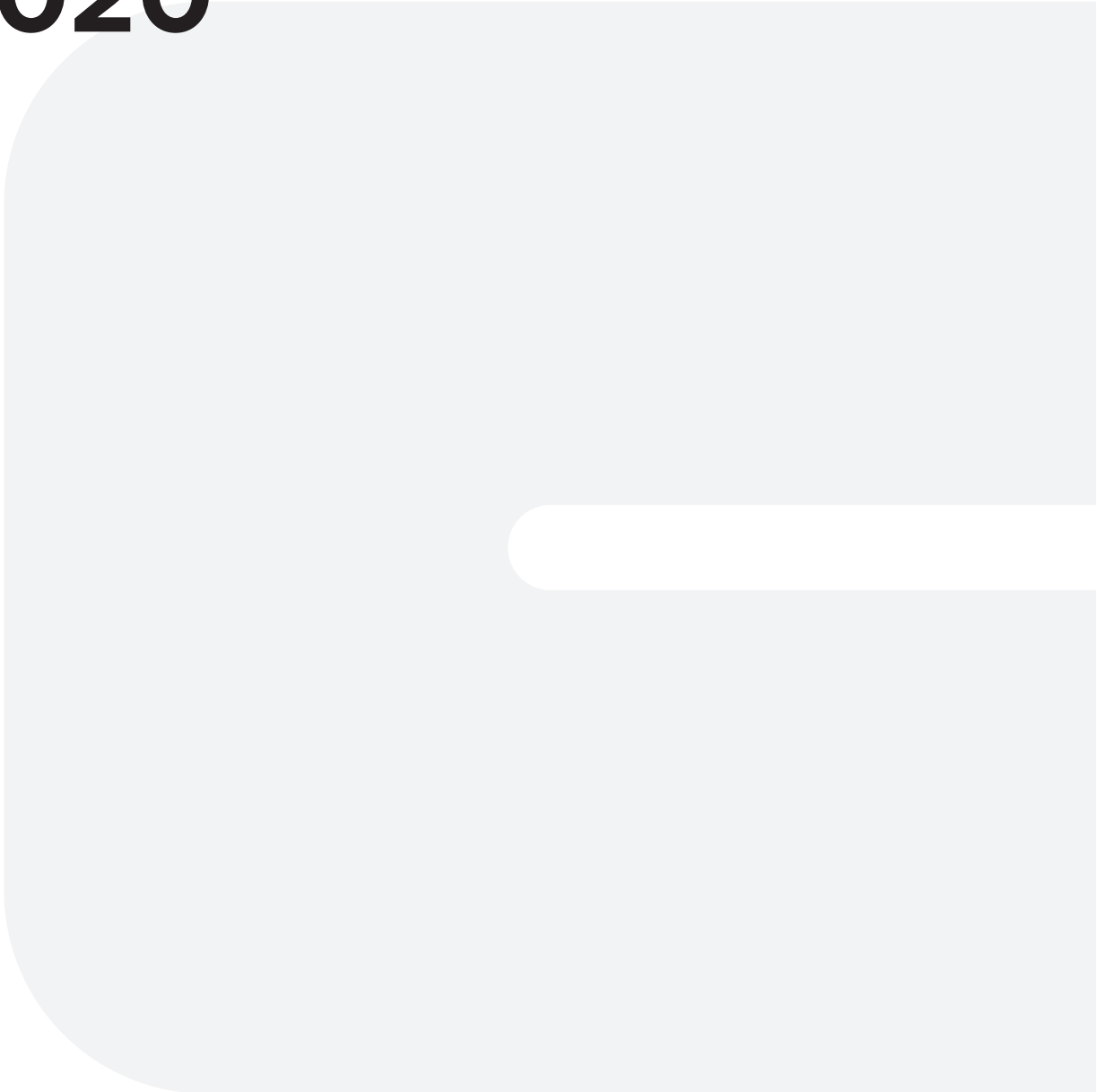


# Corporate Governance Report **2020**



# Index

## **3 Corporate Governance Report**

3	1. Principles of corporate governance
3	2. Group structure and shareholders
4	3. Cross-shareholdings
4	4. Capital structure
4	5. Board of Directors
9	6. Elections
9	7. Internal organizational structure
12	8. Group management
13	9. Remuneration, shareholdings, and loans
13	10. Shareholders' participation rights
14	11. Change of control and defense measures
14	12. Information policy
15	13. Auditors
15	14. Enterprise risk management (ERM)

# Corporate Governance Report

**Clariant is committed to international compliance standards, ensuring checks and balances between the Board and Management, as well as a sustainable approach to value creation.**

## **1. Principles of corporate governance**

In defining the management structure, organization, and processes of the Clariant Group, the corporate governance principles aim to provide stakeholder value and transparency to promote sustainable long-term success. The Group is committed to Swiss and international standards of corporate governance by following the respective statutory provisions and the rules issued by the SIX Swiss Exchange and by implementing the principles of the Swiss Code of Best Practices for Corporate Governance. The principles and regulations on corporate governance are described in the Swiss Code of Obligations, the Directive on Information relating to Corporate Governance by the SIX Swiss Exchange, the Ordinance against Excessive Compensation in Listed Stock Corporations, the Articles of Association of Clariant Ltd, the Bylaws, the organizational Group regulations of the Clariant Group, and the Clariant Code of Conduct. The Board of Directors adapts the internal documents regularly. The Articles of Association, the Bylaws of the Board of Directors, and the Clariant Code of Conduct can be viewed on the Internet at [www.clariant.com/corporate-governance](http://www.clariant.com/corporate-governance).

## **2. Group structure and shareholders**

### **2.1. Group structure**

The registered address of Clariant Ltd is Rothausstrasse 61, 4132 Muttenz, Switzerland. The company's business operations are conducted through Clariant Group companies. Clariant Ltd, a holding company organized under Swiss law, directly or indirectly owns all Clariant Group companies worldwide. With the exception of Clariant Chemicals (India) Ltd, these companies' shares are not publicly traded. Clariant owns 51 % of the publicly traded company Clariant Chemicals (India) Ltd, based in Airoli, Navi Mumbai, India, and listed on the Bombay Stock Exchange and the National Stock Exchange in India under Stock ID »CLNINDIA«, ISIN No. INE492A01029, with a market capitalization of INR 8 495 255 754 (approx. CHF 101 839 000).

The important subsidiaries of Clariant Ltd are listed in Note 37 of the »Notes to the consolidated financial statements of the Clariant Group« of the Financial Report 2020 (pages 63 to 65).

The Group conducts its business through seven Business Units: Additives; Catalysts; Functional Minerals; Industrial & Consumer Specialties; Oil and Mining Services; as well as the Business Unit Masterbatches (until the completion of the divestment effective 1 July 2020), and the Business Unit Pigments (held for sale) and reports its continuing operations in the following three Business Areas: Care Chemicals; Catalysis; and Natural Resources (including Additives).

### **2.2. Significant shareholdings of 3% or more of total share capital**

Based on the notifications received by Clariant and published by SIX Exchange Regulation, as of 31 December 2020, the following shareholders held 3% or more of voting rights in Clariant Ltd:

Shareholders	Voting rights
SABIC International Holdings B.V., Sittard, The Netherlands, controlled by the Public Investment Fund of Saudi Arabia (PIF), Riyadh, Kingdom of Saudi Arabia	32.22% <sup>1</sup>
APG Asset Management N.V., Amsterdam, The Netherlands	5.01%
BlackRock Inc., New York, United States	3.8%
Blue Beteiligungsgesellschaft mbH, Am Holzmaierfeld, 82064 Strasslach-Dingharting, Germany, and Maple Beteiligungsgesellschaft mbH, 82057 Icking, Germany <sup>2</sup>	3.49%

<sup>1</sup> SABIC acquired 24.99% of the shares of Clariant Ltd on 17 September 2018, and increased its participation by 6.51% to 31.5% on 9 September 2020. The difference between this figure (i.e. 31.5%) and the above-mentioned 32.22% corresponds to the amount of treasury shares held by Clariant Ltd, which have to be aggregated to the shares held by SABIC solely for regulatory disclosure purposes due to the Governance Agreement entered into by SABIC and Clariant on 17 September 2018.

<sup>2</sup> According to a disclosure notification published on 18 December 2018, a group consisting of Konstantin Winterstein, 80333 Munich, Germany, and Elisabeth Prinzessin zu Sayn-Wittgenstein, 80333 Munich, Germany, was formed.

Disclosure notifications during the financial year 2020 reported to the Stock Exchange Disclosure Office pursuant to Article 120 of the Financial Markets Infrastructure Act (FMIA) as well as further information in relation to disclosure notifications can be found on the SIX Swiss Exchange reporting platform: [www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html](http://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html)

At 31 December 2020 Clariant AG itself held 2 385 509 shares in treasury, corresponding to 0.72% of the share capital.

### 3. Cross-shareholdings

There are no cross-shareholdings.

## 4. Capital structure

### 4.1. Capital

As of 31 December 2020, the fully paid-in nominal share capital of Clariant Ltd totaled CHF 1 228 175 036.30 and was divided into 331 939 199 registered shares, each with a par value of CHF 3.70. Clariant Ltd shares have been listed on the SIX Swiss Exchange since 1995 (symbol: CLN, ISIN CH0012142631). Clariant Ltd does not issue non-voting equity securities (Genussscheine or Partizipationsscheine). Based on the closing price of the Clariant share of CHF 18.82 on 31 December 2020, the company's market capitalization at year-end amounted to CHF 6.247 billion. There was no change in the capital structure of Clariant Ltd in the last three years (2018 to 2020).

### 4.2. Conditional capital

The company's share capital may be increased by no more than CHF 14 103 978.20 by issuing the remaining 3 811 886 registered shares, each with a par value of CHF 3.70, corresponding to 1.14837% of the current share capital.

The details are set out in Article 5 of the Articles of Association. The Articles of Association can be found on our website at [www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)

### 4.3. Extraordinary distribution — partly from capital reserves

In the 2020 calendar year, an extraordinary distribution in the total amount of CHF 3.00 per share [thereof CHF 2.385 from the confirmed capital contribution reserves and CHF 0.615 from voluntary retained earnings] was decided on by the Annual General Meeting in relation to, and conditional to, the sale of the masterbatches business. The total amount of CHF 917 710 191.85 was paid out on 8 July 2020.

A table with additional information on the distribution of capital reserves can be found on page 34 (Note 17) of the Financial Report 2020.

### 4.4. Transferability of shares

The transfer of registered shares requires the approval of the Board of Directors, which may delegate this function. Approval is granted if the acquirer discloses his/her identity and confirms that the shares have been acquired in his/her own name and for his/her own account.

### 4.5. Nominee registrations and voting rights

Each registered share entitles the holder to one vote at the shareholders' meetings. Special rules according to Article 6 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)) apply to nominees who fail to disclose the identity of the persons they represent and whose shareholding exceeds 2%.

### 4.6. Options

There are no options or option rights.

## 5. Board of Directors

The Board of Directors of Clariant Ltd comprises at least six and no more than twelve members pursuant to Article 19 of the Articles of Association of Clariant Ltd, and no Board member has reached, at the time of its election or reelection, the age of 70, in accordance with Article 20 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)).

All members of the Board of Directors, except for Hariolf Kottmann, who held the position of CEO until 15 October 2018 and who has been serving as Executive Chairman ad interim from 24 July 2019 until 31 December 2020, are considered to be independent in accordance with best-practice standards. No member of the Board of Directors exceeds any of the maximum number of mandates as set forth in Article 38 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)), except for Abdullah Mohammed Alissa in accordance with the transitional provision, Article 44, in the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)).

## 5.1. Members of the Board of Directors

### 5.1.1. Hariolf Kottmann, German citizen

Function at Clariant: Chairman of the Board of Directors since 16 October 2018 and, from 24 July 2019 to 31 December 2020, Executive Chairman ad interim\*

Born: 1955

Year of first election: 2008

Professional career: Hariolf Kottmann earned his PhD in organic chemistry at the University of Stuttgart in 1984. In 1985, he launched his career at the former Hoechst AG in Frankfurt, where he held several key management positions across the company's chemical divisions and functions. In 1996, he was appointed Deputy Head of the Basic Chemicals Division at Hoechst AG and took responsibility for the Inorganic Chemicals Business Unit. In 1998, he joined Celanese Ltd in New Jersey (United States) as a member of the Executive Committee and Head of the Organic Chemicals Business Unit. In April 2001, he was appointed as member of the Executive Committee of SGL Carbon AG, where he was responsible for the Graphite Specialties, Corrosion Protection, and Advanced Materials Divisions as well as the Eastern Europe and Asia regions until 30 September 2008. He was also in charge of the SGL Excellence and Technology & Innovation corporate functions. He has been a member of the Board of Directors of Clariant Ltd since April 2008 and became CEO of Clariant on 1 October 2008. He held this position until 15 October 2018.

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a) none.

Mandates according to Article 38 para 1 lit. b) two: Member of the Advisory Board and member of the Audit Committee of Plansee Holding AG, Austria; Member of the Advisory Board of Röhm GmbH, Darmstadt, Germany.

Mandates according to Article 38 para 1 lit. c) three: Member of the Board of Trustees of ETH Zurich Foundation; Member of the Board of Trustees of Aventis Foundation, Frankfurt; Chairman of the Board of the Clariant Foundation.

\* New Chief Executive Officer (CEO) since 1 January 2021: Conrad Keijzer

### 5.1.2. Dr. Khaled Homza A. Nahas, Saudi Arabian citizen

Function at Clariant: Vice-Chairman, non-executive member of the Board of Directors

Born: 1949

Year of first election: 2018

Board member until 25th Annual General Meeting (29 June 2020)

Professional career: Dr. Khaled Homza A. Nahas holds the following degrees: a BSc in mining and engineering from the University of Washington, Seattle, USA; a master's degree in industrial engineering from the Oregon State University, Oregon, USA; PhD in engineering and economic systems from Stanford University, California, USA. Dr. Khaled Homza A. Nahas is a member of the SABIC Board

of Directors, Head of the Risk and Sustainability Committee, and member of both the Audit and Investment Committees. Dr. Khaled Homza A. Nahas was a Board member of Hassanah Investment Company and the National Water Company until 2017. Previously, he held various positions in Saudi Arabia, including Vice President of the Industrial Committee in the Chamber of Commerce and Industry (1986 to 1989), and was also a member of the Shoura Council (1997 to 2001) and the Mayor of Mecca (2001 to 2006). Dr. Khaled Homza A. Nahas was also a member of the Boards of Directors of several companies, including Saudi Investment Bank, General Organization of Military Industries, Saudi Hotels & Resorts Company (SHARACO), Saudi Telecom Company STC, National Commercial Bank, and Riyadh Bank. He was also Chairman of the Board of Directors of the National Company for Spring Mattresses & Sponges and the Tabuk Hotels Company.

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a) one: Saudi Basic Industries Corporation (SABIC), Saudi Arabia.

Mandates according to Article 38 para 1 lit. b) one: Methak Holding Ltd., Saudi Arabia.

Mandates according to Article 38 para 1 lit. c) none.

### 5.1.3. Abdullah Mohammed Alissa, Saudi Arabian citizen

Function at Clariant: Vice-Chairman since 29 June 2020, non-executive member of the Board of Directors

Born: 1956

Year of first election: 2018

Professional career: Abdullah Mohammed Alissa holds a BSc in industrial engineering and an MSc in engineering management from Southern Methodist University in Dallas, USA. Abdullah Mohammed Alissa is a member of the SABIC Board of Directors and member of both the Audit and Investment Committees. Abdullah Mohammed Alissa, currently Chairman of the Board of Riyadh Bank, is also the Chairman of Assila Investments Company, DUR Hospitality Co., AMIAS Holding Co., and Abdullah Mohammed Alissa Consulting Engineers. Abdullah Mohammed Alissa is also on the Boards of several other companies, including Etihad Etisalat (Mobily). He previously held the positions of Chairman of National Medical Care Co. and Chairman of Arabian Cement, among other board memberships.

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a) four: Saudi Basic Industries Corporation (SABIC), Saudi Arabia; Riyadh Bank, Saudi Arabia; DUR Hospitality Company, Saudi Arabia; Etihad Etisalat (Mobily), Saudi Arabia.

Mandates according to Article 38 para 1 lit. b) one: Assila Investments Company, Saudi Arabia.

Mandates according to Article 38 para 1 lit. c) two: Abdullah Mohammed Alissa Consulting Engineers, Saudi Arabia; AMIAS Holding Company, Saudi Arabia.

#### **5.1.4. Nader Ibrahim Alwehibi, Saudi Arabian citizen**

Function at Clariant: Non-executive member of the Board of Directors

Born: 1980

Year of first election: 2020

Professional career: Nader Ibrahim Alwehibi holds a master's degree in social protection policy from Maastricht University, The Netherlands, and a bachelor's degree in insurance from Indiana State University, USA. Nader Ibrahim Alwehibi is a member of SABIC's Board of Directors and serves on its Audit Committee and Risk and Sustainability Committee. He is currently the Assistant Governor for Insurance Affairs with the General Organization for Social Insurance (GOSI) of Saudi Arabia. He is also a member of the Board of Directors, a member of the Executive Committee, and a member of the Nominations & Compensations Committee of Riyadh Bank. He previously served as a member of the Board of Directors of the National Medical Care Company and a member of the Board of Directors of Jarir Marketing Company. He also occupied several positions at the General Organization for Social Insurance (GOSI).

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a) two: Saudi Basic Industries Corporation (SABIC), Saudi Arabia; Riyadh Bank, Saudi Arabia.

Mandates according to Article 38 para 1 lit. b) none.

Mandates according to Article 38 para 1 lit. c) one: Mudad, Saudi Arabia.

#### **5.1.5. Günter von Au, German citizen**

Function at Clariant: Non-executive member of the Board of Directors

Born: 1951

Year of first election: 2011

Professional career: After studying textile and polymer chemistry at Reutlingen University and chemistry at the University of Tübingen, where he obtained a doctorate, Günter von Au began his career in 1980 in Burghausen at Wacker-Chemie AG. He held a number of different management positions at the company through 2001 in Germany, Brazil, and the United States – most recently as Head of Wacker's division for polymers, specialty chemistry, and basic chemistry in Munich. He was also CEO of Wacker Polymer Systems GmbH & Co. KG in Burghausen, Germany. He joined Süd-Chemie in 2001 as President and CEO of Süd-Chemie Inc. In 2004, he became CEO of the Management Board of Süd-Chemie AG in Munich and held this position until 31 March 2012. On 1 April 2012, Mr. von Au joined the Board of Directors at Clariant Ltd and acted as Vice-Chairman of the Board of Directors until 16 October 2018.

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a) none.

Mandates according to Article 38 para 1 lit. b) four: Chairman of the Supervisory Board of Stada Arzneimittel AG, Germany; Member of the Advisory Committee of Gebr. Röchling KG, Germany; Chairman of the Board of CeramTec GmbH, Germany; Chairman of the Advisory Board of Tyczka GmbH, Germany.

Mandates according to Article 38 para 1 lit. c) none.

#### **5.1.6. Calum MacLean, British citizen**

Function at Clariant: Non-executive member of the Board of Directors

Born: 1963

Year of first election: 2018

Professional career: Calum MacLean holds a BSc (Hons) degree in chemistry from Aberdeen University, UK. Calum MacLean has been a member of the SABIC Board (Non-Executive Director) and a member of the Risk and Sustainability Committee since 2017. Calum MacLean has been Chief Executive Officer of Synthomer plc (UK FTSE 250 listed), a speciality chemical company, since January 2015. Previously, he was a founding member of INEOS Group, established in 1998. During his time at INEOS, he held a number of senior executive roles, including Chief Executive Officer of INEOS Refining from December 2006 to 2011, Chief Executive Officer of EVC Corporation and subsequently INEOS ChlorVinyls until 2005, Chief Executive Officer of INEOS Styrenics and subsequently Chairman of Styrolution (at that time a joint venture with BASF), and Chief Executive Officer of PetroIneos Refining (a joint venture with Petro China). Additionally, he served as the Chairman and Chief Executive Officer of INEOS Olefins and Polymers Europe and Chief Executive Officer of INEOS Phenol.

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a) two: Saudi Basic Industries Corporation (SABIC), Saudi Arabia; Synthomer plc, UK.

Mandates according to Article 38 para 1 lit. b) none.

Mandates according to Article 38 para 1 lit. c) none.

**5.1.7. Thilo Mannhardt, German citizen**

Function at Clariant: Non-executive member of the Board of Directors

Born: 1954

Year of first election: 2020

Professional career: Thilo Mannhardt studied aeronautical and space engineering and received a master's degree from the Technical University Berlin, Germany, where he also completed his PhD in 1985. In addition, he received a postgraduate certificate in Business Administration from the University of Hagen, Germany. After several years in academia and research, Thilo Mannhardt joined McKinsey & Co., Inc., in 1985. For 28 years until his retirement in 2012, he held various leadership roles in Europe, Latin America, and Africa, most recently as Senior Partner and Director. Thilo Mannhardt is a member of the Board of Directors of Algar Telecom, leading the Audit and Risk Committee since 2017. Since 2018, he has been a Board member and advisor of BMI/White Fox Management and was appointed to the newly formed Board of C&A Brazil in 2019. In 2020, he joined the advisory council of Logus Capital Financial Advisors. He previously was in the advisory council of PE Victoria Capital. He was a member of the Board of Directors and CEO of Ultrapar SA from 2011 – 2018.

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a) one: C&A Modas S.A., Brazil.

Mandates according to Article 38 para 1 lit. b) one: Algar Telecom, Brazil.

Mandates according to Article 38 para 1 lit. c) two: BMI Holding, Brazil; Logus Capital Financial Advisors, Brazil.

**5.1.8. Geoffery Merszei, Canadian and Swiss citizen**

Function at Clariant: Non-executive member of the Board of Directors

Born: 1951

Year of first election: 2018

Professional career: Geoffery Merszei holds a BSc in economics from Albion College in Michigan, USA. Geoffery Merszei is the Chairman and Chief Executive of Zolenza AG, an investment and advisory firm based in Zug, Switzerland. Geoffery Merszei was previously the Executive Vice President of The Dow Chemical Company, President of Dow Europe, the Middle East, and Africa, and Chairman of Dow Europe before retiring in 2013. He served on Dow's board from 2005 to 2009 and was the Lead Director on the board of Dow Corning Corporation. He was also Chairman of Dow's Geographic Leadership Council and a member of Dow's Executive Leadership Committee. Previously, he was Dow's Executive Vice President and Chief Financial Officer. In 2001, Geoffery Merszei served as Executive Vice President and Chief Financial Officer of Alcan Inc. He has also served as a board member of the Chemical Financial Corporation and as a trustee and executive committee member of the United States Council for International Business.

Further board mandates include OC Oerlikon Corporation AG and EuroChem Group AG.

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a) one: OC Oerlikon Corporation AG, Switzerland.

Mandates according to Article 38 para 1 lit. b) none.

Mandates according to Article 38 para 1 lit. c) one: Zolenza AG, Switzerland.

**5.1.9. Eveline Saupper, Swiss citizen**

Function at Clariant: Non-executive member of the Board of Directors; independent Lead Director from 24 July 2019 to 31 December 2020\*

Born: 1958

Year of first election: 2016

Professional career: Eveline Saupper studied law at the University of St. Gallen, Switzerland (HSG). She was a partner at the law firm Homburger AG, Zurich, Switzerland, until 2014 and Of Counsel of said law firm until March 2017. Before joining Homburger in 1985, she worked as a tax specialist with Peat Marwick Mitchell (today KPMG) in Zurich. She holds a PhD in law from the University of St. Gallen and passed her bar exams in Zurich. Eveline Saupper is also a certified tax expert.

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a) two: Flughafen Zürich AG, Switzerland; Georg Fischer AG, Switzerland.

Mandates according to Article 38 para 1 lit. b) one: Stäubli Holding AG, Switzerland.

Mandates according to Article 38 para 1 lit. c) three: Mentex Holding AG, Switzerland; UZH Foundation [University of Zurich], Switzerland; Tourismus Savognin Bivio Albula AG, Switzerland.

\* On 31 December 2020, Hariolf Kottmann stepped down from his function as Executive Chairman ad interim as Conrad Keijzer was appointed Chief Executive Officer (CEO) effective 1 January 2021.

**5.1.10. Carlo G. Soave, British citizen**

Function at Clariant: Non-executive member of the Board of Directors

Born: 1960

Year of first election: 2008

Board member until 25th Annual General Meeting (29 June 2020)

Professional career: Carlo G. Soave studied languages and economics at Heriot-Watt University in Edinburgh, Scotland. He launched his career in 1982 at Oerlikon-Bührle in Switzerland, moving to Procter & Gamble in 1984. There, he held various senior management positions, including Vice President of Global Purchasing for the Fabric and Home Care Division. In 2004, he founded

Soave & Associates, a consulting company based in Brussels, Belgium. He is an Advisory Board member of MonoSol LLC, a company based in Indiana (United States) that belongs to the Kuraray Group (Japan).

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a): none.

Mandates according to Article 38 para 1 lit. b) one: Advisory Board of MonoSol LLC, United States.

Mandates according to Article 38 para 1 lit. c) one: Managing Director of Soave & Associates, Belgium.

#### 5.1.11. Peter Steiner, German citizen

Function at Clariant: Non-executive member of the Board of Directors

Born: 1959

Year of first election: 2016

Professional career: Peter Steiner studied business administration in Mannheim and Cologne, Germany, and finished with a master's degree. He is a German certified public accountant, tax advisor, and business consultant with a focus on mergers and acquisitions, financing, and investment management. Peter Steiner was previously a partner of the investment company One Equity Partners LLC and worked for MG Technologies AG as its Chief Financial Officer. At Dyckerhoff AG, he was successively CFO, Chief Operating Officer, and finally CEO. Following his many years as an auditor with Arthur Andersen & Co., he was also CFO of Süba Bau AG.

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a) two: Wienerberger AG, Austria; Zeal Network SE, Germany.

Mandates according to Article 38 para 1 lit. b) one: RKW Holding SARL, Luxembourg.

Mandates according to Article 38 para 1 lit. c) none.

#### 5.1.12. Claudia Suessmuth Dyckerhoff, German citizen

Function at Clariant: Non-executive member of the Board of Directors

Born: 1967

Year of first election: 2016

Professional career: Claudia Suessmuth Dyckerhoff holds a PhD in business administration from the University of St. Gallen/University of Michigan Ann Arbor, USA, focusing on strategy, organization, and operational excellence. Claudia Suessmuth Dyckerhoff also holds an MBA from CEMS/ESADE. She joined McKinsey & Company in Switzerland in 1995 and since then focused on advising mainly healthcare companies in Europe, the United States, Greater China, and across Asia. She was a Senior Partner at McKinsey and led the Asia Health Services and Systems sector within McKinsey

until March 2016, when she became a Senior External Advisor to McKinsey.

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a) two: Roche Holding AG, Switzerland; Ramsay Health Care (Sydney), Australia.

Mandates according to Article 38 para 1 lit. b) three: QuEST Global Services Pte. Ltd., Singapore; Cyrcadia Ltd., Hong Kong (start-up); Edugreen Education & Services Ltd., Kolkata, India (start-up).

Mandates according to Article 38 para 1 lit. c) four: Buurtzorg Neighborhood Care Asia Ltd., Hong Kong; University of St. Gallen, Switzerland; IMA [International Market Assessment], Shanghai, China; St. Galler Stiftung für Internationale Studien (SSIS), Switzerland.

#### 5.1.13. Susanne Wamsler, US citizen

Function at Clariant: Non-executive member of the Board of Directors

Born: 1961

Year of first election: 2015

Professional career: Susanne Wamsler studied at Princeton University in Princeton, New Jersey, USA, graduating with a degree in political economy. From 1984 to 1988, she held various positions with Deutsche Bank AG in Munich and New York. In 1989, she received her MBA from INSEAD in Fontainebleau, France. Since then, she has been a successful entrepreneur in different fields, including retail, real estate, telecommunications, and wealth management. She complemented her education with certificates in board membership and corporate governance and has previously held mandates and officer positions in different businesses as well as nonprofit organizations before joining the Clariant Board.

Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)): none.

#### 5.1.14. Konstantin Winterstein, German citizen

Function at Clariant: Non-executive member of the Board of Directors

Born: 1969

Year of first election: 2011

Professional career: Konstantin Winterstein studied at the Technical Universities in Darmstadt and in Berlin, where he completed a degree in production engineering. In 2004, he received his MBA from INSEAD in Fontainebleau and Singapore. From 1997 to 2014, he held various positions with the BMW Group. Since 2014, he has been a member of the management board of Ringmetall AG in Munich, and Co-CEO since 2017. From 2006 to 2011, he served on the Supervisory Board of Süd-Chemie AG.



Other activities: Board of Directors/Supervisory Board mandates as set forth in Article 38 para 1 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)):

Mandates according to Article 38 para 1 lit. a) one: Ringmetall AG, Germany.

Mandates according to Article 38 para 1 lit. b) one: GFT Holding GmbH, Germany.

Mandates according to Article 38 para 1 lit. c) none.

## 5.2. Cross-involvement

There are no cross-involvements.

## 6. Elections

The members of the Board of Directors of Clariant Ltd, the Chairman of the Board of Directors, as well as the members of the Compensation Committee will be elected individually for a term of one year by the Annual General Meeting. Only members of the Board of Directors are eligible to serve on the Compensation Committee.

## 7. Internal organizational structure

### 7.1. The Board of Directors and its committees

The Board of Directors consists of the Chairman, one or more Vice-Chairpersons, and the other members. Except for Hariolf Kottmann, who held the position of CEO until 15 October 2018, none of the non-executive members of the Board of Directors held a senior management position at Clariant Ltd or any current or former Clariant Group company between 2018 and 2020 or has any significant business relationship with Clariant Ltd or any other Clariant Group company. Hariolf Kottmann has also held, ad interim, the position of Executive Chairman from 24 July 2019 until 31 December 2020. The members of the Board of Directors constitute the following committees:

- Nomination Committee
- Compensation Committee
- Audit Committee

The **Board of Directors** appoints the members of the committees, except for the members of the Compensation Committee, who are elected by the Annual General Meeting. The Board of Directors meets at least once a quarter. At the invitation of the Chairman, the CEO, the CFO, and other members of the Executive Committee and/or other employees and third parties attend the meetings of the Board of Directors for the purpose of reporting or imparting information. Each committee has a written charter outlining its duties and responsibilities. The committees' charters are published on Clariant's website ([www.clariant.com/committees](http://www.clariant.com/committees)). The committees report on their activities and results to the Board of Directors. They prepare the business of the Board of Directors in their respective areas.

## BOARD OF DIRECTORS - COMMITTEE RESPONSIBILITIES AND MEETINGS

Member of the Board of Directors	Nomination Committee	Audit Committee	Compensation Committee
<b>Number of meetings in 2020</b>	4	* 6	* 4
Hariolf Kottmann	■ since 16 October 2018	4	
Dr. Khaled Homza A. Nahas	■ from 16 October 2018 until 29 June 2020	1	
Abdullah Mohammed Alissa			■ since 16 October 2018
Günter von Au	■ since 29 June 2020	3 ■ from 2015 until 29 June 2020	3
Calum MacLean	■ since 16 October 2018	4	
Geoffery Merszei		■ since 16 October 2018	6
Eveline Saupper		■ since 2016	6 ■ since 16 October 2018 ■ since 2016
Carlo G. Soave	■ from 2012 until 29 June 2020	1	■ from 2012 until 29 June 2020 ■ until 16 October 2018
Peter Steiner	■ since 2016	4 ■ since 2016	6
Claudia Suessmuth Dyckerhoff			■ since 16 October 2018
Susanne Wamsler			■ since 16 October 2018
Konstantin Winterstein		■ from 2012 until April 2016 and since March 2017	6

■ Chairman

■ Member

\* = Number of meetings attended in 2020

The **Nomination Committee** (NC) comprises the Chairman, the Vice-Chairman, and at least two other members of the Board of Directors. The NC meets as needed. The NC draws up principles for the selection of candidates for election and reelection to the Board of Directors and to the CEO and other members of the Executive Committee and prepares the corresponding recommendations. The NC considers and submits to the Board of Directors the CEO's proposals concerning candidates for Executive Committee positions. [www.clariant.com/committees](http://www.clariant.com/committees)

The **Compensation Committee** (CoC) comprises five members of the Board of Directors as elected by the Annual General Meeting. The majority of the members shall be non-executive members of the Board of Directors. The CoC meets at least twice a year. It reviews and proposes to the Board of Directors the compensation and benefits policies and programs, reviews the performance criteria relevant to compensation, and determines individual executive compensation and benefits of the members of the Board of Directors and the Executive Committee, subject to the approvals of the total compensations by the Annual General Meeting. Furthermore, the CoC reviews fringe benefit regulations and dismissal regulations with the CEO, members of the Executive Committee, Heads of Global Functions and Global Business Units, and Region Heads always in accordance with the Articles of Association and the Ordinance against Excessive Compensation in Listed Stock Corporations. More information can be found in the 2020 Compensation Report, section 1, page 3 ([reports.clariant.com/2020/compensation/pdf/en](https://reports.clariant.com/2020/compensation/pdf/en)) and at [www.clariant.com/committees](http://www.clariant.com/committees)

The **Audit Committee** (AC) comprises two to five members of the Board of Directors, all of whom must be independent, non-executive members of the Board of Directors. A majority of the members of the AC must have financial and accounting experience.

The AC reviews the activities of the external auditors, their collaboration with the internal auditors, and their organizational adequacy. It also reviews the performance, compensation, and independence of the external auditors as well as the performance of the internal auditors and reports back to the Board of Directors. Furthermore, the AC reviews the company's internal control and risk management systems and reviews compliance with the law and internal regulations – in particular with the Code of Conduct. In collaboration with the Group's external and internal auditors and financial and accounting management, the AC reviews the appropriateness, effectiveness, and the compliance of accounting policies and financial controls with applicable accounting standards. The AC meets at least four times a year. The AC reviews and recommends the Group's financial statements for the first three quarters of each year and the annual financial results to the Board of Directors for approval.

[www.clariant.com/committees](http://www.clariant.com/committees)

## 7.2. Definition of working methods and areas of responsibility

In accordance with the law and the Articles of Association, the Board of Directors is the ultimate decision-making authority for Clariant Ltd in all matters except those decisions reserved by law or the Articles of Association for the shareholders. In accordance with

and supplementary to Article 716a of the Swiss Code of Obligations and Article 22 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)), the Board of Directors has sole authority particularly for the following nontransferable and inalienable duties of the Board of Directors:

- Providing the strategic direction of the Group;
- Approving the basic outline of the Group's organization and its corporate governance;
- Supervising the overall business operations;
- Evaluating the performance of the CEO and members of the Executive Committee;
- Appointing and dismissing the CEO and members of the Executive Committee, the Head of Corporate Auditing, and other key executives;
- Approving the basic accounting system and financial planning and control of the Group;
- Approving the Group's annual budget;
- Reviewing and approving the quarterly financial statements and results release for Clariant Ltd and the Group;
- Approving the Group's consolidated financial statements at the end of the financial year for submission to the Annual General Meeting;
- Approval and review of ESG-related reporting;
- Approving major M&A transactions and financial transactions of considerable scope or those involving special risks, particularly capital market transactions and other financing transactions (e.g., large loans) as well as changes in conditions associated therewith;
- Ensuring a management and corporate culture that is appropriate for the company's objectives;
- Ensuring an internal control system and adequate risk and compliance management, particularly with regard to financial, corporate governance and citizenship, personnel, and environmental protection matters;
- Ensuring succession planning and management development;
- Convening the Annual General Meeting (AGM) and determining the items on the agenda and the proposals to be made to the AGM.

## 7.3. Working methods

In 2020, the Board of Directors held three meetings in person in Switzerland, and eight meetings were held by phone. One meeting lasted two days. All eleven Board meetings held in 2020 were attended by all Board members. The company's strategy is reviewed and further developed once a year. Members of the Executive Committee and the General Counsel are invited to attend the meetings of the Board of Directors. The views of external and internal consultants are heard, if necessary, in the case of projects of considerable scope.

<b>BOARD OF DIRECTORS MEETINGS</b>	
<b>Number of meetings in 2020</b>	11
<b>Board of Directors</b>	
Hariolf Kottmann	11
Dr. Khaled Homza A. Nahas	5
Abdullah Mohammed Alissa	11
Nader Alwehibi	6
Günter von Au	11
Calum MacLean	11
Thilo Mannhardt	6
Geoffery Merszei	11
Eveline Saupper	11
Carlo G. Soave	5
Peter Steiner	11
Claudia Suessmuth Dyckerhoff	11
Susanne Wamsler	11
Konstantin Winterstein	11

#### 7.4. Management of the Group

The Board of Directors has delegated the executive management of the Clariant Group to the CEO and the other members of the Executive Committee. The Executive Committee is mainly responsible for implementing and monitoring the Group strategy, for the financial and operational management of the Group, and for the efficiency of the Group's structure and organization. The members of the Executive Committee are appointed by the Board of Directors on the recommendation of the Nomination Committee. Subject to the responsibility of the Board of Directors and the Annual General Meeting, the CEO and, under his supervision, the Executive Committee are responsible for:

- Drawing up strategic plans and policies for approval by the Board of Directors;
- Implementing Group strategies and policies as well as strategies and action programs for individual Business Units and subsidiaries;
- Managing the Business Units and functions to ensure efficient operations, including regularly assessing the achievement of goals;
- Regularly informing the Board of Directors and its committees of all matters of fundamental significance to the Group and its businesses;
- Ensuring compliance with legal requirements and internal regulations;
- Establishing a management and corporate culture in line with the company's objectives;
- Promoting an active internal and external communications policy;
- Appointing and dismissing senior management, including appropriate succession planning.

The Executive Committee is supported by the Corporate Center, which defines Group-wide policies and guidelines. While reporting in the three Business Areas Care Chemicals (Business Unit Industrial & Consumer Specialties and New Business), Catalysis (Business Unit Catalysts and Business Line Biofuels & Derivatives), and Natural Resources (Business Units Oil and Mining Services,

Functional Minerals, and Additives), including the Business Units Masterbatches [sold effective 1 July 2020] and Pigments as discontinued operations, the seven Business Units are the highest-level operating units within the Group. They have global responsibility for the activities assigned to them, particularly sales, marketing, product management, and production. The Business Units also have global responsibility for short- and long-term revenue and earnings generated from the operations and assets assigned to them. This includes fully exploiting existing business potential, identifying new business opportunities, and pursuing the active management of their products and services portfolio. The Business Units' activities are complemented and supported by global Group functions (e.g., Procurement, Finance, Information Technology, Legal, Human Resources, and Group Technology & Innovation), which are organized as service centers.

#### 7.5. Information and control instruments vis-à-vis the Executive Committee

The Board of Directors ensures that it receives sufficient information from the Executive Committee to perform its supervisory duties and make decisions that are reserved for the Board of Directors. The Board of Directors obtains the information required to perform its duties in various ways:

- The CEO and the CFO inform all directors regularly about current developments, including through the regular submission of written reports, such as key performance indicators for each business;
- The minutes of the meetings of the Executive Committee are made available to the directors;
- Informal meetings and teleconferences are held, as required, between the CEO and the members of the Nomination Committee;
- The members of the Executive Committee are invited to attend meetings of the Board of Directors to report on Business Units under their responsibility;
- The members of the Board of Directors are entitled to request information from members of the Executive Committee or any other Clariant senior manager.

**BOARD OF DIRECTORS - COMMITTEE MEETINGS**

	Number of meetings	Average duration in h	CEO/CFO may be invited	Other attendees
Board of Directors	11	3-7	yes	Executive Committee; General Counsel
Nomination Committee	4	2-4	yes	
Audit Committee	6	3-4	CFO	Auditors; Head Corporate Auditing; Head Corporate Accounting; General Counsel; Group Compliance Officer in two meetings
Compensation Committee	4	1.5-2	yes <sup>1</sup>	Head of Group Human Resources

<sup>1</sup> Except when discussing the remuneration of the CEO or any other member of the Executive Committee

**7.6. Board committees**

The CFO and representatives of the external auditor are invited to Audit Committee meetings. Furthermore, the Heads of Corporate Auditing and Risk Management, the Group Compliance Officer, and Clariant's General Counsel report on a regular basis to the Audit Committee. The Audit Committee reviews the financial reporting processes on behalf of the Board of Directors. For each quarterly and annual reporting of financial information, an internal team reviews the information for accuracy and completeness of disclosures, reporting to the Audit Committee before publication. The Compensation Committee generally meets at least twice per year to adjust the development of the compensation structures to changing conditions, as necessary. In this context, the long-term incentive program for the Executive Committee and the senior management team is also aligned with current market and business developments, and corresponding adjustments are made, if required.

**7.7. Internal audit (Corporate Auditing)**

Corporate Auditing carries out operational and system audits in accordance with a plan adopted by the Audit Committee. By assisting organizational units in the accomplishment of objectives, it provides an independent approach for the evaluation, improvement, and effectiveness of the internal control framework. The quality of Corporate Auditing is regularly assessed in accordance with the requirements of The Institute of Internal Auditors (IIA). Corporate Auditing also prepares reports on the audits it has performed and reports actual or suspected irregularities to the Audit Committee and the Chairman of the Board of Directors. The Audit Committee regularly reviews the scope, plans, and results of Corporate Auditing. The Group pursues a risk-oriented approach to auditing and coordinates internal audit activities with the external auditors on a regular basis. More information on Clariant's risk management system can be found on page 15.

**8. Group management****8.1. The Executive Committee**

The Executive Committee (EC) consists of the CEO, the CFO, and two other members. The Executive Committee regularly holds meetings at the Corporate Center in Pratteln or at other Clariant sites worldwide. It uses such external meetings to discuss business performance with the management of the local companies in person.

**8.2. Members of the Executive Committee**

The Executive Committee comprised the following members:

**8.2.1. Hariolf Kottmann, German citizen, Executive Chairman ad interim from 24 July 2019 until 31 December 2020**

Hariolf Kottmann acted as Executive Chairman ad interim from 24 July 2018 until 31 December 2020.\*

Operational responsibilities: Group Auditing (jointly with the chairman of the Audit Committee); Group Compliance (since 1 April 2020); Group Communication; Group Legal; Group Human Resources.

Hariolf Kottmann earned his PhD in organic chemistry at the University of Stuttgart in 1984. In 1985, he launched his career at the former Hoechst AG in Frankfurt, where he held several key management positions across the company's chemical divisions and functions. In 1996, he was appointed Deputy Head of the Basic Chemicals Division at Hoechst AG and took responsibility for the Inorganic Chemicals Business Unit. In 1998, he joined Celanese Ltd in New Jersey (United States) as member of the Executive Committee and Head of the Organic Chemicals Business Unit. In April 2001, he was appointed member of the Executive Committee of SGL Carbon AG, where he was responsible for the Graphite Specialties, Corrosion Protection, and Advanced Materials Divisions as well as the Eastern Europe and Asia regions until 30 September 2008. He was also in charge of the SGL Excellence and Technology & Innovation corporate functions. He became CEO of Clariant on 1 October 2008 and held this position until 15 October 2018.

\* The new Chief Executive Officer (CEO) Conrad Keijzer assumed his role on 1 January 2021.

**8.2.2. Hans Bohnen, German citizen, Executive Vice President & Chief Operating Officer (COO), EC member since 12 October 2018**

Operational responsibilities: Business Unit Additives; Business Unit Catalysts; Business Unit Industrial & Consumer Specialties; Business Unit Oil and Mining Services; Group Procurement Services (until 9 April 2020); Group Technology & Innovation; Digital4Clariant; regions Latin America and North America. Hans Bohnen studied chemistry at the University of Duisburg-Essen, Germany, obtained a PhD in chemistry from the University of Tübingen, Germany, and holds an MBA from the Aston Business School. Hans Bohnen began his career in 1995 as a research chemist at Hoechst AG. Between 1995 and 2006, he held several senior positions in research & development and operations across Europe and North America for Hoechst AG, Celanese AG, and SGL Group.

From 2007 to 2009, he worked in strategic management consultancy with Booz Allen Hamilton. In 2010, he became Senior Vice President and Head of Clariant's Business Unit Masterbatches. In 2015, he was appointed Head of Clariant's Global Business Services to build up Clariant's internal shared service organization. On 12 October 2018, he was appointed member of the Executive Committee of Clariant.

**8.2.3. Bernd Hoegemann, German citizen, Executive Vice President & Chief Transformation Officer, EC member since 1 November 2019**

Operational responsibilities: Business Unit Functional Minerals; Business Unit Pigments; Business Unit Masterbatches (until the completion of the divestment effective 1 July 2020); Group Procurement Services (since 9 April 2020); Project Clariant 2021; Divestment Projects; Clariant Excellence; Corporate Planning & Strategy; Corporate Sustainability & Regulatory Affairs (including Corporate ESHA); region Asia-Pacific (i.e. India, Southeast Asia & Pacific, Japan, Greater China).

In 2006, Bernd Hoegemann received his doctorate in economics from the University of Munster, Germany, where he had also completed his master's degree in psychology. He also holds a master's degree in business administration from the University of Hagen, Germany. He began his career as a consultant in 2000 and has held several positions as a senior consultant with renowned companies. In 2008, he joined Clariant, where he was responsible for Senior Management Development. From 2012 until 2017, he headed the Clariant Excellence unit. From 2015 until 2018, Bernd Hoegemann was Head of Corporate Planning & Strategy. He was appointed Head of the Business Unit Masterbatches in 2018 and, on 1 November 2019, appointed member of the Executive Committee of Clariant.

**8.2.4. Patrick Jany, German citizen, Chief Financial Officer (CFO) until 31 March 2020**

Operational responsibilities: Corporate Accounting; Corporate Controlling; Corporate Tax; Corporate Treasury; Corporate Mergers & Acquisitions; Group Finance Services; Global Business Services; Group Compliance; Group Information Technology; Investor Relations; regions Europe and Middle East & Africa.

Patrick Jany studied economics at the École Supérieure de Commerce de Paris. He has been Chief Financial Officer at Clariant since 1 January 2006. In 1990, he joined Sandoz – one of Clariant's predecessor companies. He held various positions in finance and controlling at Sandoz and Clariant, including Chief Financial Officer for the ASEAN region and Head of Controlling for the Pigments & Additives Division. From 2003 to 2004, he was Head of Country Organization for Clariant in Mexico. Prior to his appointment as CFO, he was Clariant's Head of Corporate Development with responsibility for Group strategy and mergers and acquisitions.

**8.2.5. Stephan Lynen, German citizen, Executive Vice President & Chief Financial Officer (CFO), CFO and EC member since 1 April 2020**

Operational responsibilities: Corporate Accounting; Corporate Controlling; Corporate Mergers & Acquisitions; Corporate Tax;

Corporate Treasury; Global Business Services; Group Finance Services; Group Investor Relations; Group Information Technology; and the region Europe, Middle East & Africa.

Stephan Lynen studied business administration at the University of Cologne and economics and finance at University of California, Los Angeles, USA. In 1998, he joined Clariant as a corporate internal auditor and took various leading positions in finance at our headquarters, in Turkey, and in Japan and lead several M&A projects before becoming Head of Group Controlling. From 2013 to 2014, Stephan Lynen was the General Manager of Clariant's Joint Venture Global Amines Company in Singapore. Starting in 2015, he held the position of Head of Business Unit Industrial & Consumer Specialties for the Asia-Pacific region before starting his previous role as global Head of Business Unit Additives in 2016. On 1 April 2020, he was appointed CFO and member of the Executive Committee of Clariant.

**8.3. Other activities and functions**

While the members of the Executive Committee may undertake other activities in accordance with Article 38 para 2 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)), none of the members of the Executive Committee undertake other activities or hold consultancy functions or other offices, except for

– Patrick Jany (with Clariant until 31 March 2020): member of the Board of Directors and of the Audit Committee of Comet Holding AG, Switzerland, since 25 April 2019 and, since 21 June 2019, independent Lead Director.

**8.4. Management contracts with third parties**

There are no management contracts with third parties.

**8.5. Contractual arrangements for members of the Executive Committee**

All members of the Executive Committee hold employment contracts with Clariant International Ltd, the Clariant Group's management company. The contractual provisions are governed exclusively by Swiss law. Contracts of the members of the Executive Committee are subject to a standard notice period of twelve months.

**9. Remuneration, shareholdings, and loans**

All information on the remuneration of the Board of Directors and the Executive Committee of Clariant Ltd can be found in the 2020 Compensation Report ([reports.clariant.com/2020/compensation/pdf/en](http://reports.clariant.com/2020/compensation/pdf/en)) and in Note 14 (pages 80 and 81) of the Financial Statements of Clariant Ltd in the Financial Report 2020.

**10. Shareholders' participation rights**

Subject to Article 6 para 2 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)), providing certain limitations on voting by nominees, each registered share entitles the holder to one vote at the Annual General Meeting. Shareholders have the right to receive dividends and such other rights as are granted by the Swiss Code of Obligations. However, only shareholders entered in the Clariant share register may exercise their voting rights.

### 10.1. Voting right restrictions and representation

A registered shareholder may be represented at the Annual General Meeting by another shareholder with the right to vote, a legal representative, or by the independent proxy (unabhängiger Stimmrechtsvertreter). The shares held by any one shareholder may be represented by only one representative. There are no special rules for waiving any voting rights restrictions laid down in the Articles of Association. The Articles of Association also do not contain any rules on participation in the Annual General Meeting that differ from the standard terms proposed by law.

### 10.2. Statutory quorums

The quorums laid down in the Articles of Association correspond to those in Article 704 of the Swiss Code of Obligations.

### 10.3. Convocation of the Annual General Meeting

The Articles of Association do not contain any rules that differ from the standard terms proposed by law.

### 10.4. Proposal of agenda items for the 2022 Annual General Meeting

The Articles of Association do not contain any rules that differ from the standard terms proposed by law. Shareholders representing shares with a total par value of CHF 1 million have the right to submit written requests that an item be included on the agenda at least 45 days prior to the 27th Annual General Meeting on 1 April 2022. Items to be included on the agenda – with regard to the 2021 financial year – must be submitted no later than 14 February 2022. Such requests must specify the item(s) to be included on the agenda and must contain a proposal on which the shareholder requests a vote.

### 10.5. Entries in the share register

There are no statutory rules concerning deadlines for entry in the share register. However, for practical reasons, the share register will be closed to entries several days before a shareholder meeting. With regard to the 2022 Annual General Meeting concerning the financial year 2021, this applies as of 30 March 2022. Shareholders who have been entered into the share register by 29 March 2022 may exercise their right to vote at the Annual General Meeting on 1 April 2022. There are no voting rights restrictions except those mentioned above.

### 11. Change of control and defense measures

The limit beyond which the duty to make an offer applies is the same as the statutory minimum, 33 1/3%. There are no clauses on changes of control in agreements with members of the Board of Directors and the Executive Committee other than

- a) with regard to the Performance Share Units (PSUs): PSUs unvested at the date of change of control vest on a pro-rata basis. The Board of Directors is authorized, at its discretion, to assess if the performance targets are met and to decide on settlement in shares or in cash;
- b) with regard to the Matching Share Plan (MSP): The blocking period of the Investment Shares of the MSP terminates on the date of the change of control and entitles to receive Matching Shares on a pro-rata basis;

- c) with regard to the Clariant Long-Term Incentive Plan (CLIP): a pro-rata settlement in cash of the vested Performance Share Units on the assumed basis that performance targets had been achieved to 80 %.

### 12. Information policy

Notices are published, in accordance with Article 42 of the Articles of Association ([www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association](http://www.clariant.com/en/Company/Corporate-Governance/Articles-of-Association)), in the Swiss Official Gazette of Commerce and in daily newspapers specified by the Board of Directors (currently Basler Zeitung, Finanz und Wirtschaft, and Neue Zürcher Zeitung). Clariant releases its annual financial results in the form of financial statements and publishes further information in the form of an Integrated Report in electronic form. In addition, business figures for the first quarter, half year, nine months, and full year are published in electronic form in April, July, October, and February of the following year, respectively. Current publication dates can be found online in English on our website ([www.clariant.com/UpcomingEvents](http://www.clariant.com/UpcomingEvents)). All information pertaining to investor updates as well as presentations at analyst and investor conferences can be obtained online ([www.clariant.com](http://www.clariant.com)) or at the following address:

Clariant International Ltd, Investor Relations, Hardstrasse 61, 4133 Pratteln, Switzerland, [investor-relations@clariant.com](mailto:investor-relations@clariant.com), Phone +41 61 469 63 73.

The results for the 2021 financial year will be published as follows:

– Interim Report on the first quarter	29 April 2021
– Interim Report on the first half	29 July 2021
– Interim Report on the nine months	28 October 2021
– Full-Year Results	16 February 2022

### 12.1. The Annual General Meeting for the 2021 financial year will take place on the following date

1 April 2022

### 12.2. Weblinks

#### 12.2.1. Clariant website

[www.clariant.com](http://www.clariant.com)

#### 12.2.2. E-mail distribution list (push system)

[www.clariant.com/SubscriptionForm](http://www.clariant.com/SubscriptionForm)

#### 12.2.3. Ad hoc messages (pull system)

[www.clariant.com/AdHocNews](http://www.clariant.com/AdHocNews)

#### 12.2.4. Financial reports

[www.clariant.com/Publications](http://www.clariant.com/Publications)

#### 12.2.5. Corporate calendar

[www.clariant.com/UpcomingEvents](http://www.clariant.com/UpcomingEvents)

## 13. Auditors

### 13.1. Duration of the mandate and term of office of the lead auditor

PricewaterhouseCoopers (PwC) has held the mandate since Clariant Ltd was established in 1995. The principle of rotation applies to the lead auditor, Rolf Johnner, who was first appointed in April 2016. The Audit Committee ensures that the position of lead auditor is changed at least every seven years.

### 13.2. Auditing fees

PricewaterhouseCoopers received a fee of CHF 5.9 million for auditing the 2020 financial statements, comprising recurring audit services of CHF 4.1 million (2019: CHF 4.8 million) and audit services related to disposal projects of CHF 1.8 million.

### 13.3. Additional fees

PricewaterhouseCoopers received a total fee of CHF 0.5 million for additional services (2019: CHF 0.8 million). These services comprise audit-related services of CHF 0.2 million and tax services of CHF 0.3 million. No consulting services were rendered in 2020 (2019: CHF 0.1 million).

### 13.4. Supervisory and control instruments vis-à-vis the auditors

The Audit Committee of the Board of Directors is responsible for overseeing and evaluating the performance of the external auditors on behalf of the Board of Directors and recommends to the Board of Directors whether PwC should be proposed to the Annual General Meeting for reelection. Criteria applied for the performance assessment of PwC include technical and operational competence, independent and objective view, employment of sufficient resources, focus on areas of significant risk to Clariant, ability to provide effective and practical recommendations, and open and effective communication and coordination with the Audit Committee, Corporate Auditing, and management. In 2019, six joint meetings were held with the external auditor's representatives. These meetings were attended by members of the Audit Committee, the partner and senior manager of the audit firm, Clariant's CFO, the Head of Corporate Accounting, the Head of Corporate Auditing, the General Counsel, and partly the Group Compliance Officer. Depending on the topics to be discussed, the meetings were also attended by the Group Risk Manager. The auditors communicate audit plans and findings to the Audit Committee and issue reports to the Board of Directors in accordance with Article 728b of the Swiss Code of Obligations. The Audit Committee's approval is required for all services provided by PwC exceeding a fee volume of CHF 25 000. These services may include audit and audit-related services as well as tax and other services. PwC and the Executive Committee report to the Audit Committee on a regular basis regarding the extent of services provided in connection with this approval.

## 14. Enterprise risk management (ERM)

In the framework of the Enterprise Risk Management Policy, risk assessments are prepared by Business Units, Service Units, Corporate Functions, and Regions to assess threats that will impact the achievement of the objectives set for Clariant overall. These objectives are a result of the overall strategy of the Group as set by the Board of Directors and implemented by the Executive Committee. The Executive Committee is responsible for monitoring the risk assessments for relevance and consistency. The Executive Committee has formed an »Ethics and Risk Management« subcommittee, which maintains an up-to-date understanding of areas where Clariant is, or may be, exposed to risk issues and seeks to ensure that management is effectively addressing those issues. The Ethics and Risk Management Committee meets on a quarterly basis.

The short- and long-term objectives are set in the fourth quarter of the year. These objectives and threats are subject to scrutiny by the Executive Committee during meetings with each Business Unit. Also reviewed and discussed are proposed measures to reduce or contain threats. In that context, responsibilities are assigned. All stakeholders are required to report significant changes to existing identified risks and new threats as they arise.

Risk registers are maintained using financial and reputational impact and probability assessments to score and rank all identified risks. The assessment also addresses the measures in place to manage the risk identified and sets dates for completion of the measures.

When threats have been identified and quantified, they are delegated to qualified individuals who are required to deliver effective risk management. Depending on the nature of the risk identified, specific skill sets may be required for the management of those particular risks.

A summary risk assessment is submitted annually to the Executive Committee, the Audit Committee, and the Board of Directors for review. In the case of new or changed risks, reporting is accelerated.

To support functional responsibility, certain functions have access to risk assessments to assist them in their roles. Examples of such functions are Environmental Safety & Health Affairs (ESHA) to identify key sites for their property risk survey program or Group Procurement to ensure reliable and compliant supply of raw materials.

Examples of identified risks included in the risk register:

**Regulation and compliance:** Clariant is subject to many rules and regulations as well as compliance standards. These include chemical industry, country, government, and customer requirements as well as the European Union's (EU) Regulations on Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) or similar regulations in other countries. The function Global Product Stewardship is responsible for ensuring that all relevant legal requirements are met. Certain specific matters are delegated to other functions.

**Sites and locations:** This includes manufacturing plants and equipment important for the production of Clariant products for sale to customers. Also addressed are country and culture issues that could create threats to and opportunities for business objectives. The aim is to maintain high-quality and safe production facilities. ESHA and Regional Services are responsible for the management of the associated risks.

Examples of **emerging risks** included in the risk register:

**Economic development:** The achievement of corporate targets depends on economic development, which is continuously monitored in all markets. Economic uncertainty has increased and the growth of the global economy could be lower than expected due to the pandemic and supply chain disruptions. Clariant is responding to the adverse economic environment with various performance programs addressing both cost and revenues.

**Sustainability transformation:** Demand for sustainable products is clearly increasing, which opens business opportunities. Nonavailability of sustainable offerings represents a market disadvantage. Clariant is responding with the new organizational unit Group Innovation & Sustainability, which combines various resources to accelerate the sustainability transformation.

**Digital interconnection:** Successful performance of the Clariant Group depends on properly working information systems. Cyberattacks may result in the loss of business and personal data, knowledge, facilities, or money, leading to interruptions in manufacturing and product deliveries. Such attacks might cause significant economic damages as well as loss of trust. Clariant is responding to the increased cyber risk with a reinforced security operations center, state-of-the-art software, and frequent awareness campaigns.



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