

# Remuneration report

**This remuneration report describes the remuneration policy and the remuneration system for the CPH Group AG Board of Directors and Group Executive Board and the remuneration paid thereto. This report has been compiled in compliance with the Swiss Code of Obligations (CO), the Directive on Information relating to Corporate Governance of the SIX Swiss Exchange (DCG) and the principles of the Swiss Code of Best Practice for Corporate Governance issued by Economiesuisse.**

## 1. Principles of remuneration policy and the remuneration system

CPH Group AG is an attractive employer with well-qualified and high-performing personnel who are remunerated in line with market levels. CPH Group AG views such remuneration as a combination of a fixed and a variable salary component. The amount of each individual's overall remuneration and the components thereof are set by regularly reappraising the current classification of each function and the remuneration paid and comparing these remuneration amounts to market rates. This approach ensures that the remuneration awarded to each individual is in line with market rates and is appropriate to the duties and tasks of, the performance delivered by and the results achieved by the individual concerned.

## 2. Remuneration processes

### The role of the Annual General Meeting

The Annual General Meeting (AGM) elects the members of the Personnel & Compensation Committee individually to serve for a one-year period.

In accordance with the legal remuneration provisions for companies whose shares are listed on the stock exchange (CO Article 732ff) and the Articles of Incorporation of CPH Group AG, the AGM approves the maximum aggregate remuneration payable to the Board of Directors in toto for the period until the next AGM. In accordance with the same provisions, the AGM also approves the maximum aggregate fixed and variable remuneration payable to the Group Executive Board in toto for the business year following the AGM concerned.

The proposals for the maximum aggregate remuneration payable to the Board of Directors and the Group Executive Board are prepared by the Personnel & Compensation Committee, verified by the Board of Directors

and submitted to the AGM for approval. If a proposal is rejected, a new proposal may be submitted by the Board of Directors. If it does so and this second proposal is also rejected, either an Extraordinary General Meeting may be convened within three months or the Board of Directors may submit the remunerations concerned to the next AGM for retroactive approval.

Since the maximum aggregate remuneration payable to the Board of Directors and the Group Executive Board are prospectively resolved, the AGM will also conduct an annual non-binding consultative referendum on the remuneration report.

### The role of the Board of Directors

The Board of Directors resolves a remuneration policy based on the Articles of Incorporation which pays due and full regard to the company's culture and strategic objectives. The Board of Directors also determines the basic framework and design of the remuneration system for its members and the members of the Group Executive Board.

The Board of Directors proposes new Board members to the AGM, appoints the CEO and the further members of the Group Executive Board and specifies their terms and conditions of employment.

The Board of Directors resolves which maximum aggregate remuneration amounts payable to the Board of Directors and the Group Executive Board should be submitted to each AGM for approval.

When determining individual remuneration amounts, the Board of Directors abides by the resolutions of the AGM and by the relevant statutory and regulatory provisions regarding the division of authorities between itself and its Personnel & Compensation Committee. Within this framework, the Board of Directors bears ultimate responsibility for determining the remuneration payable to itself, the CEO and the further members of the Group Executive Board.

The Board of Directors compiles an annual remuneration report for submission to the AGM. The Board of Directors is also responsible for ensuring transparency in the remuneration awarded to its own members and the members of the Group Executive Board.

### The role of the Personnel & Compensation Committee

For details of the composition of the Personnel & Compensation Committee, please see the corporate governance report. The Personnel & Compensation Committee is responsible in particular for:

- devising the guidelines for the remuneration policy of CPH Group AG (in particular the remuneration principles for the Board of Directors and the Group Executive Board) on behalf of the Board of Directors
- submitting proposals for the remuneration of the Board of Directors and the members of the Group Executive Board to the full Board of Directors

- assessing the performance of the CEO and the further Group Executive Board members and their achievement of their annual targets, and submitting corresponding proposals for their fixed and variable compensation to the full Board of Directors
- monitoring the implementation of the personnel and remuneration policies of CPH Group AG along with salary developments.

The Personnel & Compensation Committee generally meets three times (and at least twice) a year. The committee held three half-day meetings in 2024.

For every meeting of the Personnel & Compensation Committee, minutes are compiled which are sent to every member of the Board of Directors. The committee also informs the other Board members at the next Board meeting about the topics it has discussed and the background to any proposals or recommendations submitted.

Any proposed changes to the remuneration of the Board of Directors, the CEO or further Group Executive Board members are submitted to the Board of Directors for approval by its Personnel & Compensation Committee, with due reference to the market comparisons conducted.

#### **Market comparisons**

The structure and amounts of the remuneration paid for certain functions are externally benchmarked every three years. This will next be done in 2025.

The latest such benchmark analysis of the remuneration paid for the various functions on the Board of Directors was conducted in 2022 by a specialist outside company. The benchmark was performed against Swiss-based internationally active industrial companies of comparable size corresponding to Group I for the Group Executive Board (as defined below). Its findings were channelled into the corresponding remuneration from the 2023 AGM onwards.

The remuneration paid to the members of the Group Executive Board and the divisional managements was also analyzed by the same external company in 2022. For the remuneration of the Group Executive Board members, three benchmark groups were created. Group I consisted of Swiss-based internationally active industrial companies of comparable size (such as Huber+Suhner, Feintool, Burckhardt Compression, Aluflexpack and Vifor). Group II consisted of Swiss-based industrial companies active in Switzerland in comparable industrial sectors, i.e. chemistry and packaging (such as EMS-Dottikon, Vetropack and Gurit). Group III comprised international subsidiaries (including those of companies in Groups I and II) based in China, Germany, the USA, Brazil and Bosnia and Herzegovina. The findings of these analyses in terms of the structure and the amounts of the remuneration paid were channelled into remunerations from 2023 onwards. The next such benchmark analysis is planned for 2025, for remuneration from 2026.

### **3. Remuneration system**

#### **Remuneration system for the Board of Directors**

The remuneration paid to the members of the Board of Directors consists of a fixed monetary sum whose amount depends on the function held (chairman, deputy chairman, technical committee chair or board member). Members' work on either of the Board's two technical committees is additionally remunerated via meeting attendance fees. Board members are further awarded a flat daily allowance for any work beyond their normal meeting activities.

The remuneration awarded to the members of the Board of Directors is basically paid in monetary form, though since 2024 every member has been able to elect to receive up to 20% thereof in the form of CPH Group AG shares. If they choose to do so, the share price for share allocation purposes is the arithmetic mean of the closing prices of the CPH Group AG share for the 15 consecutive calendar days immediately before and immediately after the publication of the annual results. Such shares carry voting and dividend rights from the moment of their award, but are subject to a three-year vesting period thereafter. During this vesting period the number of shares awarded is not subject to any further performance or results criteria or vesting conditions. But the shares' value will vary depending on their stock-market price trends.

After this three-year vesting period, the shares awarded are at the recipient's free and full disposal.

To ensure that they remain independent in their performance of their supervisory duties, the members of the Board of Directors are not awarded any remuneration in variable compensation form. The members of the Board of Directors are also not insured under the company occupational pension scheme.

The remuneration awarded to the members of the Board of Directors is determined on the basis of comparisons with published data for comparable Swiss industrial companies whose shares are also listed on the SIX Swiss Exchange. The corresponding proposal is then submitted by the Personnel & Compensation Committee to the full Board of Directors.

#### **Remuneration system for the Group Executive Board**

The remuneration awarded to the members of the Group Executive Board of CPH Group AG consists of fixed compensation, variable compensation (STI), share-based remuneration (LTI), contributions to the occupational pension scheme and social security institutions and further remuneration components.

#### **Fixed compensation:**

The basic fixed compensation of each Group Executive Board member is awarded in full in monetary form.

**Variable compensation (STI):**

Individual performance influences the total remuneration awarded to all personnel, including management members. On the basis of this principle, in addition to their fixed compensation, the members of the Group Executive Board also receive variable compensation in the form of a short-term incentive or STI, which is paid in monetary form, with the amount awarded based on the achievement of specified targets.

60 % of this variable compensation is based on the achievement of quantitative targets set for the financial metrics of EBIT, operating cash flow and net working capital (each weighted equally), with the remaining 40 % based on the achievement of clearly defined performance targets in the fields of customers & market, innovation, processes, leadership & personnel and sustainability (underpinned by quantitative and qualitative goals). These non-financial targets help ensure the further sustainable development and the long-term appreciation in the value of CPH Group AG and its constituent divisions.

The heads of divisions' performance in financial metrics terms is based two-thirds on the results of their division and one-third on CPH Group AG results.

For each Group Executive Board member, a target STI variable compensation is agreed which will be paid if the targets concerned are achieved in full. The actual variable compensation paid is based on the degrees to which such targets are met, with the maximum STI compensation payable amounting to 150 % of the target set. The gradations between 0 % and 100 % and between 100 % and 150 % achievement of the targets set may be linear or stepped for each individual target: the details are determined in the annual target-setting process, which is also used to determine the degrees of previous target achievement and thus to determine the variable compensation payable.

The maximum STI variable compensation payable is 100 % of fixed basic compensation for the CEO and 50 % of fixed basic compensation for the further Group Executive Board members.

The targets for all target areas are prescribed by the Board of Directors for all Group Executive Board members (with financial targets derived directly from agreed budget parameters). The CEO and the further Group Executive Board members may make target proposals, and the CEO may make proposals for the remuneration of the further Group Executive Board members. The latter have their achievement of their annual targets assessed by the CEO, who submits their resulting recommendations to the Personnel & Compensation Committee, while the CEO's performance is assessed by the Chairman of the Board. All such assessments are discussed by the Personnel & Compensation Committee, which then submits a report to the full Board on the degrees to which each Group Executive Board member has achieved the targets set, together with recommendations on the individual STI variable compensations to be paid.

Group Executive Board members joining or leaving the company during a business year have their STI variable compensation entitlement for the year concerned calculated on a corresponding pro rata basis.

**Share-based variable remuneration (LTI):**

The members of the Group Executive Board are further offered the long-term incentive (LTI) of share-based variable remuneration in the form of a restricted stock plan. The number of shares assigned thereunder is based on performance and results and calculated on the basis of the target LTI award and the degree of achievement of the STI targets set. The award price of such shares is the arithmetic mean of the closing prices of the CPH Group AG share for the 15 consecutive calendar days immediately before and immediately after the publication of the annual results for the business year concerned.

The shares are bindingly awarded immediately after their award price has been set. Such shares carry voting and dividend rights from the moment of their award, but are subject to a three-year vesting period thereafter. During this vesting period the number of shares awarded is not subject to any further performance or results criteria or vesting conditions. But the shares' value will vary depending on their stock-market price trends.

The shares of each annual tranche awarded are entirely at their holder's disposal after the conclusion of their three-year vesting period, which is designed to ensure that all the members of the Group Executive Board maintain a minimal shareholding in the company.

The number of shares to be awarded to each Group Executive Board member is determined on the basis of their individual target LTI award and their actual degree of target achievement. The shares required for such awards are acquired by CPH Group AG on the equities market. The shares are awarded in annual tranches, immediately after their award price has been set 15 calendar days after publication of the corresponding annual results.

Group Executive Board members joining or leaving the company during a business year have their LTI variable compensation entitlement for the year concerned calculated on a corresponding pro rata basis.

The above restricted stock plan was extended by analogy to the members of the two divisional managements in the 2023 business year.

**Occupational pension scheme:**

An occupational pension scheme is maintained for the company under which all its Swiss-based employees are insured, including the members of the Group Executive Board. There is no supplementary occupational pension scheme for Group Executive Board members.

**Further remuneration:**

The further remuneration awarded consists of the private use of company cars and any long-service awards.

Any new members of the Group Executive Board who are appointed and assume their duties after the AGM has approved the maximum aggregate Group Executive Board remuneration for the business year concerned may – under Article 23 of the Articles of Incorporation of CPH Group AG – be paid an additional amount totalling (for all such new members) no more than 40 % of this approved maximum aggregate amount.

The CEO has a contractual notice period of twelve months, while the further Group Executive Board members have a contractual notice period of six months. There are no contractual agreements for severance payments.

**4. Remuneration paid to members of the Board of Directors and the Group Executive Board**

The amounts shown are the remuneration paid for the year concerned. Variable and share-based remuneration are shown regardless of when the corresponding payment was made, i.e. they are presented on an accrual basis. The remuneration is shown in net form, i.e. the employee's and the employer's occupational pension scheme and social security contributions are separately shown. The shares assigned to members of the Group Executive Board are shown at actual market value.

**Notes on the remuneration paid to the Board of Directors**

A maximum aggregate fixed remuneration of the Board of Directors of CHF 1.0 million was approved for the period between the 2023 and the 2024 Annual General Meetings by the Annual General Meeting of 14 March 2023. At an actual aggregate fixed remuneration for the period of CHF 0.9 million, this maximum was duly observed.

**Remuneration paid to members of the Board of Directors (audited)**

	Function	Finance & Auditing Committee	Personnel & Compensation Committee	Fixed remuneration	Deputy Chairman	Chair Board committees
in CHF thousands						
<b>2024</b>						
Peter Schaub	Chairman	Member	Personnel only	312	-	-
Tim Talaat	Deputy Chairman		Chairman	93	16	16
Kaspar W. Kelterborn	Member	Chairman		93	-	16
Claudine Mollenkopf	Member		Member	93	-	-
Manuel Werder	Member	Member		93	-	-
Christian Wipf	Member		Member	93	-	-
<b>Total Board of Directors</b>				<b>775</b>	<b>16</b>	<b>32</b>
<b>2023</b>						
Peter Schaub	Chairman	Member	Personnel only	309	-	-
Tim Talaat	Deputy Chairman		Chairman	91	16	16
Kaspar W. Kelterborn	Member	Chairman		91	-	16
Claudine Mollenkopf	Member		Member	91	-	-
Manuel Werder	Member	Member		91	-	-
Christian Wipf	Member		Member	91	-	-
<b>Total Board of Directors</b>				<b>764</b>	<b>16</b>	<b>32</b>

On the basis of a corresponding benchmark analysis and in view of the additional work entailed by the spinning-off of the former Paper Division, a CHF 0.1 million increase in this maximum aggregate fixed annual remuneration to a new maximum of CHF 1.1 million for the period from the 2024 Annual General Meeting to the 2025 Annual General Meeting was approved by the company's shareholders. The actual aggregate fixed remuneration paid for 2024 was thus above its prior-year level. The composition of the Board of Directors and thus also the number of Board members remained unchanged in 2024. In addition to the above, each member of the Board of Directors will receive CHF 7 500 while Kaspar W. Kelterborn as the Board's project leader will receive CHF 46 000 for the period from 1 July 2024 to the 2025 Annual General Meeting as compensation for their additional work in connection with the successful spin-off of the company's Paper Division from its chemistry and packaging activities.

No remuneration was paid to any former members of the Board of Directors.

#### Notes on the remuneration paid to the Group Executive Board

A maximum annual aggregate remuneration of the Group Executive Board of CHF 4.0 million was approved for the 2024 business year by the Annual General Meeting of 14 March 2023. Actual aggregate remuneration of the Group Executive Board for 2024 was lower than this maximum by CHF 0.7 million. This was due to the reduction in the size of the Group Executive Board with effect from 1 July 2024 as a result of the spin-off of the former Paper Division. The Group Executive Board thus comprised an average of 4.5 members in 2024, while it had comprised five members throughout the previous year.

The variable compensation shown for 2023 has been adjusted to reflect the amounts actually paid. This is not new remuneration, but the same remuneration as was shown in the 2023 Annual Report. That remuneration could only be shown on the basis of the provisions made (on an accrual basis), however, whereas the table here shows the final amounts paid.

No remuneration was paid to any former Group Executive Board members.

Meeting fees Board committees	Meeting fees Project Spin-off Paper	Total remuneration, net	Social security contributions, share of employee	Total remuneration, gross	Social security contributions, share of employer	Consulting fees Project Spin-off Paper	Total remuneration
-	8	320	20	340	20		360
8	8	141	10	151	10		161
8	8	125	8	133	8	46	187
8	8	109	8	117	-	-	117
8	8	109	7	116	7		123
8	8	109	5	114	5		119
40	48	911	58	969	50	46	1 065
-	-	309	19	328	19	-	347
8	-	131	9	140	9	-	149
8	-	115	8	123	8	-	131
8	-	99	7	106	-	-	106
8	-	99	7	106	7	-	113
8	-	99	5	104	5	-	109
40	-	852	55	907	48	-	955

## 5. Transactions with members of the Board of Directors, members of the Group Executive Board and related parties (audited)

No loans were made to any current or former members of the Board of Directors or the Group Executive Board or to any parties related to the same, and no such loans are outstanding.

No remuneration was paid to any parties related to members of the Board of Directors or the Group Executive Board (with the exception of the remuneration shown under Note 31, 'Transactions with related parties' of the Notes to the consolidated financial statements). No transactions were conducted on non-market terms with any natural persons or legal entities related to any Board of Directors or Group Executive Board members.

### Remuneration paid to members of the Group Executive Board (audited)

	Fixed remuneration	Variable remuneration (STI)	Share-based remuneration (LTI)	Total remuneration, net	Social security contributions, share of employee	Total remuneration, gross	Social security contributions, share of employer	Further remuneration	Total remuneration
in CHF thousands									
<b>2024</b>									
Peter Schildknecht, CEO	453	285	93	831	159	990	184	5	1 179
Other members of the Group Executive Board	928	369	172	1 469	285	1 754	330	50	2 134
<b>Total Group Executive Board</b>	<b>1 381</b>	<b>654</b>	<b>265</b>	<b>2 300</b>	<b>444</b>	<b>2 744</b>	<b>514</b>	<b>55</b>	<b>3 313</b>
<b>2023</b>									
Peter Schildknecht, CEO	467	390	126	983	154	1 137	178	4	1 319
Other members of the Group Executive Board	1 060	444	215	1 719	316	2 035	347	48	2 430
<b>Total Group Executive Board</b>	<b>1 527</b>	<b>834</b>	<b>341</b>	<b>2 702</b>	<b>470</b>	<b>3 172</b>	<b>525</b>	<b>52</b>	<b>3 749</b>

## 6. Shares held (audited)

### Board of Directors

Number of shares <sup>1</sup>	31.12.2024	31.12.2023
Peter Schaub, Chairman	892 012	892 012
Tim Talaat, Deputy Chairman	145 542	145 542
Kaspar W. Kelterborn	800	-
Claudine Mollenkopf	300	300
Manuel Werder	128 347	128 347
Christian Wipf	400	400
<b>Total Board of Directors</b>	<b>1 167 401</b>	<b>1 166 601</b>

<sup>1</sup> including related parties, insofar as under significant influence

### Group Executive Board

Number of shares <sup>1</sup>	31.12.2024					31.12.2023				
	Not restricted	Restricted until 14.03.25	Restricted until 07.03.26	Restricted until 07.03.27	Total	Not restricted	Restricted until 11.03.24	Restricted until 14.03.25	Restricted until 07.03.26	Total
Peter Schildknecht, CEO	1 887	955	677	1 643	5 162	993	894	955	677	3 519
Gerold Brüttsch, CFO	-	478	339	691	1 508	-	-	478	339	817
Klemens Gottstein, Head of Paper Division	n/a	n/a	n/a	n/a	n/a	397	447	478	339	1 661
Marc Haller, Head of Packaging Division	-	478	339	653	1 470	-	-	478	339	817
Alois Waldburg-Zeil, Head of Chemistry Division	1 244	478	339	625	2 686	797	447	478	339	2 061
<b>Total Group Executive Board</b>	<b>3 131</b>	<b>2 389</b>	<b>1 694</b>	<b>3 612</b>	<b>10 826</b>	<b>2 187</b>	<b>1 788</b>	<b>2 867</b>	<b>2 033</b>	<b>8 875</b>

<sup>1</sup> including related parties, insofar as under significant influence

## 7. External mandates held by members of the Board of Directors and the Group Executive Board (audited)

The table on the next page shows all the external mandates held by the members of the Board of Directors and the Group Executive Board at the end of 2024 in comparable functions at other companies with a business purpose. Details of the professional backgrounds, other activities and vested interests of all members of the Board of Directors and the Group Executive Board are provided in the corporate governance report from Page 46 onwards.

Board of Directors member	Company	Mandate
Peter Schaub	Weber Schaub & Partner AG	Partner
	FineSolutions AG	Chairman of the Board of Directors
	LBK Capital Group AG	Chairman of the Board of Directors
	Mobimo AG	Chairman of the Board of Directors
	Perlen Industrieholding AG	Chairman of the Board of Directors and Chairman of the Boards of Directors of various subsidiaries
	Scobag Privatbank AG	Chairman of the Board of Directors
	Swiss Industrial Finance AG	Chairman of the Board of Directors
	Zindel Immo Holding AG	Chairman of the Board of Directors
	UBV Holding AG	Deputy Chairman of the Board of Directors
	ECOVIS ws&p AG	Member of the Board of Directors
	Oakbridge AG	Member of the Board of Directors
	Rüegg Cheminée Holding AG	Member of the Board of Directors
Tim Talaat	SIHAG Swiss Industrial Holding AG	Majority shareholder and Chairman & Delegate of the Board of Directors
	Perlen Industrieholding AG	Deputy Chairman of the Board of Directors
	Bachofen AG	Member of the Board of Directors
	Single Group GmbH	Chairman of the Advisory Board
Kaspar W. Kelterborn	Kelterborn Advisory AG	Owner
	Burckhardt Compression Holding AG	Member of the Board of Directors and member of the Board of Directors of a subsidiary
	EMS-CHEMIE AG	Member of the Board of Directors
	Karl Bubenhofer AG	Member of the Board of Directors
	Perlen Industrieholding AG	Member of the Board of Directors
	Wipf Holding AG	Member of the Board of Directors
Claudine Mollenkopf	Evonik Industries	President of the Specialty Additives Division
	Evonik Operations GmbH	Member of the Executive Board and member of the Boards of Directors of various subsidiaries
	Perlen Industrieholding AG	Member of the Board of Directors
Manuel Werder	Niederer Kraft Frey AG	Partner
	KAEFER International AG	Member of the Board of Directors
	Omniva Technologies (CH) GmbH	Managing Director
	Perlen Industrieholding AG	Member of the Board of Directors
	UBV Holding AG	Member of the Board of Directors
Christian Wipf	Wipf Familienholding AG	Member of the Board of Directors and Chairman of the Boards of Directors of various subsidiaries
	Perlen Industrieholding AG	Member of the Board of Directors

Group Executive Board member	Company	Mandate
Peter Schildknecht	Perlen Industrieholding AG	CEO and member of the Boards of Directors of various subsidiaries
	Hoffmann Neopac AG	Chairman of the Board of Directors and member of the Boards of Directors of various subsidiaries
	Renergia Zentralschweiz AG	Member of the Board of Directors
	Kowema AG	Member of the Board of Directors
	Buss AG	Member of the Board of Directors
Gerold Brüttsch	Perlen Industrieholding AG	CFO
Alois Waldburg-Zeil	Canexis Pharma AG	Member of the Board of Directors



# Report on the audit of the remuneration report

## Opinion

We have audited the remuneration report of CPH Group AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to article 734a–734f of the Swiss Code of Obligations (CO) in the tables marked ‘audited’ on pages 60 to 64 of the remuneration report.

In our opinion, the information pursuant to article 734a–734f CO in the remuneration report (pages 57 to 64) 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 charged with structuring the remuneration principles and specifying the individual remuneration components.

## 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 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



Norbert Kühnis  
Licensed audit expert  
Auditor in charge



Josef Stadelmann  
Licensed audit expert

Zürich, 18 February 2025

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