

# Remuneration Report 2020

## 1. Remuneration philosophy and basic principles

**1.1 General information** The Remuneration Report lays down the remuneration principles and the governance framework for the remuneration of the Board of Directors and the Members of the Executive Management of Von Roll Holding AG. It also includes details of remuneration policy and the remuneration paid to the aforesaid bodies in the financial year 2020.

Unless indicated otherwise, all information provided in this report relates to the financial year that ended on December 31, 2020. The report is in line with Art. 13 of the Swiss Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO); the “Swiss Code of Best Practice for Corporate Governance” issued by Economiesuisse; section 5.1 of the Annex to the SIX Swiss Exchange’s Directive on Information relating to Corporate Governance; and the Swiss Code of Obligations.

**1.2 Corporate governance as the basis for compensation policy** The principles of our remuneration system for the Board of Directors and the Executive Management are included in the Articles of Association.

**1.3 ERCO** The remuneration system and employment contracts with Members of the Executive Management comply with the ERCO.

### 1.4 Responsibilities

#### Board of Directors

The Board of Directors is responsible for the Group’s remuneration system and for drafting corresponding motions for the Annual General Meeting.

#### People & Remuneration Committee

The People & Remuneration Committee comprises three Members of the Board of Directors. Each Member of the People & Remuneration Committee is elected by the Annual General Meeting for a one-year term, which runs until the end of the next regular General Meeting. Re-election is permissible. The Chairman of the Remuneration Committee is elected by the entire Board of Directors. The People & Remuneration Committee assists the Board of Directors with setting and reviewing the company’s remuneration strategy and guidelines and the qualitative and quantitative remuneration criteria, as well as with preparing motions for the Annual General Meeting relating to the remuneration of the Board of Directors. The People & Remuneration Committee can make suggestions and recommendations to the Board of Directors regarding other remuneration issues. The People & Remuneration Committee can call in external specialists.

The People & Remuneration Committee is made up of Gerd Amtstätter (Chairman of the People & Remuneration Committee), Guido Egli and August François von Finck, all of whom are Members of the Board of Directors. The Delegate of the Board of Directors/CEO and the CFO regularly attend People & Remuneration Committee meetings in an advisory capacity without voting rights. The People & Remuneration Committee met twice during the financial year. The Chairman of the People & Remuneration Committee reports to the Board of Directors with regard to the committee’s activities. The minutes of the committee meetings are provided to Members of the Board of Directors.

#### CEO and the Executive Management

Headed by the CEO, the Executive Management reviews the targets set for the management team’s performance-related bonus scheme based on the People & Remuneration Committee’s specifications.

## 1.5 Principles and components of remuneration

### General principles

The Board of Directors may decide whether remuneration is paid wholly or partially in cash, restricted company shares or future subscription rights to shares. The Board of Directors determines the timing of the allocation, the length of the restricted period and any discount, bearing in mind the length of the restricted or vesting period. The restricted or vesting period shall be at least three years, whereby the Board of Directors may agree on a shorter period in justified cases. The Board of Directors may stipulate that, should a certain event specified in advance ultimately occur, such as the termination of an employment or mandate relationship or a change of control, then restricted or vesting periods shall continue to apply, be shortened or be canceled, or remuneration shall be paid out (assuming targets have been met) or forfeited.

If shares or future subscription rights to shares are to be allocated or other remuneration components granted, the remuneration amount shall correspond to the value accorded to these remuneration components at the time of their allocation in accordance with generally recognized valuation methods.

In respect of duties performed in legal entities of the Group or on behalf of a legal entity of the Group, these entities may grant remuneration to the Members of the Board of Directors and the Executive Management insofar as the amounts concerned do not exceed the limit approved by the Annual General Meeting or the additional limit in accordance with Article 32 Paragraph 6 of the Articles of Association.

Within the scope permissible by law, the company may compensate Members of the Board of Directors and the Executive Management for losses incurred in conjunction with lawsuits, proceedings or settlements related to their activities for the company. It may also advance relevant sums or take out insurance policies. Compensation, advances and insurance policies of this kind are not considered remuneration.

### Components of the Board of Directors' remuneration

Members of the Board of Directors receive fixed remuneration for their activities. Their expenses are also reimbursed. Reimbursed expenses, including lump-sum expenses, are not deemed to be remuneration. Supplements may be paid for serving as a member of a committee or for undertaking specific duties or projects.

### Components of the Executive Management's compensation

Members of the Executive Management receive a fixed compensation for their activities. Their expenses are also reimbursed. Reimbursed expenses, including lump-sum expenses, are not deemed to be remuneration.

## 1.6 Approval procedure

### General information

The Annual General Meeting approves the maximum remuneration for Members of the Board of Directors with binding effect when the regular General Meeting convenes each year, with this remuneration limit then applying until the next regular General Meeting.

The Annual General Meeting shall approve the maximum amount for fixed remuneration components for the following financial year for Members of the Executive Management with binding effect when the regular General Meeting convenes each year.

The Annual General Meeting shall approve the total variable remuneration components for the previous financial year for Members of the Executive Management with binding effect when the regular General Meeting convenes each year.

The Annual General Meeting can approve a retrospective increase in a total amount already approved at any time.

If the Annual General Meeting withholds its approval, the Board of Directors may submit new motions for approval at the same Annual General Meeting. If the Board of Directors does not submit any new motions or if the Annual General Meeting rejects the new motions as well, the Board of Directors can convene a new General Meeting.

For the appointment of new members of the Executive Management made after the Annual General Meeting has given its approval, the additional limit for each new member shall be 150 % of the highest remuneration amount paid to a Member of the Executive Management at the last regular General Meeting in the previous financial year. This additional remuneration does not need to be approved by the Annual General Meeting.

#### **Appointment of Members of the Executive Management**

The Board of Directors appoints the Members of the Executive Management.

#### **Number of external offices and positions**

The number of external offices and positions is stipulated with binding effect in the Articles of Association.

#### **Contracts with Members of the Board of Directors and the Executive Management**

Contracts with Members of the Board of Directors and the Executive Management, which provide the foundation for their remuneration, may be temporary or permanent. The maximum term of a temporary contract is one year. Contracts may be renewed. Notice periods for permanent contracts may not exceed one year.

The notice period for the CEO and the other Members of the Executive Management is 12 months. All employment contracts with Members of the Executive Management comply with the legislation and the provisions of the ERCO.

#### **Severance pay**

The employment contracts concluded with Members of the Executive Management do not provide for any severance pay. Similarly, the contracts of the Members of the Board of Directors and the Executive Management do not include any “golden parachutes” or any other special benefits in the event of a change of control.

## 2. Remuneration in the financial year

### 2.1 Remuneration of the Board of Directors (audited)

#### Board of Directors' fee

The following remuneration was paid to Members of the Board of Directors for the financial year 2020:

in CHF 1,000	Position	Fixed fee <sup>1</sup>	Variable remuneration	Other remuneration <sup>2</sup>	Retirement benefits <sup>3</sup>	Total	
	Dr. Peter Kalantzis	Chairman	294	–	–	14	308
	Guido Egli	Vice-Chairman	144	–	–	7	151
	Gerd Amtstätter	Member	94	–	–	–	94
	Gerd Peskes	Member	94	–	–	–	94
	August François von Finck	Member	94	–	–	6	100
	Dr. Christian Hennerkes	Delegate	–	–	–	–	–
	<b>Total</b>		<b>720</b>	<b>–</b>	<b>–</b>	<b>27</b>	<b>747</b>

<sup>1</sup> Gross salary, i.e., before the deduction of social security contributions, withholding taxes, etc.

<sup>2</sup> Other compensation does not include any lump-sum expenses.

<sup>3</sup> Statutory charges, e.g., contributions to old-age and survivors' insurance, unemployment, pension funds or executive insurance.

The following remuneration was paid to Members of the Board of Directors for the previous financial year, 2019:

in CHF 1,000	Position	Fixed fee <sup>1</sup>	Variable remuneration	Other remuneration <sup>2</sup>	Retirement benefits <sup>3</sup>	Total	
	Dr. Peter Kalantzis	Chairman	294	–	–	14	308
	Guido Egli	Vice-Chairman	144	–	–	7	151
	Gerd Amtstätter	Member	94	–	–	–	94
	Gerd Peskes	Member	94	–	–	–	94
	August François von Finck	Member	94	–	–	6	100
	Dr. Christian Hennerkes	Delegate	–	–	–	–	–
	<b>Total</b>		<b>720</b>	<b>–</b>	<b>–</b>	<b>27</b>	<b>747</b>

<sup>1</sup> Gross salary, i.e., before the deduction of social security contributions, withholding taxes, etc.

<sup>2</sup> Other compensation does not include any lump-sum expenses.

<sup>3</sup> Statutory charges, e.g., contributions to old-age and survivors' insurance, unemployment, pension funds or executive insurance.

#### Other remuneration

Apart from the amounts disclosed here, no Member of the Board of Directors received any additional fees or remuneration in 2020 or 2019 for services provided to Von Roll. In particular, no additional remuneration was paid for serving as a member of a committee or undertaking specific duties or projects in the financial years 2020 and 2019.

## 2.2 Remuneration of the Executive Management (audited)

### Short-term remuneration

The Members of the Executive Management received remuneration totaling CHF 1.3 million in the financial year 2020 (2019: CHF 1.3 million). This sum comprises fixed basic salaries of CHF 1.1 million (2019: CHF 1.1 million, short-term performance bonuses of CHF 0 (2019: CHF 0) and social security contributions of CHF 0.2 million (2019: CHF 0.2 million).

The following remuneration was paid to Members of the Executive Management for the financial year 2020:

in CHF 1,000	Function	Basic salary <sup>1</sup>	Variable remuneration	Other remuneration <sup>2</sup>	Pension benefits <sup>3</sup>	Total	
	Dr. Christian Hennerkes	CEO	660	–	19	121	800
	Artur Lust	CFO	440	–	12	76	528
	<b>Total</b>		<b>1,100</b>	<b>–</b>	<b>31</b>	<b>197</b>	<b>1,328</b>

<sup>1</sup> Gross salary, i.e., before the deduction of social security contributions, withholding taxes, etc.

<sup>2</sup> The other compensation comprises lump-sum compensation (TCHF 24) and child allowances (TCHF 7).

<sup>3</sup> Statutory charges, e.g., contributions to old-age and survivors' insurance, unemployment, pension funds or executive insurance.

The following remuneration was paid to Members of the Executive Management for the previous financial year, 2019:

in CHF 1,000	Function	Basic salary <sup>1</sup>	Variable remuneration	Other remuneration <sup>2</sup>	Pension benefits <sup>3</sup>	Total	
	Dr. Christian Hennerkes	CEO	660	–	19	120	799
	Artur Lust	CFO	440	–	12	75	527
	<b>Total</b>		<b>1,100</b>	<b>–</b>	<b>31</b>	<b>195</b>	<b>1,326</b>

<sup>1</sup> Gross salary, i.e., before the deduction of social security contributions, withholding taxes, etc.

<sup>2</sup> The other compensation comprises lump-sum compensation (TCHF 24) and child allowances (TCHF 7).

<sup>3</sup> Statutory charges, e.g., contributions to old-age and survivors' insurance, unemployment, pension funds or executive insurance.

### Long-term remuneration

There is no plan for long-term compensation.

### Other remuneration

Apart from the amounts disclosed here, no Member of the Executive Management received any additional fees or remuneration in the financial years 2020 or 2019 for services provided to Von Roll.

## 2.3 Remuneration of former Members of the Board of Directors and the Executive Management (audited)

No remuneration was due to former Members of the Executive Management or for former Members of the Board of Directors in the financial years 2020 and 2019.

## 2.4 Loans (audited)

### Board of Directors

No Members of the Board of Directors were granted loans in the financial years 2020 and 2019. No loans were outstanding at the end of the financial years 2020 and 2019.

## 2.5 Remuneration and loans to related parties (audited)

### Executive Management

No Members of the Executive Management were granted any loans in the financial years 2020 and 2019. No loans were outstanding at the end of 2020 and 2019.

### Former Members of the Board of Directors and the Executive Management

No former Members of the Board of Directors or the Executive Management were granted any loans diverging from standard market terms during the financial years 2020 and 2019. Neither are any such loans outstanding.

No remuneration diverging from standard market practice was granted either directly or indirectly to any related parties in the financial years 2020 and 2019. In addition, no related parties were granted any loans diverging from standard market terms. Neither are any such loans outstanding.

## 2.6 Shareholdings

### Shares held by Members of the Board of Directors

The Members of the Board of Directors held the following number of shares as at December 31 of the respective financial year:

Number of shares	2020	2019
Dr. Peter Kalantzis	1,333	1,333
Guido Egli	1,067	1,067
Gerd Amtstätter	466,667	466,667
Gerd Peskes	0	0
August François von Finck	46,328,166	46,328,166
Dr. Christian Hennerkes	3,600,000	3,600,000
<b>Total</b>	<b>50,397,233</b>	<b>50,397,233</b>

### Shares held by Members of the Executive Management

The Members of the Executive Management held the following number of shares as at December 31 of the respective financial year:

Number of shares	2020	2019
Dr. Christian Hennerkes, CEO	3,600,000	3,600,000
Artur Lust, CFO	2,400,000	2,400,000
<b>Total</b>	<b>6,000,000</b>	<b>6,000,000</b>

## 2.7 Convertible bonds

### Convertible bonds held by Members of the Board of Directors

No convertible bonds of Von Roll Holding AG were held by Members of the Board of Directors at the end of the financial years 2020 and 2019.

### Convertible bonds held by Members of the Executive Management

No convertible bonds of Von Roll Holding AG were held by Members of the Executive Management at the end of the financial years 2020 and 2019.

## Report of the statutory auditor

To the general meeting of  
VON ROLL HOLDING AG, BREITENBACH

### Report of the statutory auditor in relation to the remuneration report

We have audited the remuneration report dated 12 March 2021 of Von Roll Holding AG, pages 31–33, for the year ended 31 December 2020.

### Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

### Auditor's Responsibility

Our responsibility is to express an opinion on the remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

### Opinion

In our opinion, the remuneration report for the year ended 31 December 2020 of Von Roll Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

DELOITTE AG



Alessandro Miolo  
Licensed audit expert  
Auditor in Charge



Robert Renz  
Licensed audit expert

Zurich, 12 March 2021