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# Compensation Report

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# Introduction

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The Compensation Report describes the compensation policy and programme of Zehnder Group AG and the methods to determine compensation. Further, it provides details about the compensation awarded to the members of the Board of Directors and the Group Executive Committee in the fiscal year 2023.

The Compensation Report was prepared in accordance with the Swiss Code of Obligations (CO), the “Directive on Information Relating to Corporate Governance” issued by SIX Exchange Regulation AG and the “Swiss Code of Best Practice for Corporate Governance” issued by *economiesuisse*.

# Introductory note from the Chairman of the Nomination and Compensation Committee

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Dear Shareholders,

On behalf of the Board of Directors and the Nomination and Compensation Committee of Zehnder Group, I am pleased to present the Compensation Report 2023.

The fiscal year 2023, the market environment proved to be challenging due to a slowdown in the construction industry, economic uncertainties, higher interest rates, and increased construction costs. The early implementation of differentiated cost management helped counteract reduced demand in the radiator and ventilation segment. Among other matters, this compensation report highlights how the business results in 2023 impact the compensation awarded to the members of the Group Executive Committee.

As part of its duties, the Nomination and Compensation Committee regularly reviews succession planning for the Board of Directors and Group Executive Committee. With the appointment of Dorien Terpstra as Chief Commercial Officer EMEA from 1 January 2024 by the Board of Directors, an internationally experienced manager from Zehnder Group has been appointed to the Group Executive Committee. The choice was made after careful evaluation and including external candidates. With this appointment, the percentage of women on the Group Executive Committee is now 20% from 1 January 2024.

In order to continue to increase the gender diversity, the Nomination and Compensation Committee has examined the addition of ESG-based performance indicators to the Long-Term Incentive (LTI) Plan and submitted ambitious and clearly measurable targets, such as increasing gender diversity and CO<sub>2</sub>e emission reduction, to the Board of Directors for approval from the 2024 LTI plan onwards. The Board of Directors has agreed to include these two ESG targets in the 2024 LTI Plan with a total weighting of 30%. In addition, a review was carried out of the composition criteria for the peer group of companies with a view to preparing a benchmark for the compensation of the Board of Directors, and the necessary adjustments were made.

In other respects, the Nomination and Compensation Committee performed its regular activities, including the annual performance review of the CEO and the other members of the Group Executive Committee, the annual review of the compensation policy taking into consideration feedback from shareholders on the compensation programmes and their disclosure in the compensation report, setting of the compensation amounts for members of the Board of Directors and the Group Executive Committee, and preparation of the compensation report and the compensation proposals for the Annual General Meeting.

Binding votes on the maximum total compensation for the Board of Directors and the Group Executive Committee as well as an advisory vote on the compensation report were held at the Annual General Meeting 2023, allowing shareholders to express their views on the compensation system directly. Approvals were again granted at a very high approval rate of 96% for the total

compensation of the Board of Directors for 2023 and 99% for the Group Executive Committee for 2023, as well as 97% for the compensation report for 2022, serving as proof of our constructive ongoing dialogue with shareholders.

In the future, we will continue to review the compensation programmes on a regular basis, maintaining an open dialogue with you to ensure that the compensation programmes are in line both with the sustainable development of the business and with your interests. We would like to take this opportunity to thank you for your feedback on the topic of compensation and for the trust and support you have shown us.

Kind regards,

A handwritten signature in black ink, consisting of a series of loops and a long, sweeping horizontal stroke at the end.

**Riet Cadonau**  
Chairman of the Nomination and  
Compensation Committee

# 1. Governance and methods to determine compensation

## 1.1 Shareholders' involvement

The Annual General Meeting approves the maximum compensation amounts paid to the Board of Directors and to the Group Executive Committee, each in a binding vote. The provisions of the Articles of Association of Zehnder Group ([www.zehndergroup.com/en/investor-relations/corporate-governance](http://www.zehndergroup.com/en/investor-relations/corporate-governance); Article 15) envisage that the Annual General Meeting votes annually and prospectively on each of the aggregate compensation amounts as follows:

- The maximum total compensation of the Board of Directors for the period up to the next Annual General Meeting;
- The maximum total compensation of the Group Executive Committee for the current fiscal year.

The Articles of Association of Zehnder Group ([www.zehndergroup.com/en/investor-relations/corporate-governance](http://www.zehndergroup.com/en/investor-relations/corporate-governance); Article 31 ff.) include the following provisions on compensation:

- Principles of compensation and the allocation of listed shares to the Board of Directors (Articles 31 and 33);
- Principles of compensation and the allocation of listed shares to members of the Group Executive Committee (Articles 32, 33 and 35);
- Additional amount for payments to members of the Group Executive Committee appointed after the vote on compensation at the Annual General Meeting (Article 36);
- Loans, credit facilities, and post-employment benefits for members of the Board of Directors and of the Group Executive Committee (Article 34).

## 1.2 Nomination and Compensation Committee

According to the Articles of Association, the Annual General Meeting elects annually and individually at least two and a maximum of four members of the Board of Directors to the Nomination and Compensation Committee, for a term of office of one year until the conclusion of the next Annual General Meeting. Members are eligible for re-election. At the Annual General Meeting 2023, the shareholders elected the following members of the Nomination and Compensation Committee:

	Executive/Independent/Non-independent member of the BoD	Chairman/Member
Riet Cadonau	Independent member of the BoD	Chairman
Sandra Emme	Independent member of the BoD	Member
Milva Inderbitzin-Zehnder	Non-independent member of the BoD <sup>1</sup>	Member

BoD: Board of Directors

<sup>1</sup> Related to the representative of the controlling majority shareholder; holds directly and indirectly 0.34% of the share capital of Zehnder Group

The responsibilities of the Nomination and Compensation Committee are set out in the Articles of Association ([www.zehndergroup.com/en/investor-relations/corporate-governance](http://www.zehndergroup.com/en/investor-relations/corporate-governance); Article 26) and Organisational Regulations ([www.zehndergroup.com/en/investor-relations/corporate-governance](http://www.zehndergroup.com/en/investor-relations/corporate-governance); Article 4.3.) and include the following:

- Submission of motions to the full Board of Directors relating to the Group's remuneration system;
- Submission of motions to the full Board of Directors relating to targets set for the Group Executive Committee, the achievement of which has an impact on remuneration;
- Provision of information to the Board of Directors on all events relating to the Nomination and Compensation Committee that are not the direct responsibility of the Board of Directors;
- Submission of motions to the full Board of Directors relating to the specific remuneration paid to the Chairman of the Board of Directors and each of the other members of the Board of Directors;
- Submission of motions to the full Board of Directors relating to the specific remuneration paid to the CEO as well as the specific remuneration paid to each of the other members of the Group Executive Committee;
- Submission of proposals to the full Board of Directors relating to amendments to the articles of association affecting the remuneration system for compensating the members of the Group Executive Committee;
- Submission of proposals to the Board of Directors relating to the appropriate size and balanced composition of the Board of Directors, the majority of whose members should be independent, and determination of the criteria for independence;
- Development and presentation of criteria for election or re-election to the Board of Directors or appointment as a member of the Group Executive Committee;
- Assessment of potential members of the Board of Directors on the basis of the defined criteria and a statement made to the Board of Directors regarding their nomination, to the attention of the Annual General Meeting;
- Assessment of proposals from the CEO to the Board of Directors regarding the appointment or dismissal of members of the Group Executive Committee and, if necessary, submission of a statement to the Board of Directors;
- Approval of employment contracts with the CEO and the other members of the Group Executive Committee;
- Review of succession and contingency planning at the Group Executive Committee level;
- Authorisation of the acceptance of external mandates by members of the Board of Directors and members of the Group Executive Committee in accordance with the articles of association.

The levels of authority between the Nomination and Compensation Committee, the Board of Directors and the Annual General Meeting are summarised by the following table.

## Responsibility levels

	CEO	NCC	BoD	AGM
Compensation policy and principles		Proposes	Approves	
Total compensation amounts of BoD and GEC		Proposes	Reviews	Approves (binding vote)
Individual compensation of members of the BoD		Proposes	Approves	
Compensation of CEO		Proposes	Approves	
Individual compensation of other members of the GEC	Proposes	Reviews	Approves	
Compensation Report		Proposes	Approves	Advisory vote

BoD: Board of Directors; CEO: Chief Executive Officer; GEC: Group Executive Committee; NCC: Nomination and Compensation Committee; AGM: Annual General Meeting

The Nomination and Compensation Committee meets as often as business matters require, generally before the meetings of the entire Board of Directors, which take place at least four times a year. In 2023, the Nomination and Compensation Committee met five times, for an average of one and a half hours, generally with the participation of all members and with technical support from the Group HR Director. Milva Inderbitzin-Zehnder was absent from two meetings due to maternity leave.

In general, the Chairman of the Board of Directors, the Vice Chairman and the CEO attend the meetings in an advisory capacity. The Chairman of the Nomination and Compensation Committee may invite other executives as appropriate. However, the Chairman of the Board of Directors and the executives do not participate in the meetings or parts thereof if their own compensation and/or performance is under discussion. After each meeting, the Chairman of the Nomination and Compensation Committee reports on the activities of the Committee to the Board of Directors. The minutes of the meetings are available to the full Board of Directors.

The Nomination and Compensation Committee is entitled to involve external consultants regarding specific compensation issues. In 2023, the Nomination and Compensation Committee commissioned Willis Towers Watson to prepare a benchmark for the compensation of the members of the Board of Directors. During the reporting year, the company also provided benchmark data for specific Group Executive Committee positions. The company fulfils further mandates for Zehnder Group on this topic.

The Nomination and Compensation Committee is also supported by internal experts such as the Group HR Director and the Group Compensation & Benefits Manager.

## 1.3 Method to determine compensation

In order to ensure competitive compensation levels that enable key talent to be attracted and motivated on a long-term basis, the compensation of executives is regularly benchmarked against that of executives from comparable international industrial companies that feature similar market capitalisation, turnover, profitability, number of employees, and geographical reach as Zehnder Group. The companies used for comparison are as follows: Arbonia, Belimo, Bobst<sup>1</sup>,

Bossard, Burckhardt Compression, Burkhalter, Bystronic, Daetwyler, Feintool, Forbo, Gurit, Huber+Suhner, Interroll, Komax, Landis+Gyr, Metall Zug, Meier Tobler, Phoenix Mecano, Rieter, Schweiter and Starrag. Executives who attain the defined performance objectives are generally awarded target compensation at a market median level of the relevant benchmark data.

These benchmarking data constitute just one of the factors taken into consideration by the Nomination and Compensation Committee when determining the compensation of members of the Group Executive Committee. Additional factors are also considered, such as the internal compensation structure (equality), the profile of the Group Executive Committee member (skill set, experience), and the responsibilities actually borne by that member. The performance of the company in any given year has a direct impact on the short- and long-term compensation paid to the member of the Group Executive Committee.

In 2023, the consulting firm Willis Towers Watson performed a benchmarking survey for the compensation of the Board of Directors. For this purpose, Willis Towers Watson used data from benchmark industrial companies from its existing database. To this end, the selection criteria for the benchmark companies were reviewed and adjusted. In addition to the existing selection criteria for benchmark companies that operate in the same or a similar industry, are listed on the stock exchange, and have their headquarters and business activities in Switzerland with the same or a similar geographical scope, the criteria of market capitalisation, turnover, and number of employees have been adjusted. Compared to Zehnder Group, these three numerical values can be up to 30% smaller, but no more than three times as large. If the values of the three criteria are all exceeded or fallen short of at a benchmark company, the comparable company is excluded from the peer group. The following companies were therefore used for comparison: Arbonia, Belimo, Bossard, Burckhardt Compression, Burkhalter, Bystronic, Daetwyler, Feintool, Forbo, Gurit, Huber+Suhner, Interroll, Kardex, Komax, Landis+Gyr, Meier Tobler, Phoenix Mecano, Rieter, Schweiter Technologies, Tecan, VAT-Group, Vetropack and V-Zug. The benchmark serves the Compensation Committee as a basis for analysing the compensation of the Board of Directors for the 2024/25 term of office.

<sup>1</sup> Bobst Group was delisted from the SIX Swiss Exchange on 30 December 2022 and will be replaced by V-Zug in the peer group in future.



## 2. Compensation policy and principles

Zehnder Group's executives and employees constitute the company's most valuable assets. There would be no entrepreneurial success without their commitment and professionalism. Consequently, the objectives of the compensation policy are to recruit and retain qualified employees, to drive best-in-class performance, to ensure market-based pay, and to encourage behaviour that is in line with the company's values and high standards of integrity. The compensation programmes are designed to fulfil these fundamental objectives based on the defined compensation principles.

### Compensation policy and principles for executives and employees

Alignment to business strategy	Compensation programmes are designed to support the business strategy.
Reward for sustainable performance	Variable compensation is based on the profitability of the company and its businesses, hence the performance management process is a central management tool to drive sustainable performance.
Participation in the company's long-term success	Executives enjoy the opportunity to participate in the company's long-term success through the variable long-term compensation plan and the Zehnder Group Management Share Plan.
Market competitiveness	Compensation is regularly benchmarked against market practice. The objective is to target median compensation of the relevant benchmark considering the experience in the role.
Transparency and fairness	Compensation decisions are transparent and fair. The global grading system ensures comparability across the organisation.

### 3. Architecture of compensation of the Board of Directors

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In order to guarantee their independence in their supervisory position for the Group Executive Committee, the members of the Board of Directors receive a fixed compensation only, consisting of a fixed annual retainer, fixed cash compensation for their membership of committees of the Board of Directors, and an expense lump sum.

In order to strengthen the alignment to long-term shareholder interests, payment of the fixed annual retainer for the Board of Directors is made half in cash and half in the form of registered shares A of Zehnder Group. The number of shares awarded is determined based on the average volume-weighted share price in the period between 1 and 31 December of that year. The shares are subject to a restriction period of three years during which they cannot be sold, transferred, or pledged. The restriction period also applies in the case of termination of the mandate, except in case of death or change of control, where the restriction immediately lapses.

The cash compensation is paid out on a monthly basis and the registered shares A are allocated in January for the current compensation period corresponding to the term of office from the Annual General Meeting of the previous year to the Annual General Meeting of the reporting year.

Additional compensation to members of the Board of Directors for advisory services to the company or for activities in companies that are controlled directly or indirectly by the company is permitted. This compensation is reflected in the total amount of compensation paid to the Board of Directors, which must be approved by the Annual General Meeting.

The compensation of the Board of Directors is reviewed every two to three years, and most recently in the reporting year. The benchmark analysis carried out by Willis Towers Watson was used firstly to define the benchmark companies more clearly and secondly to review the compensation model since its introduction in the 2021/22 term of office in comparison to the market. This resulted in a confirmation of the existing compensation.

The compensation structure of the Board of Directors is summarised in the following table.

### Architecture of compensation of the Board of Directors

CHF	In cash	In shares <sup>1</sup>
<b>Retainer (gross p.a.)</b>		
Chairman of the Board of Directors <sup>2</sup>	210,000	210,000
Vice Chairman of the Board of Directors <sup>3</sup>	90,000	90,000
Members of the Board of Directors	50,000	50,000
<b>Committee fees (gross p.a.)</b>		
Chairman of the Nomination and Compensation Committee or Audit Committee	50,000	
Member of the Nomination and Compensation Committee or Audit Committee	25,000	
Expense lump sum (gross) <sup>4</sup>	2,000	

1 Converted into shares on the basis of the average volume-weighted share price in the period between 1 to 31 December

2 Further duties of the Chairman of the Board of Directors are listed in the Corporate Governance Report.

3 The Vice Chairman of the Board of Directors also fulfils the role of Lead Independent Director.

4 The Chairman and Vice Chairman of the Board of Directors are paid an expense lump sum in line with the

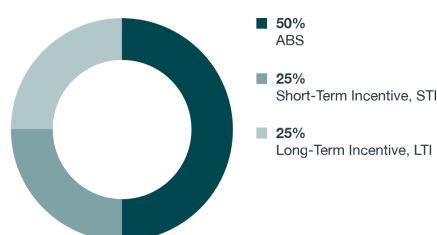
company's rules on executives' expenses depending on the work commitment (currently 50% for the Chairman of the Board of Directors and 25% for the Vice Chairman). No expense lump sum is paid to members of the Board of Directors based outside Switzerland. If the actual business expenses exceed CHF 2,000, then they are reimbursed on an actual cost basis.

## 4. Architecture of compensation of the Group Executive Committee

The compensation for the Group Executive Committee includes a fixed annual base salary, a variable short-term element, a variable long-term element, participation in the Zehnder Group Management Share Plan (ZGMSP), and occupational pension benefits and perquisites.

The target compensation mix includes 50% fixed compensation (Annual Base Salary, ABS), 25% variable short-term (short-term incentive, STI) and 25% variable long-term (long-term incentive, LTI) compensation, as well as the option to voluntarily purchase employee shares and other pension and fringe benefits.

Compensation mix fixed and variable



### Architecture of compensation of the Group Executive Committee

	Purpose	Drivers	Performance measures	Vehicle
Annual base salary (ABS)	Attract and retain	Position, experience, and qualifications		Monthly cash payments
Variable short-term compensation (short-term incentive, STI)	Pay for performance	Role and area of responsibility	Group net profit	Annual cash payment
Variable long-term compensation (long-term incentive, LTI)	Reward long-term, sustained performance; align with shareholders' interests; retain	Role and area of responsibility	Relative total shareholder return (rTSR); increase in earnings per share (EPS)	Conditional rights to restricted shares A (Performance Share Units)
Zehnder Group Management Share Plan (ZGMSP)	Align with shareholders' interests; retain	Level of position	Share price evolution	Discounted registered shares A
Benefits	Protect against risks, attract, and retain	Market practice and position		Retirement plan, insurances, perquisites

#### 4.1 Annual base salary (ABS)

The annual base salary is determined individually on the basis of the scope and responsibilities associated with the position, the experience and qualifications of the individual. The annual base salary is reviewed annually, and adjustments reflect individual performance, current salary, relevant benchmark data, and the affordability to the company.

#### 4.2 Variable short-term compensation (short-term incentive, STI)

The STI enables the Group Executive Committee to participate in the Group's current success. It is disbursed in the form of a cash payment as a profit-sharing plan. For each position, a profit-sharing amount (as a factor) is determined, taking into account the impact on the operating result, implementation of company strategy, and responsibilities. The STI amount paid for the fiscal year corresponds to the profit-sharing amount (factor) multiplied by the Group net profit (in EUR million). The STI is paid only if a Group net profit of at least 80% of the budget value is achieved (threshold, adjusted for non-budgeted one-off effects such as company acquisitions). This aligns with the STI principles of the other executives of Zehnder Group. There is no formal target based on the profit-sharing model, but there is a contractually agreed maximum limit for the STI amount. This amounts to 100% of the annual base salary for all members of Group Executive Committee.

Calculation of the STI amount:

	Individual profit-sharing amount (EUR)/factor	Group net profit × (EUR million)	STI amount = (EUR)
<b>Example</b>	<b>2,000</b>	<b>50</b>	<b>100,000</b>

The STI amount for any given fiscal year is paid in the spring of the following year. In the event of significant inorganic effects (investments, divestments) or other one-off special effects amounting to  $\geq 2\%$  of the Group net profit, the Board of Directors reserve the right to adjust the STI payment.

The decision to exclusively and directly link the STI to the company's financial result (Group net profit) is based on the conviction that performance management should not be directly linked to compensation. The main focus for the STI is on the collective performance as a whole. For the CEO and the other members of the Group Executive Committee, within the framework of the global performance management process, the performance objectives are derived directly from the business strategy by the Board of Directors at the start of each year and reviewed at regular intervals. Such reviews take place at the request of the Nomination and Compensation Committee. These performance objectives include strategic, quantitative, and qualitative objectives, for example, in the area of leadership and project management.

In case of termination of employment during the first half of the fiscal year, the STI is calculated pro rata temporis, based on the payout level of the previous year. In case of termination of employment during the second half of the year, the published half-year figures for the pro rata temporis calculation are used. In case of termination of employment at the end of the year, the published annual results apply.

The STI is subject to clawback and malus provisions in case the company is required to prepare a relevant accounting/financial restatement or in the event of violation of legal provisions or relevant internal regulations.

### 4.3 Variable long-term compensation (long-term incentive, LTI)

As part of a long-term plan, the LTI is granted in the form of Performance Share Units (PSUs). The LTI rewards the long-term performance and the sustainable success of Zehnder Group and is aligned to the interests of the shareholders.

A PSU represents a conditional right to receive shares of the company. The prerequisite for this is the fulfilment of certain conditions during the three-year performance period (vesting period). The vesting conditions include the attainment of the predefined performance objectives (performance conditions) and the continuous and ongoing employment at the end of the vesting period (service condition).

The features of the LTI can be summarised as follows: at grant date, the LTI target amount is determined for each member of the Group Executive Committee, taking the relevant benchmark for the individual total compensation into account.

In 2023, the allocation of the LTI target amount was 50% of the base salary for the CEO and no more than 50% of the base salary for the other members of the Group Executive Committee.

On the grant date, the individual LTI target amount is converted into the relevant number of PSUs based on the average volume-weighted share price of Zehnder Group on the SIX Swiss Exchange in the period between 1 October to 31 December of the year before the grant date.

Of the performance conditions, 50% is based on the relative total shareholder return (rTSR) and the remaining 50% is based on the increase in earnings per share (EPS growth). The rTSR is the achieved increase in value for the investor (i.e. the share price performance plus dividend) in comparison with a peer group. These financial targets were selected because they are key value drivers for Zehnder Group in measuring the profitable growth and ensuring that the shareholders' interests are taken into account.

#### Peer group

The peer group for the relative TSR (rTSR) measure comprises a universe of comparable companies that have already been taken into account for compensation benchmarking purposes. The Board of Directors confirmed that the following companies were comparable:

Arbonia	Belimo	Bossard
Burckhardt Compression	Burkhalter	Bystronic
Daetwyler	Feintool	Forbo
Gurit	Huber+Suhner	Interroll
Komax	Landis+Gyr	Metall Zug
Meier Tobler	Phoenix Mecano	Rieter
Schweiter Technologies	Starrag	V-Zug

## Rewarding long-term performance

The total number of shares that are transferred to the participants after the vesting period is calculated as shown below. The performance factor can range between 0 % and 150 %, with no conversion into shares carried out below the threshold. The conversion into shares is limited to a maximum of 1.5 shares per PSU.

For both key figures, the Nomination and Compensation Committee defines a lower limit for the performance level (with no vesting taking place below this limit), a target value (100 % vesting) and an upper limit for the performance level (150 % vesting). Between these levels, vesting is calculated on a linear basis.

	Lower limit 25% (EPS) 50% (rTSR) vesting	Target value 100% vesting	Upper limit 150% vesting
rTSR (50%)	25% percentile rank	Median of the peer group	≥ 75% percentile rank
EPS growth (50%)	-1.7 PP of the target value	EPS growth target value	+1.7 PP of target value

EPS: earnings per share; rTSR: relative total shareholder return

The achievement of the relative performance measure and the combined performance factor are calculated by an external independent consultancy company. If Zehnder Group reports a loss from ongoing business activities during the last year of the three-year vesting period or in other special cases, the Board of Directors reserves the right to specify whether and to what extent the PSUs will lapse for this period, regardless of the combined performance factor achieved.

In the case of termination of employment, the blocked PSUs usually lapse, except in the event of retirement, disability, death, or a change of control at the company. These provisions are outlined individually in the table below.

Reason for release	Plan rules for blocked PSUs
Termination by employee	Lapse
Termination of employment by employer for good cause	Lapse
Termination of employment by employer (other causes)	Discretion of the Board of Directors
Retirement	Discretion of the Board of Directors
Invalidity	Pro-rata vesting, based on effective performance at regular vesting point in time
Death	Accelerated pro-rata vesting based on target performance (100% payment factor)
Change of control	Accelerated, full vesting based on effective performance at the point of change of control (except if the plan is continued or replaced with an equivalent)

PSUs or shares granted as part of the long-term plan are subject to the same clawback and malus provisions as the STI.

In the event of a participant failing to adhere to reporting regulations and/or committing fraud and/or breaching legal provisions or relevant internal regulations, the applicable clauses enable the Board of Directors to declare that any variable cash compensation elements that have not been paid out or long-term incentives that have not yet been transferred are forfeited, either in part or in full (penalty clause), and/or to reclaim in part or in full any variable cash compensation elements that have been paid out or long-term incentives that have been transferred.

### Shareholding guidelines

To align the interests of the Group Executive Committee more closely with those of the shareholders, shareholding guidelines were introduced from the fiscal year 2019. Within five years of the introduction of the share ownership provision or after their appointment to the Group Executive Committee, the members of the Group Executive Committee must hold at least a multiple of their annual base salary in Zehnder Group shares, as shown in the table below.

	% of annual base salary
CEO	200%
Other members of the Group Executive Committee	150%

CEO: Chief Executive Officer

At the end of 2023, all members of Group Executive Committee will have fulfilled the requirements of the shareholding provision, except for those who were appointed within the last four years and still have time to build up and fulfil the required shareholding.

## 4.4 Long-term benefits: Zehnder Group Management Share Plan (ZGMSP)

The Zehnder Group Management Share Plan (ZGMSP) is a long-term benefit programme with the objective to encourage members of the Group Executive Committee and all employees at management level to directly participate in the long-term success of the company. The Group Executive Committee members may elect to draw up to 30% of their annual base salary in the form of Zehnder Group registered shares A. These shares are offered at a discount of 30% on the relevant share price determined as the average volume-weighted share price of the share in the period between 1 October and 31 December. The shares are subject to a restriction period of three years during which they cannot be sold, transferred, or pledged. The restriction period also applies in case of termination of employment, except in the case of death or a change of control, where the restriction immediately lapses.

The ZGMSP strengthens the link between compensation and the company's long-term performance, as the compensation invested in the programme is exposed to the change in the share value over the restriction period of three years.



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## 4.5 Benefits

As the Group Executive Committee is international by nature, the members participate in the benefit plans available in the country of main residence (social insurance payment obligation). Benefits consist mainly of retirement, insurance and, where customary in the market, healthcare plans. These benefits are designed to provide a reasonable level of protection for the employees and their dependents in respect of retirement, the risks of disability, death, or illness/accident.

For members of the Group Executive Committee subject to social security contributions in Switzerland, the salary, which is subject to AHV pension contributions, is insured up to 450% of the maximum AHV retirement pension in the pension fund (currently the mandatory part is set at CHF 132,300). This solution is offered to all employees in Switzerland. Since October 2022, the supplementary part has been insured up to a maximum of 3,000% of the AHV retirement pension (currently CHF 882,000) for members of the Group Executive Committee by a 1e pension solution. Zehnder Group covers 50% of the saving contributions as before. The 1e solution gives the members of the Group Executive Committee more flexibility in investing their retirement savings and at the same time allows the risk of the investment to be fully borne by them. Zehnder Group's pension benefits exceed the legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG) and are comparable with the conditions offered by other international industrial companies.

Members of the Group Executive Committee subject to social security contributions outside Switzerland are insured in line with the local legal requirements and based on local market practice and their position. Each plan may vary depending on the respective legal requirements.

In addition, the members of the Group Executive Committee are also eligible for standard perquisites such as a company car, child allowances, access to subsidised staff restaurants, and other benefits in kind, according to local market practice. The monetary value of these other compensation elements is evaluated at market value and is included in the compensation tables.

Expenses that are not covered by the expense lump sum in accordance with the company's expenses regulations are compensated on presentation of documentary evidence. The reimbursement of business expenses is not considered compensation and does not need to be approved by the Annual General Meeting.

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## 4.6 Contracts of members of the Group Executive Committee

The employment contracts of the members of the Group Executive Committee are unlimited. They incorporate a notice period of a minimum of six and maximum of twelve months and feature a non-competition clause, which is limited to two years after termination of the employment relationship while providing an entitlement to a maximum of the annual base salary. There are no agreements with regard to withdrawal payments or severance compensation in connection with leaving the company or in the case of a change of control, except for the accelerated vesting of the PSUs or early unblocking of shares, as described above.

## 5. Additional information on compensation, guarantees, loans, and credits for the business year 2023

### 5.1 Compensation to the Board of Directors in the business year 2023

In 2023, the members of the Board of Directors received a total compensation of CHF 1.4 million (previous year: CHF 1.4 million) in the form of fixed compensation of CHF 0.8 million (previous year: CHF 0.8 million), share-based compensation of CHF 0.6 million (previous year: CHF 0.6 million), and national insurance contributions of CHF 0.1 million (previous year: CHF 0.1 million).

The compensation of the Board of Directors remained unchanged in the reporting year compared to the previous year.

In 2023, the total compensation paid to the Board of Directors was 1.5% higher than during the previous year as a result of the following factors:

- Following the addition of one member to the Board of Directors from the 2022/23 term of office, all members of the Board of Directors worked for Zehnder Group for the entire duration of the reporting year and were compensated accordingly.

### Compensation for the members of the Board of Directors



	Units 2023	Units 2022	CHF <sup>1</sup> 2023	CHF <sup>1</sup> 2022
<b>Dr Hans-Peter Zehnder</b>				
Chairman of the Board of Directors				
Fixed cash compensation for Board activity			210,000	210,000
Expense lump sum			12,000	12,000
Allocated shares for Board activity <sup>2</sup>	4,033	3,419	215,149	218,309
Employer national insurance contributions			27,398	26,319
Other payments			14,279	14,269
<b>Total compensation</b>			<b>478,826</b>	<b>480,897</b>
<b>Jörg Walther</b>				
Vice Chairman of the Board of Directors and Chairman of the Audit Committee				
Fixed cash compensation for Board activity			90,000	90,000
Fixed cash compensation for Audit Committee activity			50,000	50,000
Expense lump sum			6,000	6,000
Allocated shares for Board activity <sup>2</sup>	1,728	1,465	92,194	93,521
Employer national insurance contributions			17,172	17,417
<b>Total compensation</b>			<b>255,366</b>	<b>256,938</b>

	Units 2023	Units 2022	CHF <sup>1</sup> 2023	CHF <sup>1</sup> 2022
<b>Dr Urs Buchmann</b>				
Member of the Board of Directors and member of the Audit Committee (up to 7 April 2022: member of the Compensation and Nomination Committee)				
Fixed cash compensation for Board activity			50,000	50,000
Fixed cash compensation for Nomination and Compensation Committee activity			–	6,250
Fixed cash compensation for Audit Committee activity			25,000	25,000
Allocated shares for Board activity <sup>2</sup>	960	814	51,219	51,946
Employer national insurance contributions			5,490	5,962
<b>Total compensation</b>			<b>131,709</b>	<b>139,157</b>

	Units 2023	Units 2022	CHF <sup>1</sup> 2023	CHF <sup>1</sup> 2022
<b>Riet Cadonau</b>				
Member of the Board of Directors and Chairman of the Nomination and Compensation Committee				
Fixed cash compensation for Board activity			50,000	50,000
Fixed cash compensation for Nomination and Compensation Committee activity			50,000	50,000
Expense lump sum			2,000	2,000
Allocated shares for Board activity <sup>2</sup>	960	814	51,219	51,946
Employer national insurance contributions			10,849	10,485
<b>Total compensation</b>			<b>164,068</b>	<b>164,430</b>

	Units 2023	Units 2022	CHF <sup>1</sup> 2023	CHF <sup>1</sup> 2022
<b>Sandra Emme</b>				
Member of the Board of Directors and member of the Nomination and Compensation Committee (since 7 April 2022)				
Fixed cash compensation for Board activity			50,000	37,500
Fixed cash compensation for Nomination and Compensation Committee activity			25,000	18,750
Expense lump sum			2,000	1,500
Allocated shares for Board activity <sup>2</sup>	960	675	51,219	39,218
Employer national insurance contributions			9,136	6,260
<b>Total compensation</b>			<b>137,355</b>	<b>103,228</b>

	Units 2023	Units 2022	CHF <sup>1</sup> 2023	CHF <sup>1</sup> 2022
<b>Milva Inderbitzin-Zehnder</b>				
Member of the Board of Directors and member of the Nomination and Compensation Committee				
Fixed cash compensation for Board activity			50,000	50,000
Fixed cash compensation for Nomination and Compensation Committee activity			25,000	25,000
Expense lump sum			2,000	2,000
Allocated shares for Board activity <sup>2</sup>	960	814	51,219	51,946
Employer national insurance contributions			9,377	9,043
<b>Total compensation</b>			<b>137,596</b>	<b>137,988</b>

	Units 2023	Units 2022	CHF <sup>1</sup> 2023	CHF <sup>1</sup> 2022
<b>Ivo Wechsler</b>				
Member of the Board of Directors and member of the Audit Committee				
Fixed cash compensation for Board activity			50,000	50,000
Fixed cash compensation for Audit Committee activity			25,000	25,000
Expense lump sum			2,000	2,000
Allocated shares for Board activity <sup>2</sup>	960	814	51,219	51,946
Employer national insurance contributions			9,377	9,043
<b>Total compensation</b>			<b>137,596</b>	<b>137,988</b>

	Units 2023	Units 2022	CHF <sup>1</sup> 2023	CHF <sup>1</sup> 2022
<b>Total compensation paid to the members of the Board of Directors in the year of review</b>				
Fixed cash compensation for Board activity			550,000	537,500
Fixed cash compensation for Nomination and Compensation Committee activity			100,000	100,000
Fixed cash compensation for Audit Committee activity			100,000	100,000
Expense lump sum			26,000	25,500
Allocated shares for Board activity <sup>2</sup>	10,561	8,814	563,438	558,830
Employer national insurance contributions			88,799	84,528
Other payments			14,279	14,269
<b>Total compensation</b>			<b>1,442,516</b>	<b>1,420,626</b>

<sup>1</sup> These are gross amounts including national insurance contributions of the members of the Board of Directors.

<sup>2</sup> The shares are disclosed at the closing share price on the respective grant dates.

The Annual General Meeting 2023 approved a maximum budget of CHF 1.7 million for the Board of Directors for the period of office from the Annual General Meeting 2023 to the Annual General Meeting 2024. The compensation effectively paid during the period under consideration in this Compensation Report (1 January to 31 December 2023) is within this budget approved by the shareholders. The final reporting for the entire period from the Annual General Meeting 2023 to the Annual General Meeting 2024 is included in the Compensation Report 2024.

At the Annual General Meeting of 7 April 2022, the shareholders approved a maximum total compensation of CHF 1.7 million for the Board of Directors during the period of office from the Annual General Meeting 2022 to the Annual General Meeting 2023. The compensation effectively paid to the members of the Board of Directors over this period was CHF 1.4 million and therefore is within this approved budget.

## 5.2 Compensation of the Group Executive Committee in the business year 2023

For 2023, the members of the Group Executive Committee received a total compensation of CHF 3.9 million (previous year: CHF 4.8 million) in the form of fixed compensation of CHF 2.0 million (previous year: CHF 1.9 million), variable compensation of CHF 0.8 million (previous year: CHF 1.9 million), other benefits including a one-off recognition payment and the value of the discount on the shares of CHF 0.6 million (previous year: CHF 0.3 million), and employer social security and pension fund contributions of CHF 0.6 million (previous year: CHF 0.7 million).

The fixed compensation of the Group Executive Committee increased by 1.8% compared to the previous year due to a standard market adjustment.

In 2023, the Group achieved a net profit of EUR 44.6 million. With this result, the budget value for the payment of an STI amount for 2023 was not achieved and no STI payment could be made to the members of Group Executive Committee.

Due to the results actually achieved, which were nevertheless solid in view of the slowdown of the construction industry and the difficult market environment, the Board of Directors has decided to pay the members of Group Executive Committee a one-off payment in the form of an recognition payment. This is intended to recognise the performance achieved during this challenging year and environment and to document the trust placed in the management team. To determine this one-off payment, the calculation is based on the STI formula and corresponds to a maximum of 25% of the individual profit share amount for 2023. The rules for granting and determining the one-off recognition payment are also applied to the other Zehnder Group executives for whom the lower limit for an STI payment has not been reached.

The long-term incentive (LTI) increased by 3.9% compared to the previous year in order to harmonise the target compensation mix for the members of Group Executive Committee.

The PSU allocations made in 2021 as part of the LTI plan (LTI 2021-2023) can be transferred during the first quarter of 2024. Of the performance conditions, 50% is based on the relative total shareholder return (rTSR) and the remaining 50% is based on the increase in earnings per share (EPS growth). For the payout of the two performance conditions, rTSR of 128.8% and EPS growth of 0.0% were achieved, corresponding to a combined performance factor of 64.4%. Accordingly, 9,413 PSUs were converted into 9,413 Zehnder shares.

The PSU awards for the 2020-2022 LTI plan that were published in the previous year have been incorrectly allocated with a combined performance factor of 146.7% (instead of 146.4%). Accordingly, 16,350 PSUs were vested into 16,350 Zehnder shares, resulting in a difference of 34 shares compared to the 16,316 shares that were published in the Compensation Report 2022. As the difference is not material, the Nomination and Compensation Committee decided on 23 February 2024 not to reclaim the over-allocated shares.

In 2023, the total compensation paid to the Group Executive Committee was 18.2% lower than during the previous year as a result of the following factors:

- No STI payout for 2023 compared to the previous year due to a low Group net profit in 2023;
- This results in lower employer contributions to social security and pension schemes;
- EUR/CHF exchange rate differences compared to the previous year;

The highest compensation for a member of the Group Executive Committee was paid to the CEO, Matthias Huenerwadel, in the reporting year – as in the previous year.

The Annual General Meeting 2023 authorised a maximum budget for the compensation of the Group Executive Committee of CHF 6.0 million for 2023. The total compensation amount of CHF 3.9 million paid to the Group Executive Committee for the fiscal year 2023 as disclosed in the following table is below this upper limit.

### Compensation for the members of the Group Executive Committee



	Units 2023	Units 2022	CHF <sup>1</sup> 2023	CHF <sup>1</sup> 2022
<b>Highest-paid member of the Group Executive Committee: Matthias Huenerwadel</b>				
Fixed cash compensation			538,450	527,500
Variable cash compensation (STI)			–	370,673
Long-term variable compensation (LTI)	4,965	2,815	270,300	265,000
Expense lump sum			24,000	24,000
Employer social security and pension contributions			164,479	158,903
Shares acquired <sup>3</sup>	4,153	2,344	75,377	61,178
Other payments <sup>4</sup>			103,713	34,369
<b>Total compensation</b>			<b>1,176,319</b>	<b>1,441,623</b>

	Units 2023	Units 2022	CHF <sup>1</sup> 2023	CHF <sup>1</sup> 2022
<b>Total compensation paid to the Group Executive Committee including Matthias Huenerwadel</b>				
Fixed cash compensation <sup>2</sup>			1,861,370	1,779,415
Variable cash compensation (STI)			–	1,140,532
Long-term variable compensation (LTI)	14,186	7,899	772,225	743,500
Expense lump sum			96,000	96,000
Employer social security and pension contributions			593,597	694,080
Shares acquired <sup>3</sup>	13,753	7,452	249,617	194,497
Other payments <sup>4</sup>			327,693	121,704
<b>Total compensation</b>			<b>3,900,502</b>	<b>4,769,728</b>

<sup>1</sup> These are gross amounts including employee national insurance contributions.

<sup>2</sup> Including CHF 45,000 as cash compensation due to joining the company during the year 2020, which meant that participation in the 2020-2022 LTI plan was no longer possible and a cash compensation was agreed as an alternative if the member of the Group Executive Committee is still in the same position on 30 June 2023 and the employment relationship has not been terminated.

<sup>3</sup> The members of the Group Executive Committee are eligible to purchase shares under the Zehnder Group Management Share Plan. The value disclosed includes the value of the discount on the shares purchased, based on the closing share price at the grant dates, 10 January 2022 and 9 January 2023, less the purchase price. This value is included in the amount approved by the Annual General Meeting.

<sup>4</sup> Includes the one-off payment in the form of a recognition payment of CHF 220,000 to the members of the Group Executive Committee and other benefits such as a car allowance, child allowance, employer contributions to accident and daily sickness benefits insurance, and a discount in the staff restaurant.

### 5.3 Guarantees, loans, credits, etc.

No Zehnder Group company has provided any guarantees, waivers of claims outstanding, credits, or loans to present or former members of the Board of Directors, to present or former members of the Group Executive Committee, or to persons closely associated with these individuals. No loans to current or former members of the Board of Directors or Group Executive Committee or related parties existed at the end of the reporting year.

### 5.4 Compensation to former members of the Board of Directors and of the Group Executive Committee, and to persons closely associated with them, in the business year 2023

No compensation was paid to former members of the Board of Directors or the Group Executive Committee in the reporting year.

No compensation was paid to persons closely associated with members of the Board of Directors or the Group Executive Committee.

## 5.5 Shareholdings in the company

As at the balance sheet date, the members of the Board of Directors owned the following shares:

### ✓ PwC Switzerland

Board of Directors	Registered shares A 2023	Share of voting rights <sup>1</sup> 2023	Registered shares A 2022	Share of voting rights <sup>1</sup> 2022
Dr Hans-Peter Zehnder <sup>2</sup>	224,665	1.1%	220,883	1.1%
Jörg Walther	12,752	0.1%	11,132	0.1%
Dr Urs Buchmann	22,075	0.1%	21,175	0.1%
Riet Cadonau	13,041	0.1%	12,141	0.1%
Sandra Emme	900	–	–	–
Milva Inderbitzin-Zehnder <sup>3</sup>	9,337	–	8,437	–
Ivo Wechsler	4,478	–	3,578	–

Board of Directors	Registered shares B 2023	Share of voting rights 2023	Registered shares B 2022	Share of voting rights 2022
Dr Hans-Peter Zehnder <sup>2</sup>	–	–	26,666	0.1%

<sup>1</sup> Share of total votes in % (only if ≥ 0.1%)

<sup>2</sup> Excluding Graneco AG, in which Dr Hans-Peter Zehnder holds a 57.9% stake.

<sup>3</sup> Excluding Graneco AG, in which Milva Inderbitzin-Zehnder indirectly holds 0.5%.

As at the balance sheet date, the members of the Group Executive Committee owned the following shares:

### ✓ PwC Switzerland

Group Executive Committee	Registered shares A 2023	Share of voting rights <sup>1</sup> 2023	Registered shares A 2022	Share of voting rights <sup>1</sup> 2022
Matthias Huenerwadel	40,457	0.2%	27,868	0.1%
René Grieder	34,797	0.2%	28,670	0.1%
Johannes Bollmann	8,576	–	5,271	–
Jörg Metzger	5,280	–	2,958	–
Cyril Peysson	52,802	0.3%	50,318	0.3%

<sup>1</sup> Share of total votes in % (only if ≥ 0.1%)



## 6. Activities at other companies

The activities of the members of the Board of Directors and Group Executive Committee in other companies with a commercial purpose in comparable functions as at the end of 2023 are listed below.

The Articles of Association of Zehnder Group ([www.zehndergroup.com/en/investor-relations/corporate-governance](http://www.zehndergroup.com/en/investor-relations/corporate-governance); Article 29 ff.) contain the provisions on other authorised mandates outside Zehnder Group.

### ✓ PwC Switzerland

Board of Directors	Activities at other companies
Dr Hans-Peter Zehnder	<ul style="list-style-type: none"> <li>– Chairman of the Board of Directors of Granarium AG</li> <li>– Chairman of the Board of Directors of Graneco AG</li> <li>– Member of the Board of Directors of Lagerhäuser der Centralschweiz AG</li> <li>– Member of the Board of Directors of AZ Medien AG (until May 2023)</li> <li>– Member of the Board of Directors of Rouge + Blanc Concept AG</li> </ul>
Jörg Walther	<ul style="list-style-type: none"> <li>– Member of the Board of Directors and Chairman of the Audit Committee of SFS Group AG<sup>1</sup></li> <li>– Member of the Board of Directors and Chairman of the Audit Committee of Huber+Suhner AG<sup>1</sup></li> <li>– Vice Chairman of the Board of Directors and member of the Audit Committee of AEW Energie AG</li> <li>– Vice Chairman of the Board of Directors of Immobilien AEW AG</li> <li>– Member of the Board of Directors of Kraftwerk Augst AG</li> <li>– Member of the Board of Directors of Apotheke im Stadtspital Zürich AG</li> <li>– Member of the Board of Directors of Aare-Apotheke Rombach AG</li> </ul>
Dr Urs Buchmann	<ul style="list-style-type: none"> <li>– Member of the Board of Directors and member of the Audit Committees of Swiss Re Asia Ltd.</li> <li>– Member of the Supervisory Board of ICBC Credit Suisse Asset Management</li> </ul>
Riet Cadonau	<ul style="list-style-type: none"> <li>– Chairman of the Board of Directors of Swiss-American Chamber of Commerce</li> </ul>
Sandra Emme	<ul style="list-style-type: none"> <li>– Member of the Board of Directors of Belimo Holding AG<sup>1</sup></li> </ul>
Milva Inderbitzin-Zehnder	<ul style="list-style-type: none"> <li>– Member of the Board of Directors of martin Lenz ag (from Januar 2024)</li> <li>– Member of the Board of Directors of Granarium AG</li> </ul>
Ivo Wechsler	<ul style="list-style-type: none"> <li>– Member of the Board of Trustees of the Huber+Suhner AG<sup>1</sup> pension fund</li> <li>– Member of the Board of Trustees of the General Welfare Fund of Huber+Suhner AG<sup>1</sup></li> </ul>

<sup>1</sup> Listed company at SIX Swiss Exchange



## Group Executive

## Committee

## Activities at other companies

Matthias Huenerwadel	<ul style="list-style-type: none"> <li>– Member of the Board of Directors of Daedalus Holding AG</li> <li>– Member of the Board of Directors of Spaeter AG</li> </ul>
René Grieder	– Member of the Board of Directors of imiam AG
Johannes Bollmann	– Member of the Board of Directors of NSNW AG
Jörg Metzger	– Member of the Advisory Board of Engelmann Sensor GmbH (DE)
Cyril Peysson	None

The requirement to disclose other mandates held by members of the Board of Directors and Group Executive Committee in the compensation report is based on Art. 734e in conjunction with Art. 626 para. 2 no. 1 of the Swiss Code of Obligations; in the Corporate Governance section of the annual report, they are based on the Corporate Governance Directive of the SIX Exchange Regulation. These requirements are not completely congruent.

# Report of the statutory auditor

## Report of the statutory auditor

to the General Meeting of Zehnder Group AG

Gränichen

### Report on the audit of the remuneration report

#### Opinion

We have audited the remuneration report of Zehnder Group AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'audited' on pages 67 to 69 and pages 71 to 75 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report (pages 67 to 69 and pages 71 to 75) complies with Swiss law and the Company's articles of incorporation.

#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

#### Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or

PricewaterhouseCoopers AG, Robert-Zünd-Strasse 2, Postfach, 6002 Luzern, Switzerland  
Telefon: +41 58 792 62 00, [www.pwc.ch](http://www.pwc.ch)

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error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Thomas Ebinger  
Licensed audit expert  
Auditor in charge

Fabian Stalder  
Licensed audit expert

Luzern, 23 February 2024

