

REMUNERATION REPORT

BASIC PRINCIPLES OF REMUNERATION	26
REMUNERATION OF THE BOARD OF DIRECTORS	27
REMUNERATION OF GROUP MANAGEMENT	29
REPORT OF THE STATUTORY AUDITOR	34

The remuneration report provides information on the principles of Interroll's remuneration policy, the management process and the remuneration of the Board of Directors and the Group Management. It complies with the requirements of the Articles 14 to 16 of the Swiss Ordinance against Excessive Compensation in Listed Stock Corporations of November 20, 2013 (VegüV), the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange and the principles of the "Swiss Code of Best Practice for Corporate Governance" issued by Economiesuisse, which came into force on August 28, 2014. Further improvements were made to this remuneration report for 2022 in terms of transparency and readability. The aim is to ensure the best possible transparency for the reader.

BASIC PRINCIPLES OF REMUNERATION

A fair and transparently designed remuneration system is intended to contribute to the sustainable development and safeguarding of the entrepreneurial success of the Interroll Group. The remuneration system of Interroll Group is in line with the corporate strategy and is designed to adequately reward short and long-term goals achieved. Interroll should be able to attract, develop and retain the best people in their field and in the industry.

The Interroll Group's remuneration policy is based on the following principles:

- The remuneration of the Board of Directors comprises exclusively a fixed remuneration in cash or in shares. In this way, Interroll ensures the independence of the Board in its supervision of the Group Management.
- The ratio between fixed and variable remuneration of the members of the Group Management shall be reasonable and balanced. In particular, in order to ensure the continued success of the company, the risk appetite of the individual should not be influenced contrary to the medium and long-term interests of the company.
- Both the responsibility, the concrete individual contribution to the success of the company and the individual burden of the respective function must be duly taken into account in the compensation, also with regard to the competitiveness of the remuneration.
- Share plans as a component of the Group Management's remuneration are intended to reward the achievement of long-term Group objectives in the interest of the shareholders and promote entrepreneurial performance with a long-term focus.

- The Board of Directors is responsible for the principles of the Group's remuneration policy and for the steering process and is supported in this by the Remuneration Committee. The Board of Directors decides on the total remuneration for both, the Board of Directors and Group Management and presents a proposal for approval to the Annual General Meeting.

On behalf of the Board of Directors, the Remuneration Committee prepares all proposals and the basis for remuneration decisions regarding the remuneration for both, the Board of Directors and the Group Management, pursuant to the Articles of Incorporation, Art. 23^{bis} (Remuneration Committee). Its main duties include:

- Proposal and regular review of the Interroll Group's remuneration policy.
- Proposal and formulation of the remuneration regulations for the Board of Directors and the Group Management.
- Proposal and determination of the remuneration principles for the following financial year.
- Propose the remuneration for members of the Board of Directors.
- Proposal on the remuneration of the CEO and at the CEO's request, the remuneration of the other members of the Group Managements.
- Proposal on the terms and conditions of employment, significant changes to existing employment contracts of the Group Management and other strategic Human Resources (HR) decisions.

At the Annual General Meeting of Interroll Holding AG on May 12, 2023, the Board of Directors will propose for approval the maximum possible total remuneration of the Board of Directors for the period until the Annual General Meeting 2024 and the maximum possible total remuneration of the Group Management for the financial year 2023. The voting rules modalities for the approval of the compensation of the Board of Directors and Group Management are set out in the Articles of Incorporation under Art. 12^{bis} Remuneration of the Board of Directors and the Group Management.

The Articles of Incorporation are available on the website at <https://www.interroll.com/company/sustainability/corporate-governance/>.

Overview of the areas of responsibilities of the Remuneration Committee, Board of Directors and Annual General Meeting

Stages of authorization	Recommendation	Review	Authorization
Principles of remuneration (Articles of Incorporation)	Remuneration Committee	Board of Directors	Annual General Meeting (mandatory vote)
Detailed remuneration model (remuneration regulations)	Remuneration Committee	Board of Directors	Board of Directors
Maximum total remuneration of the Board of Directors	Remuneration Committee	Board of Directors	Annual General Meeting (mandatory vote)
Individual remuneration for members of the Board of Directors	Remuneration Committee	Board of Directors	Board of Directors
Maximum total remuneration of Group Management	Remuneration Committee	Board of Directors	Annual General Meeting (mandatory vote)
Remuneration of the CEO	Remuneration Committee	Board of Directors	Board of Directors
Individual remuneration for all other members of Group Management	CEO	Remuneration Committee	Board of Directors

REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration model and the determination of remuneration

The members of the Board of Directors receive exclusively a fixed, task-related remuneration in cash or shares and no variable component. In this way, Interroll ensures the independence of the Board of Directors in its supervision of the Group Management. Remuneration is based on the demands and high level of responsibility of the Board of Directors.

The annual remuneration is paid to the members of the Board of Directors of Interroll Holding AG for all services rendered to Interroll Holding AG and the Group companies directly or indirectly controlled by it.

The Board of Directors determines the fixed remuneration of the members of the Board of Directors of Interroll Holding AG annually for the period until the next Annual General Meeting of Interroll Holding AG on the basis of the Articles of Incorporation under Art. 22^{bis} (Total Remuneration of the Board of Directors and the Management), subject to approval by the Annual General Meeting, and at any time at the request of the Remuneration Committee. All social security contributions are paid by the employer.

Temporary employment or mandate contracts with members of the Board of Directors may have a fixed contract term of up to one year.

Total remuneration for the 2022 term of office (audited)

The remuneration of the members of the Board of Directors (BoD) is disclosed in accordance with VegüV and OR 663c as follows:

in CHF thousands		Cash	Shares/ options	Social security*	Other benefits	Total remuneration	Shares held as of 31.12.	Voting rights in %
Paul Zumbühl								
2022	AP	692				692	22,565	2.91
2021	AP	692		–		692	22,565	2.91
Urs Tanner								
2022		–		–		–	–	0
2021	LD, RC	135		15		150	35	0
Elena Cortona								
2022		90		15		105	15	0
2021		90		15		105	15	0
Stefano Mercorio								
2022	RC, AC	110		22		132	–	0
2021	RC, AC	110		23		133	–	0
Ingo Specht								
2022		90		15		105	52,000	6.69
2021		90		15		105	53,000	6.82
Markus Asch								
2022	LD, PRC	135		22		157	–	0
2021		90		15		105	–	0
Susanne Schreiber								
2022	PAC	100		16		116	15	0
2021	AC	100		16		116	–	0
Total Board of Directors								
2022		1,217		90		1,307	74,595	9.60
2021		1,307		99		1,406	75,615	9.73

AP: Active Chairman of the BoD; P: Chairman of the BoD; LD: Lead Independent Director; PAC: Chairman Audit Committee; AC: Audit Committee; PRC: Chairman Remuneration Committee; RC: Remuneration Committee.

* Social security costs consist of employer and employee contributions to OASI/IV.

2021 = term of office from AGM 2021 to AGM 2022; 2022 = term of office from AGM 2022 to AGM 2023

The Board of Directors does not hold any options to subscribe to shares of Interroll Holding AG.

Valuation of the total remuneration for the term of 2022

The remuneration of CHF 1,307,000 (previous year CHF 1,406,000) of the Board of Directors from the Annual General Meeting 2022 to the Annual General Meeting 2023 includes the higher fee of the Chairman of the Board of Directors for the second year (of a total of two years) with his additional duties as “Active Chairman” and is below the total amount of CHF 1,400,000 approved by the Annual General Meeting 2022.

Outlook for total remuneration for the term of 2023

At the Annual General Meeting on May 12, 2023, the Board of Directors will propose a maximum remuner-

ation of CHF 1,100,000 for the term until the next Annual General Meeting in 2024 (previous year: CHF 1,400,000). The Chairman of the Board of Directors exercised his role with additional duties as “Active Chairman” for a period limited to 2 years (term of office Annual General Meeting 2021 to Annual General Meeting 2023) and received a higher fee during this period. His duties are described in detail in the Corporate Governance section on page 19 under the section Active Chairman. As of the 2023 term of office (AGM 2023 to AGM 2024), the Chairman of the Board of Directors will perform his duties without the additional tasks as “Active Chairman”, so that his fee will be reduced to a regular level of approximately half. After 6 years of unchanged fees, the Board of Directors also proposes a total increase of CHF 55,000 p. a. for the other members of the Board of Directors (per member an increase of the fee by CHF 10,000, Vice Chairman by CHF 15,000 plus pension benefits).

The maximum remuneration of the Board of Directors proposed to the Annual General Meeting on May 12, 2023 will thus be reduced by CHF 300,000 compared to the previous year.

Other remuneration (audited) and further information

No further payments in cash or in kind are made and no other remuneration (e.g., commission for the transfer of companies or parts thereof) is paid to members of the Board of Directors.

Severance payments to members of the Board of Directors are not permitted; any remuneration due until the termination of the contractual term is not considered severance compensation.

Apart from the reimbursement of travel expenses actually incurred, the members of the Board of Directors do not receive any lump-sum compensation for business expenses.

Loans and credits (audited)

The terms and conditions governing any loans or loan suffices granted to members of the Board of Directors are defined in the Articles of Incorporation under Art. 22^{bis} (Total Remuneration of the Board of Directors and the Management).

Interroll Holding AG and its subsidiaries did not grant any loans or advances or credits to members of the Board of Directors in the reporting years 2022 and 2021.

REMUNERATION OF GROUP MANAGEMENT

Remuneration model and the determination of total remuneration

An individual remuneration agreement exists for each Group Management member, with the *projected total remuneration* based on the criteria set out below for determining remuneration and conditions of the market for top managers in the relevant industry and country. The total plan remuneration consists of a fixed and a variable cash remuneration (Short-Term Incentive, STI) as well as a long-term remuneration in shares with a vesting period of at least 4 years (Long-Term Incentive, LTI).

The *projected total remuneration* may be undercut or exceeded depending on performance and business development. In their actions, the Group Management must at all times focus on long-term and sustainable value creation and not on short-term profit maximization. The total remuneration of the members of the Group Management, and in particular that of the CEO, is structured in line with this objective.

The actual total remuneration is determined on the basis of the following main criteria:

- Professional and market experience
- Complexity of the function
- Global responsibility of the function
- Personal and concrete performance contribution to the long-term strategic development as well as value enhancement of the Group

The Interroll Group consults external consultants on a case-by-case basis when determining and setting remuneration. For new appointments to the Group Management in 2017–2021, market comparisons for top management positions (industry) were carried out with the respective recruiting consultants during the

Overview of the remuneration model for the Group Management: composition of total remuneration

Definition	Instrument	Purpose
Fixed remuneration	Monthly cash payments	Remuneration for performance of the function and all qualifications required to perform the role
Variable remuneration (Short-Term Incentive, STI)	Annual cash payment	Remuneration for the achievement of financial and individual targets in the reporting year
Long-term share participation (Long-Term Incentive, LTI)	Annual share allocation with multi-year vesting period	Promoting sustainable results and a long-term focus on shareholders' interests
Social security contributions and fringe benefits	Pension scheme, insurance policies and non-cash benefits	Protection against risks and coverage of business expenses (vehicle)

personnel search in Europe and the Americas and consulted for the determination of remuneration. In addition, comparisons were made on the basis of a detailed Kienbaum and Mercer salary study for top managers (industry) for the years 2020 to 2021. The reference group was primarily comparable companies in the manufacturing industry. In principle, such comparisons are based on a median positioning and adjustments are made where necessary.

In determining the total annual remuneration, all payments made by Interroll Holding AG and its directly controlled subsidiaries to the members of the Group Management are taken into account, irrespective of whether global or local activities for one or more subsidiaries in Switzerland or abroad (on the basis of a separate employment contract) of a member of the Group Management are compensated.

The Board of Directors determines the total compensation of the Group Management on the basis of the Articles of Incorporation under Art. 22^{bis} (Total remuneration of the Board of Directors and the Management) and at the request of the Remuneration Committee annually, from 2015 subject to approval by the Annual General Meeting. The total compensation of the CEO is determined by the Remuneration Committee. The total compensation of the other members of the Group Management is determined by the CEO and submitted annually to the Remuneration Committee for approval by the Board of Directors. On the occasion of the Annual General Meeting of Interroll Holding AG on May 12, 2023, the Board of Directors will submit the maximum possible total remuneration of the Group Management for the financial year 2023 for approval.

Fixed remuneration

The amount of the fixed remuneration is contractually stipulated and generally remains unchanged for three to five years, while the function remains unchanged. Adjustments may be made on the basis of individual performance assessments and in the event of any changes in the area of responsibility.

Variable remuneration (Short-Term Incentive, STI)

According to Art. 22^{bis} of the Articles of Incorporation, the variable remuneration of the Group Management may not exceed 60% of the total remuneration (or 150% of the fixed remuneration) as a rule.

For the CEO, the variable remuneration (STI) component of the fixed remuneration amounts to approximately 75% if the plan is achieved (with a maximum of 150% and a minimum of 0%). For operational management functions, the plan value is 50% (with a maximum of 100% and a minimum of 0%). Finally, for central holding functions, the targeted amount of the variable remuneration is 25% of fixed remuneration (with a maximum of 50% and a minimum of 0%). The maximum is a theoretical cap and not a planned metric to be achieved. See also table below (overview: weighting of variable remuneration (STI) in relation to fixed remuneration).

The assessment bases of the variable remuneration (STI) are based on the one hand, on the measurable sustainable financial success (of the Group or part thereof) and, on the other hand, on annual individual targets, which must be measurable and of considerable strategic relevance. The weighting of the financial success component in the variable remuneration amounts to at least 75% of the variable compensation (STI) in the case of the CEO and in the case of operational management functions, and at least 50% in the case of central holding functions.

“Financial success” component of variable remuneration (STI):

The financial performance of the company for calculating the financial success component of variable remuneration balances the level and quality of the performance achieved. For this purpose, the amount of the operating profit achieved in the financial year (EBIT) is first multiplied by a predefined percentage. The determination of this percentage is based on plan compensation and plan EBIT. In a second step, the quality of the performance is taken into account by

Overview of weighting of the variable remuneration (STI) in relation to fixed remuneration:

Role in Group Management	Variable remuneration (STI) in relation to fixed remuneration			Share of “financial success” component in variable remuneration (STI)	Share of “individual targets” component in variable remuneration (STI)
	Min.	Projected	Max. ³⁾		
Group CEO	0%	Approx. 75%	150%	75%	25%
Executive VP ¹⁾	0%	Approx. 50%	100%	75%	25%
Corporate VP ²⁾	0%	Approx. 25%	50%	50%	50%

¹⁾ Executive Vice President (EVP): operational management role

²⁾ Corporate Vice President (CVP): centralized role within the holding company (Corp. Finance, Corp. Marketing)

³⁾ Max. theoretical value for cap, not intended to be an achievable target

increasing/decreasing the resulting compensation amount through the achievement of financial performance parameters compared to a predefined benchmark set for 3 years. This benchmark includes two perspectives: on the one hand the relative positioning compared to companies with solid market positioning and comparable size within a relevant industry (Material Handling in Europe/USA, Asia) and on the other hand own ambitious financial mid-term performance targets.

Depending on the strategic situation of the company or the function of the members of the Group Management, individual performance parameters may be weighted differently for the performance assessment or may not be taken into account.

The table below is intended to illustrate the performance measurement:

Overview of calculation of the “financial success” component of variable remuneration (STI)

	Performance parameters (fiscal year)	Meaning
Success level	Operating profit (x % EBIT)	Earning power
Quality of success	Operating profit margin (EBIT %)	Profitability
	Sales growth (% compared to PY)	Market position, innovation
	Gross margin (as a % sales)	Price strength, procurement strength
	Return on invested capital (ROIC)	Management of current/fixed assets

“Individual targets” component of variable remuneration (STI):

For the individual targets component, three to a maximum of five individual and measurable targets are agreed every year, with either the same or different weighting. These targets must make an important contribution to the current or long-term success of the Group or parts thereof. These also include sustainability targets such as reduction of CO₂ emissions and other targets in accordance with environmental, social, and governance (ESG) requirements. The annual targets in accordance with the ESG sustainability requirements to be adopted by the Board of Directors will amount to approximately 30% to 50% of the individual targets from the 2022 financial year onward. For the Group Management, the Board of Directors sets overall targets for the CEO, who in turn agrees individual targets derived from these with the members of the Group Management. The ESG sustainability targets are based on the ESG Roadmap presented at the Annual General Meeting on May 13, 2022.

The individual targets relate to, for example:

- the development and market launch of new products
- the development of new markets and customer segments
- the successful integration of an acquisition
- the reduction of harmful emissions in accordance with specific ESG targets or KPIs
- specific employee development programs in line with targets, which include qualification and further training as part of long-term organizational and personnel development.

The multi-year plan basis of the variable remuneration (rather than the annual budget) motivates the Group Management to think longer-term, measures the relative continuous improvement compared to the previous year's period or to the aforementioned three-year fixed benchmark, and prevents short-term cost cutting in the area of market development, innovation, and sustainability etc.

The Remuneration Committee may exceptionally deviate from the agreement for variable remuneration in favor of a member of the Group Management if the lack of target achievement is exclusively due to external factors. There was no deviation from the agreement in the reporting year.

Long-term component: Share participation (Long-term Incentive, LTI)

Pursuant to Art. 22^{bis} (Total Remuneration of the Board of Directors and the Management) of the Articles of Incorporation, shares with multi-year vesting periods can be allocated to the Group Management as part of the total remuneration.

Through their commitment and influence, the Group Management should participate in the long-term value creation of the Group and, in doing so, also share the entrepreneurial risk as a shareholder (and equity co-owner) as well as identify with the values of Interroll.

Share plan for the Group Management:

The share plan for the Group Management was introduced as a long-term remuneration component with the restructuring of the Group in 2011. Members of the Group Management receive a number of shares as a long-term component of variable remuneration. The portion to be drawn amounts to a minimum of 20% and a maximum of 100% of the variable remuneration. The individual portion to be received must be determined and reported by each member of the Group Management by December 15 of the current fiscal year at the latest, otherwise 20% will be allocated. These shares are blocked for four years.

Allocation modalities:

The relevant conversion price for the number of shares allocated is the respective stock market price on December 31 of the past financial year less the deduction permitted for tax purposes for the duration of the blocking period. The shares are allocated in the first quarter of the new financial year after the audited results of the past financial year are available.

Total remuneration for 2022 (audited)

The remuneration of the members of the Group Management is disclosed in accordance with Articles 14 to 16 of the Federal Council Ordinance against Excessive Compensation in Listed Stock Corporations of November 20, 2013 (VegüV), the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange and the principles of the “Swiss Code of Best Practice for Corporate Governance” of Economiesuisse, which came into force on August 28, 2014:

Explanation of the calculation method

The calculation method under IFRS differs in two respects from the calculation of compensation and shareholdings of the Board of Directors and the Group Management in accordance with OR 663^{bis} and OR 663c:

- Under IFRS, compensation for company vehicles is based on the expenses recognized in the financial statements, including depreciation/lease payments. Under the Swiss Code of Obligations, 0.9% of the acquisition value of the vehicles is charged monthly.
- Under IFRS, share-based payments are measured at fair value on the grant date. Under the Swiss Code of Obligations, shares are measured at tax value, which is derived from fair value. As a result of the blocking period granted, the tax value is reduced compared to the market value, depending on the defined blocking period.
- The difference of CHF 0.130 million (previous year: CHF 0.255 million) related to company vehicles CHF 0.011 million (previous year: CHF 0.015 million) and share-based payments CHF 0.119 million (previous year: CHF 0.240 million).

Valuation of the total remuneration for the financial year 2022

Due to the financial and individual targets achieved, the total compensation paid to the Group Management in the past year was CHF 3.72 million, below that of the previous year (CHF 4.38 million) and lower than the maximum total remuneration of CHF 4.8 million approved at the 2022 Annual General Meeting.

in CHF thousands	Remuneration (net)		Share-based compensation		Social security ²⁾	Other benefits	Total remuneration
	Fixed	Variable ¹⁾	Shares ²⁾	Options			
CEO (highest)							
2022	460	226	31	0	288	31	1,036
2021 (01–04)	354	158	160	0	287	22	981
2021 (05–12)	319	107	26	0	135	21	608
Other members							
2022	1,332	320	421	0	458	151	2,682
2021	1,458	358	431	0	412	129	2,788
Total Group Management							
2022	1,792	546	452	0	746	182	3,718
2021	2,131	623	617	0	834	172	4,377

- 1) The difference between provisions made in the previous year and the actually paid-out bonuses is netted with the variable compensation planned for the year under review.
- 2) In the year under review, a total of 189 treasury shares were granted to senior executives as part of their bonus plans (previous year: 326 shares) with a zero to four-year sales restriction (from the date of the allotment). The share-based compensation corresponds to the tax value.
- 3) Social security costs consist of employer and employee contributions to OASI/IV and pension scheme. Due to the non-existence of a complementary pension plan in the USA, USD 349,500, including corresponding interest, was paid into a Rabbi Trust for Richard Keely in 2022, retroactively for the period from 2007 to 2021. The contribution of USD 15,000 for the year 2022 is included in the reported values in the table above.

The total remuneration paid to the Group Management in 2022 was 92% (previous year: 95%) of the total plan remuneration based on the calculated target achievement in accordance with the calculation methodology described. Delivery bottlenecks and extraordinary raw material price increases prevented the total plan compensation from being achieved or exceeded. The value of the share component of total compensation in 2022 was 16% (previous year 19%).

The variable remuneration for the Group Management was 28% (previous year 33%) of the fixed remuneration at a plan value of 39% or 22% (previous year 25%) of the total remuneration at a plan value of 28%. The variable remuneration for the Group Executive Board was thus below the previous year and reflects the fact that the plan values were not fully achieved. In particular, the bonus targets relating to sales and the level of operating profit (EBIT) could not be achieved.

Outlook for total remuneration for the financial year 2023

The maximum possible total remuneration 2023 submitted to the Annual General Meeting of May 12, 2023 for approval amounts to CHF 4.8 million (previous year CHF 4.8 million). As in previous years, it includes a reserve for contingencies and currency fluctuations and assumes a significant overachievement of the set targets. The total remuneration actually paid out is generally lower than the maximum approved at the Annual General Meeting as the amount of the variable remuneration 2023 and its payment is based on the targets actually achieved in 2023. The fixed remuneration 2023 was adjusted for five members of the Group Management.

Other remuneration (audited) and further information

The expenses and pension fund regulations are based on the applicable local conditions of employment and the corresponding legal and market conditions in the countries concerned, in particular Germany, the United States, China and Switzerland, and are in accordance with Art. 22^{bis} (Total Remuneration of the Board of Directors and the Management) of the Articles of Incorporation. Apart from the total Group Management remuneration presented in the table, only actual travel expenses are reimbursed to the members of the Group Management upon presentation of receipts and in accordance with the expense regulation. Any lump-sum expenses are part of the remuneration and are therefore included in the table of total remuneration.

In Switzerland, the members of the Group Management contribute one third of the savings portion of the pension fund, while the employer pays the remainder.

Members of the Group Management are provided with a company vehicle and a cell phone for business and private use, or a corresponding monthly lump sum is paid. The maximum permissible value limits for the company vehicle are regulated internally. The company vehicle is included in the total remunerations under "other benefits."

No further payments in cash or in kind are made and no other remuneration (e.g., commission for the takeover or transfer of companies or parts thereof) are paid to members of Group Management.

Severance payments to members of Group Management are not permitted; remuneration owed until the termination of contractual relationships is not considered severance compensation.

The notice periods for members of the Group Management are between and six and nine months and thus comply with the Articles of Incorporation Art. 23^{bis} (Remuneration Committee).

Loans and credits (audited)

The terms and conditions governing any loans or credits granted to members of the Group Management are defined in the Articles of Incorporation under Art. 22^{bis} (Total Remuneration of the Board of Directors and the Management).

Interroll Holding AG and its subsidiaries did not grant any loans, advances or credits to members of the Group Management in both of the reporting years 2022 and 2021.



REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF INTERROLL HOLDING AG, SANT'ANTONINO

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of INTERROLL HOLDING AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) in the tables marked 'audited' on pages 26 to 33 of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report (pages 26 to 33) complies with Swiss law and article 14 to 16 of the Ordinance.

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. The Board of Directors 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 on remuneration, loans and advances pursuant to article 14 to 16 of the Ordinance 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 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 judgment 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



Gerhard Siegrist
Licensed audit expert
Auditor in charge



Regina Spälti
Licensed audit expert

Zurich, 16 March 2023

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch