

Articles of Incorporation of BELIMO Holding AG, Hinwil

In case of any divergent interpretation, the German version of these Articles of Incorporation shall prevail.

BELIMO Holding AG
Brunnenbachstrasse 1
CH-8340 Hinwil/Switzerland
Phone +41 43 843 61 11
Fax +41 43 843 62 68
ir@belimo.ch

I. Name, registered office, duration, and purpose

Article 1 – Name, registered office

Under the name of

BELIMO Holding AG

a joint-stock corporation with head office in Hinwil ZH, Switzerland, has been created for an indefinite period of time.

Article 2 – Purpose

The corporate purpose is to hold, administer and manage investments and licenses of the Belimo Group, in particular in the area of the development, manufacture and distribution of technical equipment for automation in the heating, ventilation and air-conditioning market.

Furthermore, the company accepts research and development assignments for products and processes of the Belimo Group. The company may also acquire, manage and utilize licenses, patents and trademarks in Switzerland and abroad, as well as make investments in or financing of companies of any type that might be suitable for promoting the corporate purpose and that are directly or indirectly related to said purpose.

The company can also acquire and dispose of real estate.

II. Share capital and shares

Article 3 – Amount of share capital, number, nominal value and type of shares

The share capital amounts to CHF 615'000.-- and is divided into 615'000 registered shares with a nominal value of CHF 1.-- (one Swiss franc) each.

The shares have been fully paid in.

Article 4 – Share register

The company maintains a share register in which the names and addresses of the owners and beneficiaries are entered.

In relation to the Company, only those persons entered in the share register shall be considered registered shareholders or beneficiaries.

Article 5 – Limited transferability

The buyer and/or beneficiary of shares shall apply in writing to be registered in the share register. The company may refuse registration in the share register if the applicant does not declare expressly that he/she has acquired, and will hold, the shares on his/her own behalf and for his/her own account.

Any shareholder or beneficiary will be entered as a voting shareholder or beneficiary for a maximum of 5 per cent of the total number of shares as shown in the commercial register.

Legal entities and private partnerships combined with or related to each other through capital or voting rights, by common management, or in any similar manner, as well as individuals and legal entities and private partnerships acting jointly or in a coordinated way, shall be considered as a single person. Shareholders holding more than 5 per cent of the total number of shares at the time this provision is introduced shall continue to be registered in the share register with the number of shares held by them. The Board of Directors may through regulations define exceptions to the 5 per cent registration limit.

Art. 685b par. 4 of the Swiss Code of Obligations (CO) and Art. 685d par. 3 CO are reserved.

Article 6 – Certificates, Uncertificated and Book-entry Securities

The Company issues its registered shares in the form of single share certificates, certificates, global share certificates or uncertificated securities. The Company is free, within the provisions of the law, to convert any of its registered shares issued in one of these forms into another form at any time and without the approval of the shareholders. It shall bear the costs involved.

The shareholders shall not be entitled to demand conversion of registered shares issued in a particular form into any other form. The shareholders may however request that the Company certify the registered shares held by them in accordance with the share register.

Book-entry securities which are backed by the Company's registered shares may not be transferred by assignment, and a security interest in them can not be created by assignment.

Article 7 – Subscription right

In case of a share capital increase, the shareholders have a right of first refusal to subscribe new shares (stock option right) in accordance with their then current holdings of shares. The revocation of the subscription right for valid reasons is reserved.

III. Organization of the Company

Article 8 – Executive bodies of the Company

The executive bodies of the Company are:

- A The General Meeting of Shareholders
- B The Board of Directors
- C The Statutory Auditors
- D Other bodies designated by the Board of Directors as appropriate on the basis of the organizational regulations

A The General Meeting of Shareholders

Article 9 – General Meeting

The Ordinary General Meeting shall be held annually within six months after the closing of the business year.

Extraordinary General Meetings shall be convened as required.

Article 10 – Convocation of the General Meeting

The General Meeting shall be convened by the Board of Directors, by the Statutory Auditors should the case arise, and in the cases foreseen by law.

Voting shareholders jointly representing a minimum of one tenth of the share capital may request in writing, without indicating any reason therefore, that the Board of Directors convene a General Meeting of Shareholders.

Article 11 – Right to put an item on the agenda

Voting shareholders representing shares with a nominal value of at least 10 000 Swiss francs may request that an item be put on the agenda, indicating the corresponding motions. Such requests shall be submitted in writing to the Chairman of the Board at the latest 45 days prior to the meeting.

Article 12 – Form of convening the General Meeting

Notice of the Ordinary and Extraordinary General Meetings shall be served at least 20 days prior to the date of the meeting by publication in the publication organs determined for the Company's notices, with indication of the items on the agenda, the motions presented by the Board of Directors and, should the case arise, the names of the shareholders who have requested the General Meeting or that a particular item be put on the agenda.

The invitation to the Ordinary General Meeting shall also contain the information that the annual report and the statutory auditors' report are available for inspection at the Company's head office and that the shareholders may ask for the delivery of these reports.

Article 13 – Voting right

Each share entered into the share register as a voting share shall have one vote at the General Meeting.

The Board of Directors shall take the necessary measures to determine the voting rights and ascertain the results of votes and elections (e.g. also by electronic data processing).

Article 14 – Proxy

The shareholders may have themselves represented at the General Meeting, by means of a written power of attorney, by a proxy, who need not be a shareholder. The Board of Directors may issue procedural rules for participation, representation and giving instructions.

Article 15 – Non-assignable powers of the General Meeting of Shareholders

The General Meeting of Shareholders has the following non-assignable powers:

1. Definition and amendment of the Articles of Incorporation;
2. Annual (individual) election of the members of the Board of Directors, the Chairman of the Board of Directors, the Deputy Chairman of the Board of Directors and members of the Remuneration Committee; the latter must be members of the Board of Directors;
3. Election of the Statutory Auditors and the Group Auditors;
4. Annual election of the independent voting right representative or several independent voting right representatives and any substitutes;
5. Approval of the fixed and variable remuneration of the Board of Directors and of the persons entrusted by the Board of Directors with all or part of the management (Group Executive Committee) pursuant to the provisions of these Articles of Incorporation;
6. Approval of the annual report, the financial statements and the consolidated financial statements;
7. Resolution on the appropriation of available earnings and declaration of dividends;
8. Discharge of the members of the Board of Directors;
9. Resolving on all other matters reserved for the General Meeting either by law or by the Articles of Incorporation.

Article 16 – Resolutions of the General Meeting

The General Meeting resolves and elects with the absolute majority of votes cast, insofar as the law does not compulsorily specify otherwise. In case of a tie, the chairperson of the Meeting shall have the casting vote.

In the case of an election, if the absolute majority is not reached in a first election round, the relative majority shall be decisive in the second round.

A minimum two-thirds majority of the votes represented, and the absolute majority of the nominal values of the shares represented, will be required for resolutions of the General Meeting of Shareholders regarding:

1. Modification of the corporate purpose
2. Creation or revocation of voting shares
3. Restrictions on the transferability of registered shares
4. Approved or conditional capital increases
5. Capital increases out of equity, against contributions in kind, or for the purpose of taking over tangible assets; and the granting of special privileges

6. Restriction or revocation of subscription rights
7. Relocation of the registered head office
8. Dissolution of the Company, with or without liquidation

Article 17 – Votes and elections

As a rule, votes and elections shall be by open ballot. Votes and elections shall be by secret ballot when the chairperson so decides or when requested by the majority of the shareholders present. The chairperson may replace written votes and elections by an electronic procedure.

A proxy and instructions may be given to the independent voting right representative by electronic means. The Board of Directors may issue a regulation to that effect.

Article 18 – Chairing the General Meeting

The Chairman of the Board of Directors shall chair the General Meeting; if he/she is prevented from doing so, the Deputy Chairman shall act as the chairperson and, in his absence, another member of the Board of Directors designated by the Board.

The chairperson of the Meeting shall designate the Tellers and the Secretary, who need not be shareholders.

Article 19 – Minutes of the General Meeting of Shareholders

Minutes shall be kept of the General Meeting; the minutes shall be signed by the chairperson of the Meeting and by the Secretary.

Article 19^{bis} – Independent voting right representative

The independent voting right representative or, as appropriate, several independent voting right representatives, together with any substitutes, shall be elected for a term of office of one year until the next ordinary General Meeting. Re-election is possible.

The Board of Directors makes arrangements for shareholders to be likewise able to give proxies and instructions to the independent voting right representative by electronic means.

The independent voting right representative must exercise the voting rights represented by him on the basis of the instructions given. If he has received no such instructions, he shall abstain from voting. The general instruction to vote in the way

proposed by the Board of Directors on matters announced in the invitation and/or not announced is regarded as a valid instruction to exercise the voting right.

B Board of Directors

Article 20 – Composition

The Board of Directors is made up of at least three and a maximum of seven members.

Article 21 – Term of office of the Board of Directors

The members of the Board of Directors are elected for a term of office of one year. The term of office ends on the date of the Ordinary General Meeting. Members may be reelected. They may be elected for one further and final term of office at the age of 70 for a period of one year.

Article 22 – Constitution of the Board of Directors

The Board of Directors constitutes itself, subject to the provisions of law and those of the Articles of Incorporation. The Chairman of the Board of Directors and the Deputy Chairman of the Board of Directors, together with the members of the Remuneration Committee, are elected by the General Meeting.

The Board designates a Secretary, who need not be a member of the Board.

Article 23 – Resolutions of the Board of Directors

The Chairman of the Board and, in his/her absence, the Deputy Chairman of the Board or a duly appointed member of the Board, shall call and chair the board meetings.

The Board of Directors constitutes a quorum when a majority of its members are present. No quorum of presence is required when a completed capital increase is to be ascertained and the corresponding amendment of the Articles of Incorporation is to be resolved.

The Board of Directors resolves and conducts elections with a majority of the votes cast.

Resolutions on a previously presented motion may be passed in writing (letter, facsimile, or other written forms), unless one of the members asks for oral deliberation.

Resolutions by circular letter are to be entered into the minutes of the following meeting of the Board of Directors.

Article 24 – Non-assignable tasks of the Board of Directors – Remuneration Committee

The Board of Directors is authorized to resolve on all matters not reserved for the General Meeting of Shareholders by law or pursuant to the Articles of Incorporation.

The Board has the following non-assignable and inalienable tasks:

1. Direction of the Company and issuing of necessary instructions
2. Approval of the corporate policy and strategy
3. Definition of the organization
4. Determination of the design of the accounting system, financial control and financial planning
5. Nomination and removal of the persons entrusted with the management and representation of the Company
6. Supervision of the persons in charge of the management (also regarding the observance of the Law, the Articles of Incorporation, regulations and instructions)
7. Drawing up the annual and remuneration report and preparing the General Meeting; carrying out the resolutions of the General Meeting
8. Notification of the judge in case of insolvency

The Board of Directors may entrust the preparation and execution of its decisions or the supervision of business to committees or to individual members. At least an Audit Committee and a Remuneration Committee with not less than two members each shall be set up. The members of the Remuneration Committee are elected by the General Meeting in each case for a term of office of one year lasting until the next ordinary General Meeting.

The Board of Directors appoints one of the members of the Remuneration Committee to act as Chairman and adopts a regulation defining the tasks of the Remuneration Committee.

The Remuneration Committee is entrusted with the following tasks, subject to the powers of the General Meeting:

- a) proposals to the Board of Directors for the definition of principles, performance targets and assessment criteria for fixed and variable remuneration within the framework of the statutory provisions and those of the Articles of Incorporation
- b) proposals to the Board of Directors for the determination of the overall amounts of the fixed remuneration of the members of the Board of Directors

- and the fixed and variable remuneration of the members of the Group Executive Committee to be placed to the General Meeting for approval
- c) review of compliance with the principles for remuneration pursuant to the Law, Articles of Incorporation, regulation and decisions of the General Meeting
 - d) proposal of the remuneration report for the attention of the Board of Directors and the General Meeting.

Article 25 – Delegation of representation and management

Based on organizational regulations, the Board of Directors may delegate the representation of the Company and the management, or parts thereof, to individual board members or to third parties, who must be natural persons.

C Provisions on contracts, remuneration etc.

Article 25^{bis} – Credits / loans / pensions

Credits and loans to members of the Board of Directors and Group Executive Committee may only be granted in justified exceptional cases and only on market conditions. The total amount of such credits and loans shall not exceed CHF 200 000 per member.

Contributions made by the employer to occupational benefit schemes are regarded as an integral part of the remuneration. The regulatory benefits paid out by such benefit schemes are not treated as part of the remuneration.

Article 25^{ter} - Mandates

No member of the Board of Directors may hold more than four additional mandates in the ultimate strategic management bodies or on the ultimate boards of listed companies which do not belong to the Belimo Group. The Board of Directors may allow max. two exceptions per member in specific cases. More than one mandate held within a group of companies are regarded as a single activity.

No member of the Group Executive Committee may hold more than two additional mandates in the ultimate strategic management bodies or on the ultimate boards of listed companies which do not belong to the Belimo Group. The Board of Directors may allow max. two exceptions per member in specific cases. More than one mandate held within a group of companies are regarded as a single activity.

The acceptance of a maximum of four mandates in the ultimate strategic management bodies or on the ultimate boards of non-listed companies which do not belong to the Belimo Group is permissible for a member of the Board of Directors and a member of the Group Executive Committee as long as the exercise of the obligations to the Company of the member of the Board of Directors or of the Group Executive Committee is not impaired. More than one mandate held within a group of companies are regarded as a single activity.

Article 25^{quater} – (Employment) Contracts

The Board of Directors may conclude temporary and permanent (employment) contracts with the members of the Board of Directors and the Group Executive Committee. The maximum duration of the temporary contracts is one year. Renewal is permitted. The notice period for permanent contracts shall not exceed twelve months.

Prohibitions against competition may be agreed for the period after termination of a contract. As compensation for such a prohibition against competition, remuneration may be paid for a maximum period of two years in an amount which shall not exceed overall, and in proportion to the duration, the amount of the last fixed annual remuneration paid to this member before his departure.

Article 25^{quinquies} – Remuneration of the Board of Directors

The members of the Board of Directors receive fixed cash remuneration for their activity. Supplements may be paid for membership of committees or for the performance of special tasks or orders.

The Board of Directors may pay a flat-rate allowance to members of the Board of Directors for expenses incurred by them in the interest of the Company. Such flat-rate expenses are not treated as remuneration but are to be stated in the remuneration report.

The General Meeting approves with binding effect each year on the occasion of the ordinary General Meeting the maximum overall amount of this fixed remuneration payable to the members of the Board of Directors for the duration of the current financial year.

If the General Meeting withholds its approval, the Board of Directors may submit new proposals for approval to the same General Meeting. If the Board of Directors makes no new proposals or if the General Meeting likewise declines the new proposals, the Board of Directors must convene a new General Meeting within a time limit of three months.

Article 25^{sexties} – Remuneration of the Group Executive Committee

The members of the Group Executive Committee receive, as consideration for their activity, fixed annual cash remuneration and performance and success-related remuneration amounting to not more than 120 percent of the equivalent fixed annual remuneration for the chairperson of the Group Executive Committee and not more than 100 percent of the corresponding fixed annual remuneration for the other members of the Group Executive Committee.

The members of the Group Executive Committee may likewise receive a flat-rate expense allowance which is not treated as remuneration, but must be stated in the remuneration report.

The performance and success-related variable remuneration for the members of the Group Executive Committee is based upon the quantitative and individual objectives determined each year by the Board of Directors in the long-term interest of the Company.

The General Meeting approves with binding effect each year at the ordinary General Meeting the maximum total amount of this fixed and variable remuneration for the members of the Group Executive Committee for the duration of the current financial year.

If the General Meeting withholds its approval, the Board of Directors may submit new proposals for approval at the same General Meeting. If the Board of Directors makes no new proposals or if the General Meeting likewise declines the new proposals, the Board of Directors must convene a new General Meeting within a time limit of three months.

For the appointment of new members of the Group Executive Committee made after approval by the General Meeting, the maximum amount per new member shall be increased pro rata temporis, however, to a maximum of one and a half times the proportion for a comparable function contained in the maximum amount approved by the General Meeting. This additional remuneration does not have to be approved by the General Meeting.

The Board of Directors, acting in the interest of the Company and of the shareholders, may in justified individual cases, pay the following types of remuneration to the members of the Group Executive Committee:

- a) advance payments of a compensatory nature;
- b) additional variable remuneration which compensates for special and additional services justified by the needs of the business.

Approval by the General Meeting of this additional remuneration, which shall not exceed the amount of the fixed remuneration payable to each member of the Group Executive Committee, is not required.

D Auditors

Article 26 – Election, term of office, tasks

The General Meeting elects the Statutory Auditors for a term of office of one year, with the rights and obligations as described in Art. 728 et seq. of the Swiss Code of Obligations, and one or several auditors as Group Auditors. The Statutory Auditors likewise verify the remuneration report.

The auditors shall meet the legal requirements regarding qualification and independence.

IV. Financial statements and appropriation of earnings

Article 27 – Financial statements

The business year starts on January 1 and ends on December 31.

Article 28 – Legal and statutory reserves

Of the net income remaining after the deduction of all expenses, interest payments, losses and other charges, as well as after the required depreciation and provisions, 5 per cent shall be allocated to the general legal reserve until such reserve will have reached 20 per cent of the paid-in share capital.

Subject to the legal provisions regarding further allocations to the general legal reserve and subject to Art. 671 of Swiss Code of Obligations, the available earnings as shown in the balance sheet will be at the free disposal of the General Meeting.

In addition to the legal reserve, the General Meeting may resolve to create special reserves that will be at its free disposal.

V. Notices and communications

Article 29 – Notices, organs of publication

Notices and communications of the Company shall be published in the Swiss Trade Gazette (Schweizerisches Handelsamtsblatt).

Legally valid notifications to the shareholders may also be conveyed by registered letter to the addresses listed in the share register.

The Board of Directors may specify other organs of publication.

BELIMO Holding AG

Prof. Dr. Hans Peter Wehrli
Chairman of the Board of Directors

Dr. Martin Zwysig
Deputy Chairman of the Board of Directors

History Amendments of the Articles of Incorporation

April 27, 1998	General revision of the Articles of Incorporation	
April 07, 2003	Article 1	Name, head office
April 25, 2005	Article 1 Article 2 Article 3 Article 11	Name, head office Purpose Amount of share capital, number, nominal value and type of shares Right to put an item on the agenda
May 8, 2006	Article 21 Article 23, first paragraph	Term of office of the Board of Directors Resolutions of the Board of Directors
May 7, 2007	Article 3 Article 11 Article 21	Amount of share capital, number, nominal value and type of shares Right to put an item on the agenda Term of office of the Board of Directors
April 21, 2008	Article 3	Amount of share capital, number, nominal value and type of shares
March 29, 2010	Article 6	Certificates, Uncertificated and Book-entry Securities
April 8, 2013	Article 13	Voting right
April 14, 2014	Article 8 Article 11 Article 13 Article 14 Article 15 Article 17 Article 18 Article 19 ^{bis} Article 22 Article 24 Article 25 C Provisions on contracts, remuneration etc. Article 25 ^{bis} Article 25 ^{ter} Article 25 ^{quater} Article 25 ^{quinquies} Article 25 ^{sexties} D Auditors Article 26	Executive bodies of the Company Right to put an item on the agenda Voting right Proxy Non-assignable powers of the General Meeting of Shareholders Votes and elections Chairing the General Meeting Independent voting right representative Constitution of the Board of Directors Non-assignable tasks of the Board of Directors - Remuneration Committee Delegation of representation and management Credits / loans / pensions Mandates (Employment) Contracts Remuneration of the Board of Directors Remuneration of the Group Executive Committee Election, term of office, tasks