



# 05

## Compensation report



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# Introduction by the Chair of the Nomination and Compensation Committee

Dear Shareholders,

On behalf of the Board of Directors (BoD) and the Nomination and Compensation Committee (NCC), I am pleased to introduce Accelleron's 2023 compensation report, the first full-year report for Accelleron as an independent, stand-alone company that covers the financial year 2023 from January 1 to December 31.

We believe in a strong pay-for-performance compensation philosophy that incorporates Accelleron's ambitious growth and business objectives and motivates our senior executives to create sustainable value for the Company and its shareholders. The 2023 compensation report provides insights into our 2023 compensation structure.

During the year, the NCC and BoD continued to evaluate our overall compensation structure to ensure it supports the Company's business objectives and to reflect the best interests of all our stakeholders. Moreover, the NCC and the BoD reviewed the Executive Committee's (EC) performance goal setting at the beginning of the year and the performance assessment at year-end, the determination of compensation of the EC and the BoD as well as the preparation of the compensation report and compensation-related votes at the Annual General Meeting.

In particular, the NCC and the BoD reviewed the performance measures of the short-term incentive (STI) and long-term incentive (LTI) plans, specifically addressing the importance of sustainability matters and supporting Accelleron's

purpose. It concluded to revise the structure of the LTI plan. Starting with the 2024 performance year, an ESG target shall be added to the two performance measures already in place (earnings per share and relative total shareholder return). For 2024, the sustainability target will be a CO<sub>2</sub> reduction performance measure. We are on the way to further develop the ambitious ESG target going forward.

In line with the [Articles of Association](#), we will ask our shareholders to cast a binding vote on the maximum aggregate amount of compensation for members of the Board of Directors for their term of office from the 2024 Annual General Meeting to the conclusion of the 2025 Annual General Meeting. We will also ask our shareholders to cast a binding vote on the maximum aggregate amount of compensation for members of the Executive Committee for the 2025 financial year. In addition, we will ask our shareholders to endorse this 2023 compensation report in an advisory vote.

On behalf of the Nomination and Compensation Committee, we thank you for your trust in Accelleron and for your feedback.

Sincerely,



**Gabriele Sons**  
Chair of the Nomination and Compensation Committee

# 2023 compensation

## Compensation structure of the Board of Directors (BoD)

The Chair and all the members of the Board of Directors receive fixed compensation for the period from the Annual General Meeting to the following year's Annual General Meeting in the form of cash and shares to ensure their independence in the performance of their supervisory function. They receive 50% of their total fees paid in cash and 50% paid in Accelleron shares. The shares are blocked for three years. The compensation system does not contain any performance-related components.

### Exhibit 1 – Board of Directors fees schedule (audited)

Position	Total fees (CHF) <sup>1,2</sup>
Chair	330,000
Vice-Chair	150,000
Board member	120,000
Committee Chair	30,000
Committee member	10,000

<sup>1</sup> Chair and Vice-Chair receive no further committee chair and committee member fees.

<sup>2</sup> Fees do not include social security.

## Compensation structure of the Executive Committee (EC)

The year 2023 represented the first full calendar year since Accelleron became an independent, stand-alone company following the spin-off from ABB on October 3, 2022.

The overall basic structure of executive compensation consists of the annual base salary, short-term incentive (STI), long-term incentive (LTI) and benefits. The NCC and Board of Directors have revised the overall compensation structure inherited from the former parent company to better align with Accelleron's business strategy and culture. The following key features were adopted for 2023:

### Exhibit 2 – Compensation structure of the Executive Committee

	Purpose	Vehicle	Payout	Performance measures
Annual base salary	Compensate for role, skills, experience	Cash salary considering market data	Monthly	n/a
Benefits	Protect against risks, foster retention	Pension/insurance perquisites paid in line with local market practice	Monthly	n/a
Short-term incentive	Pay for company and individual performance, foster Accelleron values	Annual bonus paid in cash	Q2 following the performance period (business year)	Op. EBITA margin, revenues, op. free cash flow, individual goals (one ESG-related)
Long-term incentive	Reward sustainable performance, align to shareholder perspective	Performance share units (PSU) with a 3-year performance vesting	Q2 following the performance period, conversion into shares	Earnings per share (EPS), relative total shareholder return (rTSR)

#### Annual base salary

The annual base salary is determined on the basis of factors such as to compensate for role, skills and relevant experience.

#### Benefits

Benefits consist mainly of retirement and insured benefits that are designed to provide a reasonable level of protection for the employees and their dependents in respect to the risk of retirement, disability, death and illness. The CEO and all the members of the EC are employed with a Swiss employment contract and participate in Accelleron's pension plans offered to all employees in Switzerland. These consist of the Accelleron pension fund, in which base salaries up to an amount of CHF 130,000 (minus coordination deduction) per annum are insured, as well as a supplementary plan in which base salaries in excess of this limit are insured up to the maximum amount permitted by law. Both plans offer the possibility for all employees to choose different levels of individual contributions. Accelleron's pension funds exceed the minimum legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG).

#### Short-term incentive

The short-term incentive plan is a cash-based, recurring program aimed to incentivize the achievement of short-term business and individual performance measures. These achievements are assessed over a defined performance period of 12 months in alignment with the business year. Business performance measures are tied to Accelleron's financial Group and divisional performance while a maximum of three individual performance measures are tied to team or personal performance, or a combination of these. Each individual performance measure must account to at least 10% with one environmental, social or governance (ESG) criterion to be selected.

The individual EC STI targets are reviewed annually and are expressed as a percentage of base salary. It amounts to 60% for the CEO and ranges from 40% to 50% for the EC members. Financial Group performance accounts for 70% for the CEO and corporate functions (CFO, CTO and CHRO), while for the three Division Presidents Group performance accounts for 45% and divisional performance accounts for 25%. For the entire EC, individual performance measures account for 30% of the short-term incentive.

The achievement of each performance measure is capped and cannot exceed 200%, hence the overall payout cannot exceed 200% of the STI target.

The financial Group and divisional performance target values for each performance measure are proposed by the NCC and approved by the BoD.

### Exhibit 3 – Overview / weight of performance measures

STI	Performance measures	Weight (%) CEO, corp. functions	Weight (%) Division Presidents
Financial performance measure	Group op. EBITA %	20%	10%
	Group revenues	30%	15%
	Group op. free cash flow	20%	20%
	Divisional op. EBITA abs.		10%
	Divisional revenues		15%
Individual performance measure		30%	30%

### Long-term incentive

The long-term incentive plan is a performance share unit (PSU) plan which converts to shares at vesting. It shall foster the profitable company strategy, reward sustainable performance, EC retention and alignment with the shareholders' perspective. At the beginning of the vesting period, a number of PSUs are granted to each EC member on the basis of their individual LTI targets, expressed as a percentage of base salary. The targets amount to 70% for the CEO and range from 40% to 50% for the EC members. The PSUs vest after a period of three years, contingent on the achievement of two equally weighted performance measures, earnings per share (EPS) and relative total shareholder return (rTSR).

The EPS objective is determined at the beginning of the vesting period by the Board of Directors and is measured at the end of the vesting period as the average EPS of the first year, the second year, and the third year of the vesting period.

rTSR is measured based on an evaluation provided by an independent consulting firm, Obermatt. This benchmark compares and ranks Accelleron against the performance of a selected peer group of 24 companies, all industrial firms, which were chosen because they are either in a similar industry, customers, end-users, listed in the index SMIM, listed in the index SPI or are exposed to similar market cycles with an international footprint.

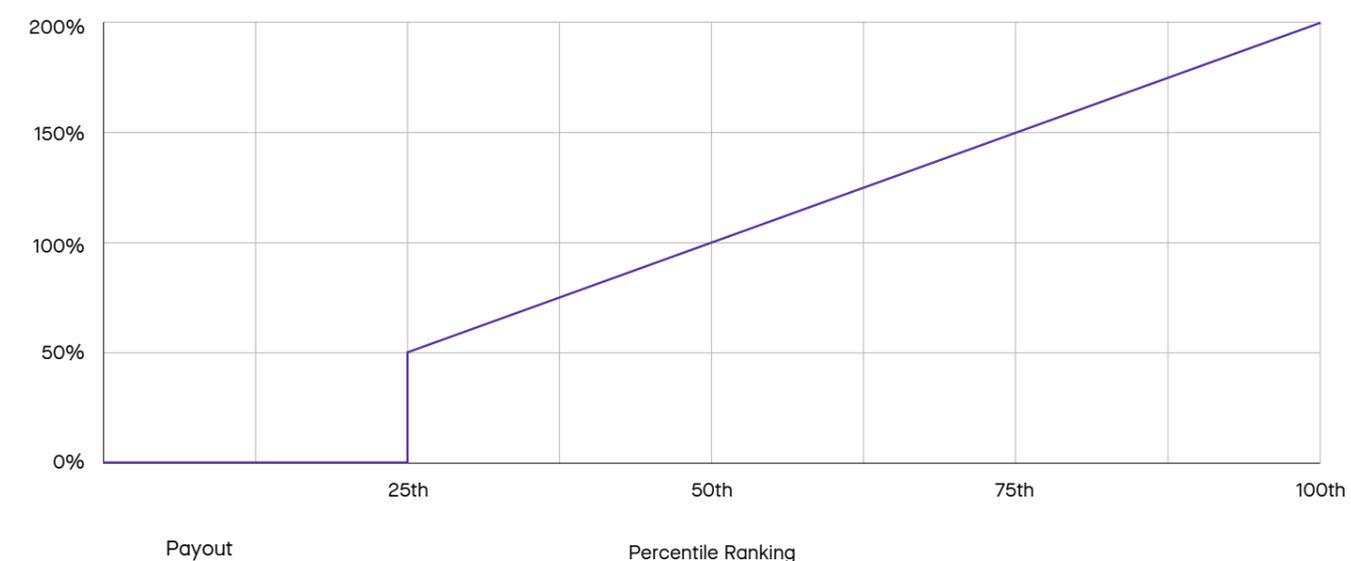
### Exhibit 4 – Peer group

A.P. Møller Mærsk A/S	Cummins Inc.	Mitsubishi Heavy Industries
Alfa Laval Corporate AB	Daihatsu Diesel Mfg. Co.	Schindler
Atlas Copco AB	Donaldson Company, Inc.	Siemens Energy
Bharat Heavy Electricals	Geberit	SIG Group
Bucher Industries	Georg Fischer	Stadler Rail
Burckhardt Compression	IHI Corporation	Wärtsilä Oyj Abp
Caterpillar	Kuehne + Nagel International	Westinghouse Air Brake Tech Corp
CNH Industrial N.V.	Meidensha Corporation	Woodward Inc.

The maximum achievement level is capped at 200% for both performance measures. For rTSR, the objective is to reach the median performance of the peer group, which corresponds to a 100% payout. There is no payout for any performance below the 25th percentile of the peer group. Performance at the 25<sup>th</sup> percentile of the peer group corresponds to a payout factor of 50%. Performance at the 75<sup>th</sup> percentile leads to a 150% payout factor, and being the best in the peer group leads to a 200% payout factor. Any payout factor between those levels is interpolated linearly.

In July 2023, Accelleron acquired Officine Meccaniche Torino S.p.A. (OMT). The BoD assessed the impact on the long-term incentive compensation of such transaction, supported by external experts. It found that while the acquisition has no direct impact on the rTSR performance measure, it will impact Accelleron's earnings per share (EPS), which is one of the performance metrics in the long-term incentive plan for awards to vest. While the target-setting and vesting mechanism will remain unchanged, the BoD will ensure that EPS objectives are measured on a like-for-like basis. For the awards vesting in 2026, the direct impact of the acquisition will be excluded from the EPS performance measure. More specifically, this means: The net income of the acquired corporation as well as extraordinary effects of the acquisition (mainly acquisition-related financing expenses and acquisition-related, purchase price allocation effects and further extraordinary costs which are not part or the result of the normal course of business operation), will be excluded from Accelleron's earnings for the purposes of the LTI measurement.

### Exhibit 5 – rTSR payout curve



In case of termination of employment, the unvested PSUs are forfeited except in case of retirement, disability, or death. In case of termination due to retirement, a pro-rated payout respectively allocated number of shares will be determined at the normal vesting date, prorated for the number of months that has expired from the grant date until the termination date based on effective performance.

In case of termination of employment due to death or disability prior to the completion of the performance period, a pro-rated payout at 100% of the target respectively allocated number of shares will be determined.

For 2024, we intend to adjust the structure of the LTI plan to reflect the increasing importance of sustainability matters. The sustainability target will be a CO<sub>2</sub> reduction performance measure. The data collection, verification and calculation method for the sustainability target will be externally audited to align with the GHG protocol. We are on the way to further develop the ambitious ESG target going forward.

### Share ownership guidelines

The EC members are required to own at least a minimum multiple of their annual base salary in Accelleron shares. Therefore, the sale of shares is only allowed if the value of their shareholdings continues to exceed 200% of base salary for the CEO and 100% of the base salary of each EC member. The NCC reviews compliance with the share ownership guideline on an annual basis.

### Clawback and malus provisions

Clawback and malus provisions apply to LTI plans. In case of financial restatement due to non-compliance with accounting standards or fraud, and/or in the case of violation of law or internal rules by the CEO or an EC member, the BoD may consider unvested PSUs to be forfeited (malus provision) or may seek reimbursement of vested shares under the LTI (clawback provision) within a period of three years after the year of restatement or fraudulent/non-compliant behavior.

### BoD compensation awarded in 2023

Accelleron pays the members of the Board of Directors a fixed fee for 12 months of services based on the Board of Directors fees schedule in Exhibit 1 covering their term of office from January 1, 2023, to December 31, 2023. In this period, the members of the Board of Directors receive total fees of CHF 1.02 million, of which 50% or CHF 0.51 million is in the form of cash, 50% or CHF 0.51 million in the form of shares, as well as mandatory social security contributions and mandatory foreign health insurance payments of CHF 0.066 million.

The fees are within the approved limits by the shareholders of the Extraordinary General Meeting in September 2022 for the period from January 1, 2023, to April 30, 2023, and (within the approved limits) by the shareholders of the Annual General Meeting on May 7, 2023, for the period from May 1, 2023, to December 31, 2023.

### Exhibit 6 – BoD fees from January 1 to December 31, 2023 (audited)

Members of the Board of Directors	Function	Total fees 2023 <sup>1</sup>	Total fees 2022 <sup>2</sup>
		CHF	CHF
Oliver Riemenschneider	Chair	330,000	82,500
Monika Krüsi	Vice-Chair and AC Chair	150,000	37,500
Gabriele Sons	NCC Chair	150,000	37,500
Stefano Pampalone	Member	130,000	32,500
Bo Cerup-Simonsen	Member	130,000	32,500
Detlef Trefzger	Member	130,000	32,500
<b>Total fees</b>		<b>1,020,000</b>	<b>255,000</b>

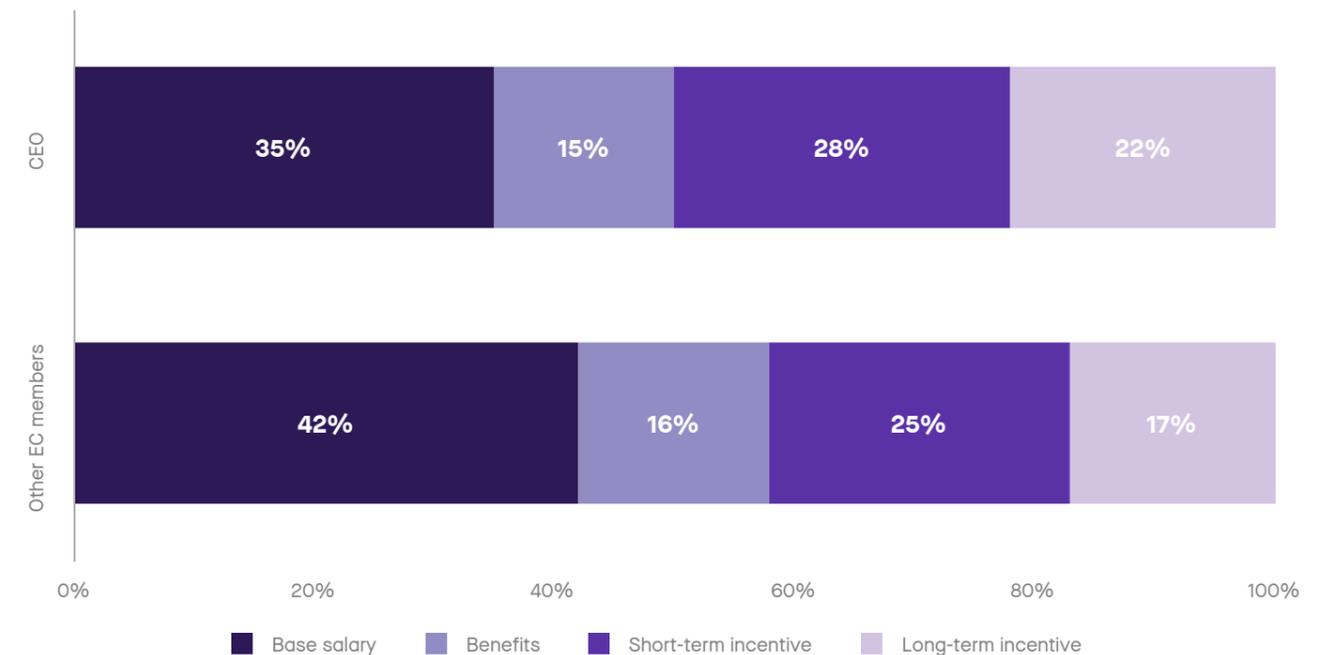
<sup>1</sup> In addition to the Board fees stated, an amount of CHF 65,611 in 2023 and CHF 17,736 in 2022 was paid in relation to mandatory social security and mandatory foreign health insurance payments.

<sup>2</sup> Refers to shorter period from spin-off October 3, 2022, to December 31, 2022.

### EC compensation awarded in 2023

The compensation program consisted of a balanced set of fixed and variable elements. The composition of the EC remained unchanged during the reporting period. On the basis of the compensation disclosed in Exhibit 8, over the period from January 1, 2023, to December 31, 2023, the CEO and the other EC members received the following mix of fixed and variable compensation:

### Exhibit 7 – Executive Committee compensation mix<sup>1</sup>



<sup>1</sup> Compensation mix does not include cash retention payments, family allowance and other minor variable benefits.

From January 1, 2023, to December 31, 2023, the Company awarded the Executive Committee members the amounts set out below. The total amount of compensation of CHF 6.3 million awarded to the EC in 2023 is below the maximum aggregated amount of compensation of CHF 7.1 million approved by the shareholders at the 2022 Extraordinary General Meeting (EGM) prior to becoming an independent, stand-alone company.

**Exhibit 8 – CEO and aggregated EC total compensation per pay element (audited)**

	Daniel Bischofberger, CEO <sup>1</sup>		Other EC members		Total	
	2023	2022 <sup>6</sup>	2023	2022 <sup>6</sup>	2023	2022 <sup>6</sup>
	CHF	CHF	CHF	CHF	CHF	CHF
Base salary	600,000	150,000	1,830,000	457,500	2,430,000	607,500
Benefits <sup>2</sup>	257,382	66,635	710,453	174,592	967,835	241,227
Short-term incentive <sup>3,4</sup>	469,588	152,770	1,332,710	314,157	1,802,298	466,927
Long-term incentive <sup>5</sup>	372,765	160,964	737,543	247,397	1,110,308	408,360
<b>Total compensation</b>	<b>1,699,735</b>	<b>530,369</b>	<b>4,610,706</b>	<b>1,193,645</b>	<b>6,310,441</b>	<b>1,724,014</b>

1 Highest individual compensation.

2 Includes payments for social security, mandatory insurance, expense allowance, pension and other benefits. Family allowance of CHF 11,950 is excluded.

3 Represents 2023 short-term variable compensation that will be paid in 2024 after the publication of Accelleron's 2023 financial results.

4 Includes the 2023 prorated cash retention payment to some EC members of CHF 255,143.

5 The estimated value of the 2023 long-term incentive (LTI) is based on the fair value of the price of the Accelleron share on the grant date.

6 Refers to shorter period from spin-off October 3, 2022, to December 31, 2022.

**Outcome of the 2023 STI performance awards**

In summary, the average award for the Executive Committee members under the STIP for 2023 ranges from 110% to 139% and for the CEO 130% (out of a maximum 200%).

The outcomes were substantially influenced by financial measures (Op. EBITA margin, revenues and operating free cash flow) accounting for 70% and individual measures accounting for 30% as illustrated in Exhibit 3. The weighted achievement related to the financial measures was 142% for the CEO and in average 139% for the other Executive Committee members.

The award achievement was calculated excluding financial figures from the acquired Officine Meccaniche Torino S.p.A. (OMT). For the purpose of STI target setting, the financial figures of OMT will be integrated from 2024 onwards.

**Shareholdings of the Board of Directors and the Executive Committee**

As of December 31, 2023, the members of the Board of Directors and the Executive Committee held the following shares in the Company:

**Exhibit 9 – Shareholdings of the Board of Directors and the Executive Committee (audited)**

Name	Function	Number of shares	Number of unvested shares (RSU/PSU)	Options
<b>Members of the Board of Directors</b>				
Oliver Riemenschneider	Chair	10,497	n/a	0
Monika Krüsi	Vice-Chair and AC Chair	1,992	n/a	0
Gabriele Sons	NCC Chair	1,581	n/a	0
Stefano Pampalone	Member	1,268	n/a	0
Bo Cerup-Simonsen	Member	1,370	n/a	0
Detlef Trefzger	Member	1,623	n/a	0
<b>Total</b>		<b>18,331</b>	<b>n/a</b>	<b>0</b>
<b>Members of Executive Committee</b>				
Daniel Bischofberger	CEO	17	51,126	0
Adrian Grossenbacher	CFO	0	18,391	0
Annika Parkkonen	CHRO	0	7,211	0
Dirk Bergmann	CTO	7	12,829	0
Roland Schwarz	Division President Service	100	18,410	0
Christoph Rofka	Division President MS, LS & Rail	162	19,467	0
Herbert Müller	Division President HS	22	12,984	0
<b>Total</b>		<b>308</b>	<b>140,418</b>	<b>0</b>

**Compensation to former members of the Board of Directors and the Executive Committee**

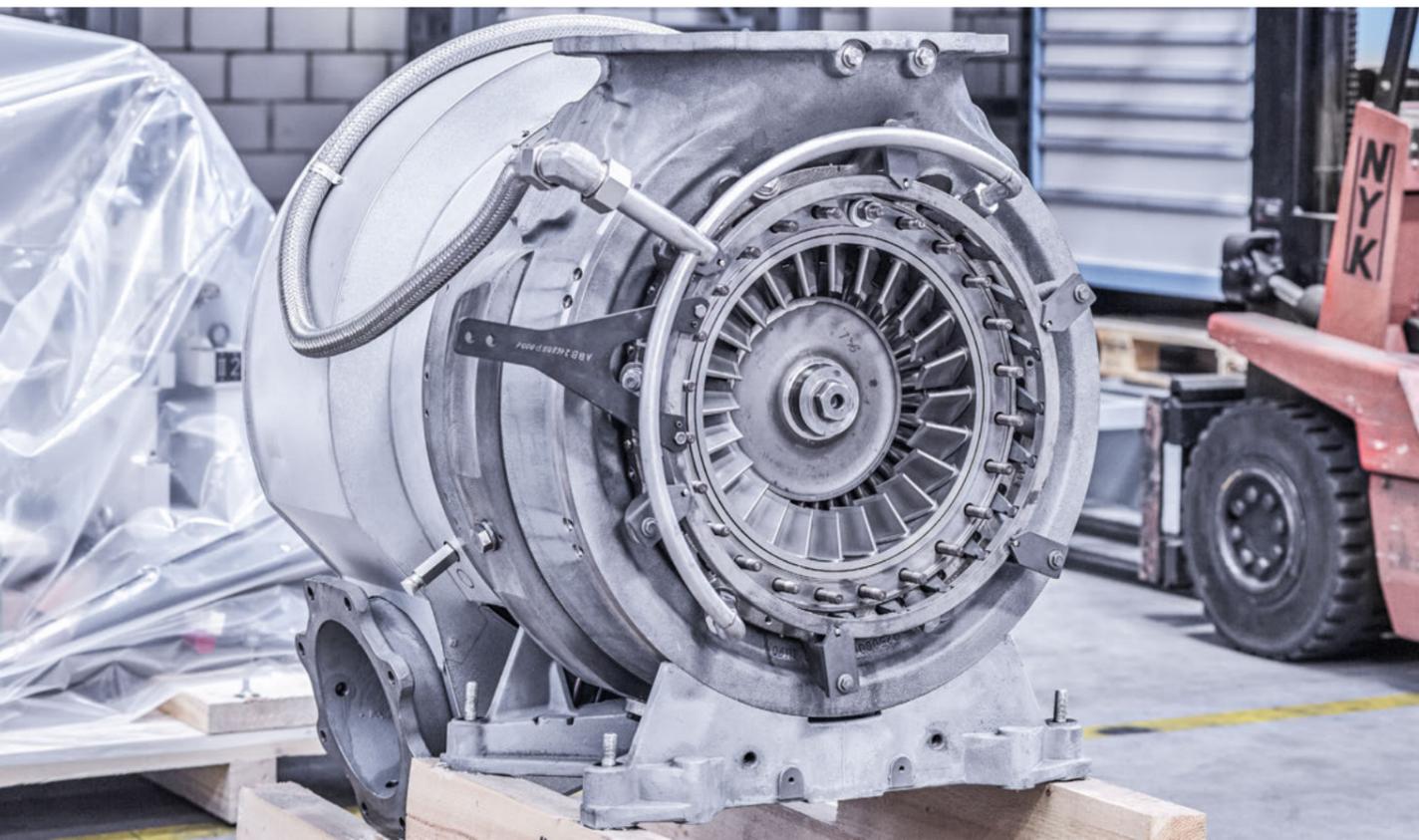
No compensation was paid to former members of the Board of Directors and the Executive Committee other than the compensation as disclosed in the exhibits above.

**Loans for members of the Board of Directors and the Executive Committee and related parties (audited)**

No loans, credits or other compensation was granted to current or former members of the Board of Directors and the Executive Committee, and no such loans were outstanding as of the end of financial year.

**Compensation and loans to related parties (audited)**

No payments were made to individuals related to related parties of current or former members of the Board of Directors. Further, no loans were granted to such related parties.



# Roles in other companies with commercial purpose

**Exhibit 10 – Roles of members of the Board of Directors in other companies with commercial purpose (audited)**

Name	Function in Accelleron	Activities in other companies		
		Name of company	Stock listed yes/no	Function in
Oliver Riemenschneider	Chair	V-Zug Holding AG	yes	Chair of the Board
		Consenec <sup>1</sup>	no	Senior Advisor
Monika Krüsi	Vice-Chair and AC Chair	Burckhardt Compression AG	yes	Member of the Board
		Repower AG	yes	Chair of the Board
		Ernst Göhner Stiftung	no	Member of the Board of Trustees, Member of the Board of EGS Beteiligungs AG
		Energie 360°	no	Member of the Board, Member of the Investment Committee of Smart Energy Innovationsfonds AG (SEIF)
Gabriele Sons	NCC Chair	ElringKlinger AG	yes	Member of the Supervisory Board, Member of the Personnel Committee
		Grammer AG	yes	Member of the Supervisory Board, Chair of the Personnel Committee, Chair of the Nomination Committee
Stefano Pampalone	Member	CNHI International S.A.	no	President of the Construction Equipment Segment
Bo Cerup-Simonsen	Member	Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping	no	CEO
Detlef Trefzger	Member	easyJet plc, UK	yes	Member of the Board, Member of the Audit Committee, Chair of the Safety & Operational Readiness Committee
		SATS Ltd, Singapore	yes	Member of the Board, Chair of the Safety, Sustainability and Risk Committee
		PSA International, Singapore	yes	Member of the Board, Member of the Ports Supervisory Committee, Member of the Cargo Solutions Supervisory Committee
		Clayton, Dubilier & Rice	no	Operating Advisor
		Larix Equity AG	no	Founder & Chair

<sup>1</sup> No projects.

**Exhibit 11 – Roles of members of the Executive Committee in other companies with commercial purpose (audited)**

Name	Function in Accelleron	Activities in other companies	
		Name of company	Function in
Daniel Bischofberger	CEO	n/a	
Adrian Grossenbacher	CFO	n/a	
Annika Parkkonen	CHRO	Dynatos Oy <sup>1</sup>	Managing Director, member of the Board
Dirk Bergmann	CTO	n/a	
Roland Schwarz	Division President Service	n/a	
Christoph Rofka	Division President MS, LS & Rail	n/a	
Herbert Müller	Division President HS	n/a	

<sup>1</sup> Company was inactive in 2023.

# Corporate governance

The NCC reviews and proposes to the Board of Directors, and the Board of Directors decides on compensation matters, except for the maximum aggregate compensation amounts of the Board of Directors and Executive Committee, which are subject to the approval of shareholders at the Annual General Meeting. The authority levels of the different bodies on compensation matters are detailed in Exhibit 12. In line with the [Articles of Association](#), shareholders also have a non-binding advisory vote on the prior year's compensation report at the Annual General Meeting and a binding vote on the maximum aggregate amount of compensation for the Board of Directors for the following term and for the Executive Committee for the following financial year.

## Exhibit 12 - Authority levels in compensation matters

	CEO	NCC	BoD	AGM
Compensation policy including incentive plans	●	●	●	
Maximum aggregate compensation amount for the EC		●	●	●
CEO compensation		●	●	
Individual compensation of other EC members	●	●	●	
Performance target setting and assessment of the CEO		●	●	
Performance target setting and assessment of other EC members	●	●	●	
Shareholding requirements for CEO and other EC members		●	●	
Maximum aggregate compensation amount for the BoD		●	●	●
Individual compensation of BoD members		●	●	
Compensation report		●	●	Advisory

● Proposal      ● Recommendation      ● Approval

### Determination of BoD and EC compensation

As Accelleron acts on a truly global basis, compensation for the BoD and EC is reviewed periodically according to prevalent market practice and deemed necessary by the NCC and BoD. In 2022, prior to the spin-off from ABB a thorough analysis was conducted in terms of structure and pay levels on the basis of market information provided by independent external consulting firms.

For the BoD, fee levels have been benchmarked against listed Swiss companies of similar size and industry.

For the EC, pay levels have been benchmarked against a selected peer group of companies consisting of a blend of Swiss and European companies, reflecting Accelleron's global footprint and business mix and providing a good balance of company size, industry focus and geographies.



### Shareholder vote at the 2024 Annual General Meeting

In accordance with Art. 28 of the [Articles of Association](#), the Board of Directors will ask shareholders at the 2024 Annual General Meeting to cast a binding vote on the following:

- The aggregate amount of compensation payable to the members of the Board of Directors for their term of office from the 2024 Annual General Meeting to the 2025 Annual General Meeting
- The aggregate amount of compensation payable to the CEO and Executive Committee members in the financial year 2025

In addition, the Board of Directors will ask shareholders to cast an advisory vote on the 2023 compensation report. The procedures of voting on the compensation of Executive Committee members and the Board of Directors are defined in our [Articles of Association](#).



## Statutory Auditor's Report

To the General Meeting of Accelleron Industries AG, Baden

### Report on the Audit of the Compensation Report

#### Opinion

We have audited the Compensation Report of Accelleron Industries AG (the Company) for the year ended December 31, 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 71 to 76 of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the Compensation Report (pages 71 to 76) 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 Compensation 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 Compensation Report, the Consolidated Financial Statements, the stand-alone Financial Statements and our auditor's reports thereon.

Our opinion on the Compensation 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 Compensation 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 Compensation 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 Compensation Report

The Board of Directors is responsible for the preparation of a Compensation 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 Compensation 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 Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 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 Compensation Report.

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

- Identify and assess the risks of material misstatement in the Compensation 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 to 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.

KPMG AG

Simon Studer  
Licensed Audit Expert  
Auditor in Charge

Andrius Cibas  
Licensed Audit Expert

Zurich, March 25, 2024