

# COMPENSATION REPORT

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# COMPENSATION REPORT

The compensation report provides information about VZ Group's guiding principles and responsibilities for compensation. In addition, the individual components of the compensation of the Board of Directors and of the Executive Board are described in detail.

## Legal standards and best practice

VZ Holding Ltd's remuneration principles are outlined in its articles of association and published in the investor relations/corporate governance section on [www.vzch.com](http://www.vzch.com). The informations in the report are based on VZ Holding's articles of association and regulations and the legal requirements. The remunerations also comply with the recommendations of SIX's «Corporate Governance Directive» and of Economiesuisse's «Swiss Code of Best Practice». The legal requirements state in particular that severance payments, remuneration in advance or commissions for the acquisition of companies are not permitted. VZ Group's remunerations do not fall into any of these categories.

FINMA Circular 2010/1 «Remuneration systems» applies to banks, investment firms, financial groups and conglomerates that are required to hold at least CHF 10 billion in own funds and to insurers that are required to hold at least CHF 15 billion in own funds. VZ Group does not belong to this category.

## Equal pay

The revised Federal Gender Equality Act (GlG) has been in force since 1 July 2020. Companies with 100 or more employees had to analyse by mid-2021 whether they pay men and women equally, then have their analysis reviewed by an independent body and inform employees and shareholders of the results by mid-2023.

The GlG applies to VZ VermögensZentrum Ltd, VZ Depository Bank Ltd and VZ Corporate Services Ltd, each of which employs more than 100 people. In 2020, the management of VZ Group had not only the salaries of these companies analysed, but those of the entire Group. The analysis with the Confederation's standard analysis tool (Logib) did not reveal any significant, inexplicable wage differences. PwC has verified that the equal pay analyses of VZ VermögensZentrum Ltd, VZ Depository Bank Ltd and VZ Corporate Services Ltd was carried out in a formally correct manner and confirms that it «did not come across any facts from which it would have to conclude that the analyses do not comply with the legal requirements in all respects.» PwC's confirmation is included in the 2020 annual report.

In 2021, 2022 and 2023, the Executive Board had the VZ Group's salaries analysed again using the same methodology and the same tool. These analyses also showed no significant, inexplicable wage differences between women and men. These additional analyses were not reviewed by PwC because an external review is only required once.

## Changes during the year under report

VZ Group's compensation principles remain unchanged. The Remuneration Committee confirms that they are adequate because they support VZ Group's strategy and promote a culture that will ensure its long-term success.

## Compensation principles

### Compensation policy and goals

For VZ Group to remain successful in the long term, it needs to attract, develop and retain sufficiently qualified and loyal employees. This is the aim of VZ Group's compensation system. Compensation is structured in such a way that it supports the strategy and promotes a culture that safeguards the company's long-term success. All activities of VZ employees focus on client satisfaction. For this reason, employees are assessed based on what they directly and indirectly contribute towards this goal. In addition to monetary remuneration, immaterial aspects are also important. These include an open working atmosphere, honest interactions and the recognition of individual performances.

VZ Group's remuneration is based upon the following four principles:

Objective and fair	Objectivity is the basis of a fair remuneration system and ensures that nobody is discriminated against. For this reason, objective criteria are applied when setting compensation.
Performance-based	At VZ, compensation reflects first and foremost the performance and the function of a person (skills and responsibility). In addition to the individual performance, the work within a team and across departments is also encouraged and recognised. In certain functions, experience or specific know-how are also important components. In addition to the fixed remuneration, compensation may also contain variable components – above all where the individual performance is measurable and contributes directly towards the success of the business.
Competitive	VZ Group needs a competitive compensation system to recruit and retain a sufficient number of employees. For this reason, it is orientated towards the compensation models of companies that compete with VZ for talent.
Long-term	Corporate culture at VZ Group is based on long-term success. This is demonstrated by the services, processes and structures, as well as by the development of the employees in particular. Also the compensation system is designed to support VZ Group's long-term and sustainable development. For this reason, the variable components in particular are structured in such a way that no conflicts with the interests of the company arise. For example, the compensation must not create incentives to take disproportionate risks. Executives draw a part of their variable compensation in the form of locked-up shares. This brings their interests into line with those of VZ and supports their long-term commitment.

## Responsibility for compensation

	CEO	CC <sup>1</sup>	BoD	SM
Principles		P	A	
Compensation report		P	A	
Compensation BoD and EB				
	CEO	CC <sup>1</sup>	BoD	SM
Maximum compensation BoD		P	R	A
Maximum fixed compensation EB		P	R	A
Variable compensation EB		P	R	A
Individual compensation BoD		P	A	
Individual compensation CEO		P	A	
Individual compensation remaining EB	P	R	A	

P = proposal  
R = review  
A = approval

1 Board of Directors' Compensation Committee

### Compensation Committee

The Compensation Committee supports the Board of Directors in the development and monitoring of VZ Group's compensation system. It reviews the principles of compensation, submits them to the full Board of Directors for approval and monitors their implementation. It regularly reviews the compensation structure and the shareholding programme and proposes adjustments to the Board of Directors.

The committee supports the Board of Directors in determining the compensation of VZ Group's Board of Directors and Executive Board and prepares the compensation report. Finally, it regularly reviews whether the statutory provisions and the requirements of the Annual General Meeting regarding compensations have been met.

The Compensation Committee has the following tasks in connection with the compensation of the Board of Directors and the Executive Board:

- It proposes to the Board of Directors the maximum compensation of the Board of Directors as well as the maximum fixed compensation and the variable compensation of the Executive Board that is to be approved by the shareholders' meeting.
- It reviews the individual compensation of the members of the Board of Directors, and proposes this to the Board of Directors.
- It reviews the compensation of the CEO and submits this to the Board of Directors for approval.
- It reviews the individual compensation of the members of the Executive Board, which is proposed by the CEO, and submits this to the Board of Directors for approval.

In addition, the committee defines the criteria for the selection of candidates for the Board of Directors and prepares the selection according to these criteria. It is also responsible for the selection and assessment of candidates for VZ Group's Executive Board and for the succession planning of this body.

The Compensation Committee consists of at least two members of the Board of Directors who are not operationally active for VZ Group and are elected individually by the Annual General Meeting for a term of one year. Fred Kindle and Roland Ledergerber were members of the Compensation Committee until the Annual General Meeting on 12 April 2023. The Annual General Meeting re-elected Roland Ledergerber and elected Matthias Reinhart and Roland Iff as additional members.

The Committee meets as often as business requires, but at least twice a year. As in the previous year, two meetings were held in 2023, which were attended by all elected members. Details on the attendance of the members of the Board of Directors can be found in the «Corporate Governance» section on page 28. If the business at hand requires it, the Chairman of the Committee may invite other persons to attend the meeting in a consulting capacity, but who do not have voting rights.

The Annual General Meeting on 12 April 2023 increased the number of members from two to three. Since then, the committee has been quorate if two members are present. Resolutions are passed by a majority of votes; in the event of a tie, the Chairman of the Committee casts the deciding vote. As in the previous year, no external consultants were called in to set compensations in the reporting period.

### **Board of Directors**

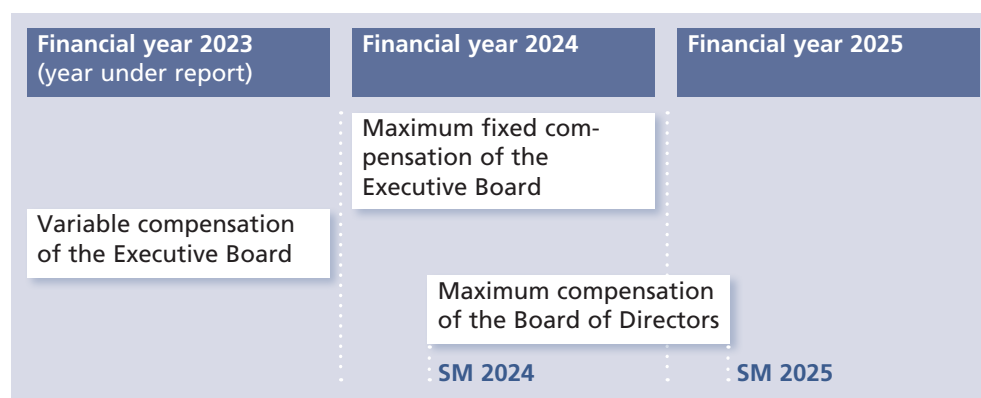
The Board of Directors has the overall responsibility for the duties and powers that it assigns to the Compensation Committee. It approves the compensation principles and the compensation report, checks the compensation of the Board of Directors and Executive Board, and submits the maximum compensation of the Board of Directors, the maximum fixed compensation and the variable compensation of the Executive Board to the shareholders' meeting for approval. It also approves the individual compensation of the members of the Board of Directors, the CEO and the other members of the Executive Board.

### **Shareholders' meeting**

The shareholders' meeting approves the overall compensation of the Board of Directors and the Executive Board in a binding vote. Pursuant to VZ Holding's articles of association, the shareholders' meeting shall pass resolutions on the following three motions:

- The maximum compensation of the Board of Directors until the next ordinary shareholders' meeting
- The maximum fixed compensation of the Executive Board for the current financial year
- The variable compensation of the Executive Board for the past financial year

The shareholders' meeting scheduled for 8 April 2024 will address the following three motions:



This means that following publication of the annual results, the shareholders can vote prospectively on the maximum compensation of the Board of Directors and Executive Board, and retrospectively in respect of the variable compensation of the Executive Board. This method ensures high transparency.

If the shareholders' meeting rejects one of these motions, the Board of Directors may submit one or more new motions to the same shareholders' meeting. If the Board of Directors decides not to submit any new motions, or if these are not approved, then it may call a new shareholders' meeting within the context of the statutory guidelines and the provisions of the articles of association.

## Compensation provisions in the articles of association

The articles contain the following provisions regarding compensation:

Supplement for new members

If the approved total remuneration of the Executive Board is not sufficient because additional members are appointed after the General Meeting, the approved amount may be increased by a maximum of 30 percent.

Performance-related compensation

The performance-related compensation is based upon the qualitative and quantitative objectives defined by the Board of Directors. The bonus may be paid out in cash or in the form of shares, convertible or option rights. The articles of association stipulate that the bonus of a member of the Executive Board must not exceed 150 percent of his or her fixed compensation. The Board of Directors has structured the bonus scheme accordingly. As a result, the current bonus is limited to 63, 80 or 100 percent of a fixed basic salary, depending upon an Executive Board member's managerial level.

Shares, convertible and option rights

The articles of association stipulate that VZ Group may allocate shares, convertible or option rights to members of the Board of Directors and Executive Board. The value of such securities corresponds to the value that they are attributed at the time of allocation, applying generally accepted valuation methods. The Board of Directors may stipulate a

lock-up period for the holding of these securities or rights. It shall also stipulate when, to what extent and under which conditions lock-up periods shall be lifted. The management benefit programme is described in the section «Management benefit programme» on page 91 and in the notes to the consolidated financial statements in the section «Share-based management benefit programme» on pages 148 to 150.

If members of the Board of Directors or Executive Board receive convertible rights or options in their capacity as VZ shareholders, on the grounds that the share capital is raised or reduced, then these rights or options shall not be deemed to constitute compensation.

#### Loans and credits

The conditions for loans and credits granted by VZ Group are the same for all employees and for members of the Board of Directors. The total volume of such loans and credits to members of the Board of Directors and the Executive Board is limited to CHF 100 million, the volume per person to CHF 20 million. The requirements for creditworthiness and credit standing are the same as for outsiders.

#### Pension benefits

VZ Group uses two collective foundations for the occupational benefits of the members of the Executive Board and the Board of Directors. The mandatory and extra-mandatory benefits are defined in the pension plans and regulations of the basic and supplementary pension plans. If the members of the Board of Directors carry out their activities in a secondary capacity, they may take out voluntary insurance. In such a case, VZ Group pays the regulatory contributions. If a member of the Executive Board or the Board of Directors is not insured through VZ Group's pension plan, the reimbursement of contributions may not exceed 40 percent of the annual remuneration of the person concerned.

## Compensation of the Board of Directors

### Determination method

The Compensation Committee shall review the compensation of the Board of Directors (as a rule, every two years) and base its assessment on comparable listed companies and the necessary involvement. In accordance with the Committee's proposal, the Board of Directors shall stipulate the compensation of its members and shall submit the maximum remuneration of the Board of Directors to the shareholders' meeting for approval.

### Compensation components

The members of the Board of Directors shall be enabled to exercise their supervisory function independently. For this reason each member of the Board of Directors shall receive a fixed basic compensation. A supplementary fixed sum shall be stipulated for additional tasks, e.g. serving as chair or head of a committee. This remuneration is not linked to specific targets or performance goals. These rules apply for all members of the Board of Directors.

Fixed compensation 100 percent of the fixed compensation is paid in VZ shares, which are locked for three years. The allocation price corresponds to the volume-weighted average price of VZ shares traded in calendar weeks 2, 3 and 4 of the year in which the compensation is paid out. The allocation price of the compensation for the 2023/24 term of office is CHF 97.35.

Function	Compensation per period <sup>1</sup>	Form
Chair of the Board of Directors <sup>2</sup>	CHF 180'000	locked-up shares
Member of the Board of Directors	CHF 60'000	locked-up shares
Head of the Risk, Sustainability and Audit Committee	additional CHF 20'000	locked-up shares
Member of the Risk, Sustainability and Audit Committee	additional CHF 10'000	locked-up shares
Head of the Compensation Committee	additional CHF 10'000	locked-up shares
Member of the Compensation Committee	additional CHF 5'000	locked-up shares

<sup>1</sup> Plus contributions to social insurance

<sup>2</sup> The Chairman of the Board of Directors receives no additional remuneration as Chair or member of a committee.

Information on the functions of all members of the Board of Directors can be found in the Corporate Governance section on pages 22 and 23.

Variable compensation The members of the Board of Directors shall not receive any variable compensation.

Other compensation Salary components such as public transport season tickets and private use of company cars are reported under the heading «other compensation».

Social insurance contributions The reported employer contributions to social insurance schemes encompass expenditure on occupational pensions, OASI, DI, ILI, FCO (incl. administrative costs).

Loans and credits As at 31 December 2023, no loans to current members of the Board of Directors were outstanding (31.12.2022: CHF 18.5 million, attributable to a lombard loan to Fred Kindle).

Additional fees and compensation In 2023 VZ Group paid Blum & Grob Attorneys at Law Ltd legal fees totalling TCHF 14 (2022: TCHF 9). Blum & Grob is represented by Dr. Albrecht Langhart, member of VZ Group's Board of Directors. These services are charged at market rates. VZ Group also acquires further goods and services from companies with which members of the Board of Directors are associated. However, the scope of these services does not impair the independence of the members of the Board of Directors. Additional information is set out in the notes to the consolidated accounts (pages 146 and 147, section «Related party disclosures»).

Former members VZ Group does not compensate any former members of the Board of Directors.



## Compensation of the Board of Directors in 2023

The reported compensation of the Board of Directors during the year under report consists of the deferred share of the compensation of the 2023/24 period of office, i.e. from 13 April 2023 to the end of 2023, as well as the already paid-out share of the 2022/23 period of office (1 January to 12 April 2023).

Last name <sup>1</sup>	First name	Fixed compensation <sup>2</sup>		Variable compensation		Other compensation		Employer social insurance contributions		Total	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
CHF '000											
Reinhart	Matthias	128	–	–	–	19	–	10	–	157	–
Kindle	Fred	32	106	–	–	–	–	2	7	34	113
Iff	Roland	84	76	–	–	–	–	11	10	95	86
Langhart	Albrecht, Dr.	70	66	–	–	–	–	5	5	75	71
Ledergerber	Roland	68	61	–	–	–	–	4	4	72	65
de Perregaux	Olivier	70	66	–	–	–	–	5	5	75	71
<b>Total Board of Directors</b>		<b>452</b>	<b>375</b>	<b>–</b>	<b>–</b>	<b>19</b>	<b>–</b>	<b>37</b>	<b>31</b>	<b>508</b>	<b>406</b>

1 Functions for the 2023/2024 term of office: Matthias Reinhart: Chairman, member of the Compensation Committee, Roland Iff: Vice Chairman, Head of the Risk, Sustainability & Audit Committee, member of the Compensation Committee, Dr Albrecht Langhart: member of the Risk, Sustainability & Audit Committee, Roland Ledergerber: Head of the Compensation Committee, Olivier de Perregaux: member of the Risk, Sustainability & Audit Committee.

Functions for the 2022/2023 term of office: Fred Kindle: Chairman, Head of the Compensation Committee, Roland Iff: Vice Chairman, Head of the Risk, Sustainability & Audit Committee, Dr Albrecht Langhart: Member of the Risk, Sustainability & Audit Committee, Roland Ledergerber: Member of the Compensation Committee, Olivier de Perregaux: Member of the Risk, Sustainability & Audit Committee

2 Compensation paid in shares

## Compensation of the Board of Directors: Proposal to the 2024 shareholders' meeting

For the 2023/24 term of office (13 April 2023 to 8 April 2024), the shareholders' meeting approved the maximum remuneration of TCHF 570 (incl. employer contributions to social insurance agencies).

	2023/2024 period of office:			2024/2025 period of office:
	Approved at the 2023 shareholders' meeting	Compensation April 2024 <sup>1</sup>	Difference	Proposal to the 2024 shareholders' meeting
Fixed compensation	525	494	31	675
Employer social insurance contribution	45	41	4	55
<b>Total</b>	<b>570</b>	<b>535</b>	<b>35</b>	<b>730</b>

1 On 27 February 2024 the Board of Directors has approved of the compensations for the 2023/2024 period of office. It will be paid out after the shareholders' meeting held in April 2024.

For the term of office 2024/25, the Board of Directors proposes to the shareholders' meeting on 12 April 2024 to increase the maximum remuneration of the Board of Directors to TCHF 730 (including employer's social security contributions).

The Board of Directors proposes that Nadia Tarolli Schmidt and Henriette Wendt be elected to the Board of Directors on 8 April 2024. The election of these additional members has been taken into account in the proposal to the Annual General Meeting, which is why the total compensation is higher than in the previous year.

## Compensation of the Executive Board

### Determination method

Each year, the CEO proposes the fixed compensation for each member of the Executive Board to the Board of Directors' Compensation Committee in respect of the current financial year, as well as the variable compensation for the past financial year. The committee reviews these proposals and makes recommendations to the Board of Directors. The committee submits the proposed fixed compensation for the CEO to the Board of Directors for the current financial year, as well as the variable compensation for the past financial year. The CEO participates in the meeting of the Compensation Committee when the proposed compensation of the members of the Executive Board are discussed. On the basis of the recommendations of the Compensation Committee, the Board of Directors proposes the maximum fixed and variable compensation of the Executive Board and submits this proposal to the shareholders' meeting for approval.

### Compensation components

#### Fixed components

The CEO and the other members of the Executive Board receive a basic salary. The level of the basic salary is based above all on the function (responsibilities and skills) as well as the experience and qualifications of the member of the Executive Board. The compensation is also based on current statistics for executive salaries paid by comparable listed and non-listed Swiss corporations. The salary is paid out monthly in cash.

VZ can only be compared with other financial service providers to a limited extent. For this reason, no benchmarks or comparisons with competitors are used.

#### Variable components

The bonus of the CEO and the other members of the Executive Board consists of two components, which reflect VZ Group's consolidated result on the one hand and individual target achievement on the other. The first component depends on the growth in operating revenue and profit, with both targets being equally weighted. The Board of Directors defines these targets annually in advance. They are based on medium-term planning. The individual component depends on the targets for each member's management area, which are set by the CEO each year.

The so-called target bonus is achieved when both the financial targets and the individual targets have been met. Depending on the management level of the Executive Board member, the target bonus amounts to 25 to 43 percent of the fixed base salary. In relation to the total compensation, the target bonus therefore corresponds to a minimum of 20 and a maximum of 30 percent. If both the financial targets and the individual targets are exceeded, the bonus increases proportionally, but is capped. The maximum bonus is 63, 80 or 100 percent of the fixed base salary, depending on the Executive Board level.

## Overview of the variable compensation

<b>Consolidated result VZ Group</b> Target bonus: 12 to 20 percent of base salary Minimum / maximum: 0 percent / 47 percent of base salary	Growth in operating revenue (weighted at 50 percent)
	Growth in profit (weighted at 50 percent)
<b>Individual target achievement</b> Target bonus: 13 to 23 percent of the base salary Minimum / maximum: 0 percent / 53 percent of base salary	Targets for the Executive Board member's management area

If the financial or individual targets have not been met, the Board of Directors may reduce or suspend the corresponding bonus component at its own discretion. The Board of Directors monitors compliance with this regulation and can decide on exceptions if it deems them appropriate.

The Board of Directors proposes variable compensation of TCHF 3317 to the General Meeting (2022: TCHF 2798). The variable compensation of the individual members of the Executive Board ranges from 42 to 85 percent of the fixed salary component, regardless of their rank, depending on the achievement of individual targets.

The variable compensation for the year under report will be paid out once this has been approved by the shareholders' meeting in April 2024. The variable salary components are reported in accordance with the accrual principle, i.e. in the form of a provision in the year under report.

### Shares and options (Management Benefit Programme)

The management benefit programme stipulates that Executive Board members shall receive 50 percent of their bonus in the form of locked-up shares. They may also draw a larger proportion in the form of shares; the maximum share component amounts to 75 percent. The allocation price corresponds to the volume-weighted average price of VZ shares traded in calendar weeks 2, 3 and 4 of the year in which the bonus is paid out. The allocation price of the variable compensation for 2023 is CHF 97.35.

Shares from the management benefit programme are subject to a three-year lock-up period. The lock-up period continues even when holders of such shares leave VZ Group – unless they retire, in which case their shares will be exempt from the lock-up. For each share purchased, members of the Executive Board receive at the same time two free options to purchase two additional shares. The exercise price of the option is 110 percent of the subscription price of the underlying security.

The options have a duration of six years and can only be redeemed for shares; cash settlements are excluded. In addition, the options are locked for three years and expire worthless if the Executive Board member leaves VZ Group during this period. Members of the Executive Board have 6 months after termination of their employment to exercise their free options. If they leave the VZ Group because they retire, all options will be released from

the lock-up period. In this case, they must exercise all their options within 6 months of termination of employment. The parameters taken into account in the option valuation model are set out in the notes to the consolidated financial statements on pages 148 to 150 in the management benefit plan section.

Other components	Other salary components contain public transport season tickets and private shares of company vehicles.
Social insurance and pension benefits	Social insurance and pension benefits are designed to provide employees and their families with reasonable protection if they fall ill or become disabled, retire or die. The benefits correspond to the statutory guidelines, and in some respects exceed these. The reported employer contributions to social insurance schemes encompass expenditure on occupational pensions, for OASI, DI, ILI, FCO (incl. administrative costs) as well as statutory per diem sickness benefit and accident insurance.
Loans and credits	At the end of 2023, there was a credit line for members of the Executive Board of CHF 1.8 million (31.12.2022: CHF 4.8 million). CHF 1.2 million of this amount was outstanding, of which CHF 0.4 was attributable to a Lombard loan to Rafael Pfaffen (31.12.2022: CHF 2.6 million outstanding, of which CHF 2.0 million was attributable to a Lombard loan to Lorenz Heim). As in the previous year, no loans or credits were outstanding to persons related to members of the Executive Board.
Former members	No compensation was paid to members of the Executive Board who left the company in 2022 or 2023.

### Compensation of the Executive Board in the financial year 2023

The compensation of the Executive Board during the year under report consists of all salary components that belong to this period. The shareholders' meeting approves the variable compensation (cf. motions submitted to the shareholders' meeting 2023 on page 51).

CHF '000	Fixed compensation		Variable compensation		Other compensation		Employer social insurance contribution		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Total Executive Board</b>	<b>3'432</b>	<b>3'637</b>	<b>3'136</b>	<b>2'647</b>	<b>19</b>	<b>38</b>	<b>817</b>	<b>859</b>	<b>7'404</b>	<b>7'181</b>
<i>thereof cash</i>	<i>3'432</i>	<i>3'637</i>	<i>630</i>	<i>537</i>	<i>19</i>	<i>38</i>	<i>817</i>	<i>859</i>	<i>4'898</i>	<i>5'071</i>
<i>thereof shares</i>	–	–	<i>1'889</i>	<i>1'608</i>	–	–	–	–	<i>1'889</i>	<i>1'608</i>
<i>thereof options</i>	–	–	<i>617</i>	<i>502</i>	–	–	–	–	<i>617</i>	<i>502</i>
<b>thereof Giulio Vitarelli<sup>1</sup></b>	<b>700</b>	–	<b>685</b>	–	<b>0</b>	–	<b>134</b>	–	<b>1'519</b>	–
<i>thereof cash</i>	<i>700</i>	–	<i>138</i>	–	<i>0</i>	–	<i>134</i>	–	<i>972</i>	–
<i>thereof shares</i>	–	–	<i>412</i>	–	–	–	–	–	<i>412</i>	–
<i>thereof options</i>	–	–	<i>135</i>	–	–	–	–	–	<i>135</i>	–

1 Highest compensation within the Executive Board as CEO of VZ Group (2022: Matthias Reinhart as CEO of the VZ Group Total TCHF 1'010).

## Executive Board compensation:

### Motions submitted to the 2024 shareholders' meeting

In respect of the financial year 2023, the shareholders' meeting approved the maximum fixed compensation of the Executive Board amounting to TCHF 4730 (incl. employer social insurance contributions). In addition, in respect of the financial year 2022, it approved the variable compensation amounting to TCHF 2798. These amounts include the employer's social security contributions.

## Fixed compensation

CHF '000

	Financial year 2023: Approved at the 2023 shareholders' meeting			Financial year 2024: Proposal to the 2024 shareholders' meeting
		Compensation 2023	Difference	
Fixed compensation <sup>1</sup>	4'000	3'451	549	3'400
Employer social insurance contribution	730	637	93	660
<b>Total</b>	<b>4'730</b>	<b>4'088</b>	<b>642</b>	<b>4'060</b>

<sup>1</sup> Including other salary components.

For the financial year 2024, the Board of Directors is proposing a maximum compensation amounting to TCHF 4060 (incl. employer contributions to social insurance agencies) to the shareholders' meeting of 8 April 2024.

For the financial year 2023, the Board of Directors proposes a variable compensation of TCHF 3317 (including employer contributions to social security).

## Variable compensation

CHF '000

	Bonus Financial year 2022: Approved at the 2023 shareholders' meeting	Bonus financial year 2023: Proposal to the 2024 shareholders' meeting
Variable compensation	2'647	3'136
Employer social insurance contribution	151	181
<b>Total</b>	<b>2'798</b>	<b>3'317</b>

## Share ownership

### Share portfolio of Board of Directors, including related parties

Last name	First name	Shares 31.12.2023	Shares 31.12.2022
Reinhart	Matthias	24'456'966	– <sup>1</sup>
Kindle	Fred	– <sup>2</sup>	500'775
Iff	Roland	35'765	34'733
Langhart	Albrecht, Dr.	41'258	40'355
Ledergerber	Roland	14'619	13'780
de Perregaux	Olivier	7'365	6'462

- 1 Matthias Reinhart has been a member of the Board of Directors since 12 April 2023.  
22'039'870 of the shares are held by Madarex Ltd, Zug, which is wholly owned by Matthias Reinhart.
- 2 Fred Kindle has no longer been a member of the Board of Directors since 13 April 2023.

### Share portfolio of Executive Board, including related parties

Last name	First name	Shares 31.12.2023	Shares 31.12.2022
Reinhart	Matthias	– <sup>1</sup>	24'441'789
Vitarelli	Giulio	132'509	129'335
Schönbucher	Thomas	20'100	20'000
Heer	Philipp	14'476	12'429
Friess	Tom	– <sup>2</sup>	223'615
Weber	Marc	85'127	82'028
Rütsche	Manuel	7'932	6'397
Heim	Lorenz	– <sup>3</sup>	272'104
Tellenbach	Simon	10'477	8'532
Pfaffen	Rafael	25'329	21'727

- 1 Matthias Reinhart has been a member of the Board of Directors since 12 April 2023.
- 2 Tom Friess stepped down from the Executive Board on 30 September 2023.
- 3 Lorenz Heim stepped down from the Executive Board on 30 September 2023.

### Options portfolio of Executive Board, including related parties as at 31.12.2023

Last name	First name	Year of allocation				
		2023	2022	2021	2020	2019
Vitarelli	Giulio	6'348	6'610	5'388	5'460	6'720
Schönbucher	Thomas	3'276	3'966	3'270	3'730	0
Heer	Philipp	4'094	4'132	2'886	3'150	0
Weber	Marc	6'198	6'330	5'136	5'860	6'500
Rütsche	Manuel	3'070	3'304	2'790	2'020	1'490
Tellenbach	Simon	3'890	3'966	3'078	1'720	0
Pfaffen	Rafael	4'504	4'462	3'462	3'500	3'640
Exercised options		0	0	0	700	8'760
Exercise price in CHF		80.60	99.80	85.75	70.65	66.90
Maturity		11.4.2029	11.4.2028	11.4.2027	7.4.2026	8.4.2025

7760 options from the 2018 allocation year (exercise price CHF 82.50, term until 22.2.2024 or 9.4.2024) have not yet been exercised.

## Report of the statutory auditor

to the General Meeting of VZ Holding Ltd

Zug

### Report on the audit of the remuneration report

#### Opinion

We have audited the remuneration report of VZ Holding Ltd (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report (pages 40 to 53) 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 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.

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland  
Telefon: +41 58 792 44 00, [www.pwc.ch](http://www.pwc.ch)

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### 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



**Beat Rütsche**

Licensed audit expert  
Auditor in charge



**Patrick Wiech**

Licensed audit expert

Zürich, 27 February 2024

