



# Remuneration Report

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## Introduction

This remuneration report contains information on the remuneration of the members of the Board of Directors and the Executive Board. The report was prepared in accordance with the Swiss Code of Obligations. Furthermore, the report is in line with the Swiss Code of Best Practice for Corporate Governance of the Swiss Business Federation *economiesuisse* and Chapter 5 of the Annex to the Corporate Governance Directive of the SIX Exchange Regulation.

The information contained in the Sections "Remuneration" and "Loans and credits" has been audited by the auditors.

From an accounting perspective, the merger between Starrag Group Holding AG and Tornos Holding Ltd. took place on December 7, 2023, while from a legal perspective the merger took place on July 1, 2023. With the legal merger to form StarragTornos Group AG, the remuneration policy and principles of Starrag Group Holding AG will apply to the Executive Board of StarragTornos Group AG from January 01, 2024 and to the Board of Directors of StarragTornos Group AG from the 2024 Annual General Meeting.

Consequently, the remuneration report is composed of members of the Board of Directors and the Executive Board of the Starrag Group Holding AG (full year 2023) and Tornos Holding Ltd. (July 1–July 31, December 2023).

## Remuneration policy and principles

StarragTornos Group AG ensures comprehensive transparency regarding the remuneration of the members of the Board of Directors and the Executive Board. Within the StarragTornos Group, remuneration is based on the principles of value-oriented corporate management with the aim of ensuring that managers are remunerated in line with the market and thus ensuring that qualified managers can be recruited and remain with the company in the long term. The remuneration policy also promotes entrepreneurial thinking and action and aligns the interests of the executive bodies with those of the shareholders.

The remuneration of the members of the Board of Directors and the Executive Board is determined on the basis of individual tasks and performance, the company's business performance, market conditions in the respective global sales and local labor market as well as salary comparisons with regard to the function, business activity, size and internationality of employers with similar positions. These criteria are applied individually to each member of the Executive Board at the discretion of the company.



## Responsibilities for determining remuneration

The responsibilities for determining remuneration are set out in the Articles of Association and organizational regulations of StarragTornos Group AG based on the regulations in the Swiss Code of Obligations.

### General Meeting

The General Meeting has non-transferable powers to:

- elect and dismiss the members of the Remuneration Committee;
- approve the remuneration of the Board of Directors and the Executive Board
- determine the legal principles for the performance-related remuneration of the members of the Board of Directors and the Executive Board as well as other provisions of the Articles of Association in accordance with the Swiss Code of Obligations.

The Annual General Meeting annually approves the maximum total remuneration of the Board of Directors for the period until the next Annual General Meeting and the maximum total remuneration of the Executive Board for the financial year following the Annual General Meeting.

The Annual General Meeting also approves the remuneration report retrospectively in a non-binding advisory vote.

### Board of Directors

Subject to the powers of the General Meeting the Board of Directors is based on the proposals of the Remuneration Committee responsible for determining the remuneration to be paid to the members of the Board of Directors and the Executive Board. Based on the proposals of the Remuneration Committee, it has the following tasks and responsibilities in particular:

- determination of the remuneration system for the members of the Board of Directors and the Executive Board in accordance with the Articles of Association;
- reviewing the fixed remuneration of the members of the Board of Directors and the Executive Board and to determine it within the framework of the total remuneration approved by the General Meeting;
- determination of any additional remuneration for the members of the Board of Directors and the Executive Board for special tasks and for additional services within the scope of the total remuneration approved by the General Meeting;
- determination of variable profit-sharing plans for the members of the Board of Directors and the Executive Board in accordance with the Articles of Association and within the scope of the total remuneration approved by the General Meeting;
- preparation of the remuneration report.

### Remuneration Committee

The Remuneration Committee has the following tasks and responsibilities (basic principles):

- preparation and periodic review of the remuneration policy and principles of StarragTornos Group AG as well as periodic review of their implementation and submission of proposals and recommendations to the Board of Directors;
- preparation of all relevant decisions of the Board of Directors regarding the remuneration of the members of the Board of Directors and the Executive Board as well as submission of proposals to the Board of Directors regarding the type and amount of the annual remuneration of the members of the Board of Directors and the Executive Board and preparation of a proposal for the maximum total amount of remuneration.



In fulfilling its statutory duties, the Remuneration Committee held several meetings both via video link and in person.

The Board of Directors and the Remuneration Committee may consult external experts on remuneration issues in order to obtain neutral advice and/or data as a basis for comparing remuneration levels. The Board of Directors and the Remuneration Committee performed their duties in the past year without the involvement of external consultants.

## Remuneration elements

### Board of Directors

The members of the Board of Directors each receive a fixed remuneration and a variable performance-related remuneration. The Board of Directors may grant individual members additional remuneration for additional tasks (participation in committees, etc.).

Net profit is the basis of assessment for the variable performance-related remuneration of members of the Board of Directors, reduced by a forward-looking interest rate on equity depending on interest rate trends. The amount of the interest advance and the shares of the individual members of the Board of Directors in the assessment basis as well as the further details (payment conditions and dates, any cap on variable remuneration, etc.) are determined by the Board of Directors. If the net profit falls below the fixed amount of anticipated interest, no variable profit participation is paid out. The variable profit-sharing of the members of the Board of Directors is limited to CHF 125'000 per member.

The fixed remuneration is paid monthly or annually. The variable remuneration is paid out annually following approval of the Group accounts by the Annual General Meeting. StarragTornos Group AG does not have any share participation schemes.

The members of the Board of Directors are not insured through pension schemes or comparable schemes of the company or Group companies. The members of the Board of Directors are not entitled to severance payments or other benefits upon leaving the company.

### Transitional solution of the Board of Directors of the Tornos Holding SA until the Annual General Meeting of StarragTornos Group AG 2024

The members of the former Board of Directors of Tornos Holding Ltd. will receive fixed remuneration in accordance with the remuneration policy and principles of the former Tornos Holding Ltd. and in accordance with the General Meeting 2023 of Tornos Holding Ltd., from July 1, 2023 until the General Meeting of StarragTornos Group AG 2024. With the legal merger of July 1, 2023, the position of the Chair of the Board of Directors of Tornos Holding Ltd. was eliminated. The former Chair of the Board of Directors of Tornos Holding Ltd. will now be remunerated as an ordinary member of the Board of Directors of the former Tornos Holding Ltd. for the period from January 1, 2024 until the 2024 Annual General Meeting.

The previous "Management and Board Participation Plan 2007 (MBP 07)" of Tornos Holding Ltd. was no longer used in the second half of 2023 and the plan was closed to new subscriptions on the effective date of the merger into StarragTornos Group AG. In the first half year of 2023 members of the Board of Directors were granted 32'000 options (equivalent to 3'388 options StarragTornos) with a fair value of CHF 1.69 (equivalent to CHF 15.96 StarragTornos). Out of these options granted, members of the Board of Directors acquired under the Stock purchasing program MBP07 a total of



12'000 shares (equivalent to 1'270 StarragTornos) at an acquisition price of CHF 4.34 (equivalent to CHF 40.98 StarragTornos) per share with a remuneration benefit of CHF 1.18 per share.

From the 2024 General Meeting onwards, the remuneration for all re-elected members of the Board of Directors will be as described in the Remuneration Components section.

### **Executive Board of Starrag Group Holding AG (until the end of 2023)**

The members of the Executive Board receive fixed and variable performance-related remuneration. The Board of Directors may decide on special bonuses for exceptional performance.

The Board of Directors determines the performance-related variable remuneration of the members of the Executive Board on the basis of individual performance indicators in the business areas for which they are responsible and/or collective performance indicators in relation to the Group result.

In the 2021 to 2023 financial years, the assessment basis for the performance-related variable remuneration of the Executive Board was determined on the basis of the operating result (EBIT) less the minimum earnings expectation. A second key figure was used for the business unit heads, which is based on the operating result (EBIT) of their respective area of responsibility.

The variable profit-sharing component for members of the Executive Board is limited to 150% of the fixed remuneration.

The fixed remuneration is paid monthly. The performance-related variable remuneration is paid out annually following approval of the Group accounts by the General Meeting. The company has no share participation plans. Pension benefits are only paid to members of the Executive Board under domestic and foreign pension plans and comparable plans of the company or Group companies. The benefits to the insured persons and the employer's plan contributions are set out in the aforementioned plans and the relevant plan regulations.

For members who are appointed to the Executive Board after the maximum total amount has been approved, an additional remuneration amount within the meaning of Art. 735a Swiss Code of Obligations amounting to 40% of the approved total amount of remuneration for the Executive Board is available.

Remuneration may be paid by the company or the corresponding Group company for services provided to companies that are directly or indirectly controlled by the company. This remuneration must be consolidated at Group level and included in the votes on remuneration at the General Meeting.

Loans and credits granted by the company to a member of the Executive Board as well as guarantees or other collateral offered to secure the liabilities of a member of the Executive Board may not exceed three times the annual salary of the respective member of the Executive Board.



### **Executive Board of Tornos Holding Ltd. (07/01/2023–12/31/2023)**

The members of the Executive Board receive fixed and variable performance-related remuneration. The latter is limited to a maximum of 54% of the fixed remuneration.

The relevant assessment basis for the variable performance-related remuneration of the CEO and CFO is the EBIT margin. For the remaining members of the Executive Board, this is determined by the degree to which the target values for revenue, EBIT margin and individual targets have been achieved.

The fixed remuneration of the members of the Executive Board is reviewed annually. The individual performance of the Executive Board is assessed by the Remuneration Committee. The latter prepares a corresponding proposal for approval by the Board of Directors.

The previous “Management and Board Participation Plan 2007 (MBP 07)” of Tornos Holding Ltd. was no longer used in the second half of 2023, and the plan was closed to new subscriptions on the effective date of the merger to form StarragTornos Group AG.

In the first half year of 2023 members of the General Management were granted 90'000 options (equivalent to 9'531 StarragTornos) with a fair value of CHF 1.69 (equivalent to CHF 15.96 StarragTornos). Out of these options granted, members of the General Management acquired under the Stock purchasing program MBP07 a total of 50'000 shares (equivalent to 5'295 StarragTornos) at an acquisition price of CHF 4.34 (equivalent to CHF 40.98 StarragTornos) per share with a remuneration benefit of CHF 1.18 per share.

### **Executive Board of StarragTornos Group AG as of January 1, 2024**

New performance-related variable remuneration elements will apply to all members of the Executive Board of StarragTornos Group AG from January 1, 2024.

The calculation of performance-related variable remuneration is now based on revenue, EBIT and a further, freely definable target figure. The latter is determined annually depending on a focus topic. The weighting of the individual indicators depends on the area of responsibility.



## Remuneration (audited)

### Board of Directors

**2023**
**2022**

CHF 1 000	Fixed remuneration	Remuneration additional services	Variable remuneration	Social security contributions	Total	Fixed remuneration	Remuneration additional services	Variable remuneration	Social security contributions	Total
<b>Total amount Board of Directors (former Starrag Group Holding AG)</b>	<b>330</b>	<b>72</b>	<b>360</b>	<b>47</b>	<b>809</b>	<b>330</b>	<b>24</b>	<b>135</b>	<b>24</b>	<b>513</b>
Variable as percentage of the sum of fix and variable remuneration			52%					29%		
Walter Fust	50	5	72	7	134	50	10	27	2	89
Michael Hauser (Chairman BoD)	130	-	72	13	215	130	-	27	10	167
Bernhard Iseli*	50	39	72	10	171	33	-	18	3	54
Adrian Stürm	50	-	72	8	130	50	5	27	4	86
Christian Androschin*	50	28	72	10	159	33	-	18	3	54
Prof. em. Dr. Christian Belz (until 23.04.2022)	-	-	-	-	-	17	-	9	1	27
Dr. Erich Bohli (until 23.04.2022)	-	-	-	-	-	17	9	9	1	36
*2022: as of 23.04.										
<b>Total amount Board of Directors (former Tornos Holding Ltd. as of 01.07.2023)</b>	<b>207</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>212</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
Variable as percentage of the sum of fix and variable remuneration			0%							
François Frôté (Chairman BoD)	84	-	-	-	84	n.a.	n.a.	n.a.	n.a.	n.a.
Walter Fust	40	-	-	2	42	n.a.	n.a.	n.a.	n.a.	n.a.
Till Fust	40	-	-	3	43	n.a.	n.a.	n.a.	n.a.	n.a.
Michel Rollier	43	-	-	-	43	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total amount Board of Directors</b>	<b>537</b>	<b>72</b>	<b>360</b>	<b>52</b>	<b>1 021</b>	<b>330</b>	<b>24</b>	<b>135</b>	<b>24</b>	<b>513</b>

### Executive Board

<b>Total amount Executive Board (former Starrag Group Holding AG)</b>	<b>2 359</b>	<b>15</b>	<b>2 690</b>	<b>760</b>	<b>5 824</b>	<b>1 818</b>	<b>-</b>	<b>1 411</b>	<b>564</b>	<b>3 793</b>
Variable as percentage of the sum of fix and variable remuneration			53%					44%		
Thereof:										
Christian Walti** (CEO until 30.12.2022)	381	-	358	111	850	390	-	335	131	856
Variable as percentage of total remuneration			48%					46%		
<b>Total amount Executive Board (former Tornos Holding Ltd. as of 01.07.2023)</b>	<b>575</b>	<b>-</b>	<b>133</b>	<b>179</b>	<b>887</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
Variable as percentage of the sum of fix and variable remuneration			19%							
Thereof:										
Michael Hauser CEO (from 01.07.2023)	283	-	71	69	423	n.a.	n.a.	n.a.	n.a.	n.a.
Variable as percentage of total remuneration			20%							
<b>Total amount Executive Board</b>	<b>2 934</b>	<b>15</b>	<b>2 823</b>	<b>939</b>	<b>6 711</b>	<b>1 818</b>	<b>-</b>	<b>1 411</b>	<b>564</b>	<b>3 793</b>

Remuneration is reported on a gross basis (incl. 13th month's salary and salary share of company car). The pension and social security contributions shown include the employer's share. \*\* Remuneration in 2023 according to termination agreement.



## Notes on remuneration

Remuneration for additional duties of members of the Board of Directors is payable for the work of the Remuneration Committee for Bernhard Iseli and Walter Fust. Furthermore, Christian Androschin received additional remuneration for his activities in connection with the merger and Bernhard Iseli for his activities alternate until Martin Buyle takes up his position.

All remuneration was allocated to the relevant period in accordance with the Swiss GAAP FER accounting and reporting recommendations (accrual basis).

## Loans and credits

As in previous years, the Starrag Group did not grant any loans or credits to current or former members of the Board of Directors or the Executive Board in the year under review. The Starrag Group has also not granted any remuneration or loans or credits to related parties of current or former members of the Board of Directors or the Executive Board at non-market interest rates or conditions.

## Share and options hold by the members of the Board of Directors and General Management

	Number at 31.12.2023		Number at 31.12.2022	
	Shares	Options	Shares	Options
Michael Hauser, Chairman and CEO	12 687	6 354	n/a	n/a
Walter Fust, Vice-President	2 846 564	-	1 816 511	n/a
François Frôté, Member	22 942	1 694	n/a	n/a
Till Fust, Member	846	1 695	n/a	n/a
Michel Rollier, Member	302 209	2 541	n/a	n/a
Adrian Stürm, Member	41 187	-	38 993	n/a
Jens Thing, Division CEO Tornos	6 354	3 706	n/a	n/a
Stéphane Pittet, CFO	2 118	4 236	n/a	n/a
Alexander Attenberger, CSO	n/a	n/a	230	n/a
Günther Eller, Head Customer Service	n/a	n/a	200	n/a
Thomas Erne	n/a	n/a	440	n/a
Dr. Christian Walti	n/a	n/a	1 000	n/a





## External mandates

In case of various mandates within the same group of companies, only the mandate in the mother or owning company is reported.

Audited according to article 734<sup>e</sup> of the Swiss Code of Obligations

Members of the Board of Directors and the Executive Board have the following external mandates

### Board of directors

In 2023	Company	Function
Michael Hauser	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Chair of the Board and CEO (since 08-12-2023)
	Tornos Holding AG	CEO (until 07-12-2023)
	Starrag Group Holding AG	Chair of the Board (until 07-12-2023)
	Schlatter Industries AG	Member of the Board (Chair of the Remuneration and Compensation Committee)
	<b>Mandates in non-listed companies and organizations</b>	
	SWISSMEM Swiss Association of Mechanical, Metal, and Electric Engineering Industries	Member of the Board
	SWISSMEM Industry Sector Machine Tools	Chair of the Board (until 30-08-2023)
	CECIMO European Association of Manufacturing Technologies	Swiss Delegate and Member of the Board (since 07-12-2023)
	Walter Fust	<b>Mandates in listed companies</b>
StarragTornos Group AG		Member of the Board (since 08-12-2023)
Tornos Holding AG		Member of the Board (until 07-12-2023)
Starrag Group Holding AG		Member of the Board (until 07-12-2023)
<b>Mandates in non-listed companies and organizations</b>		
Immofust AG		Chair of the Board
Fraunhofer Institute IWU University of Chemnitz		Member of the council



In 2023	Company	Function
Christian Androschin	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Member of the Board (since 08-12-2023)
	Starrag Group Holding AG	Member of the Board (until 07-12-2023)
	<b>Mandates in non-listed companies and organizations</b>	
	Androschin & Partner Management Consulting GmbH	Managing Director
	A&P Consulting GmbH	Managing Director
	Rhein Management AG	Member of the Board
	Weber Ultrasonics AG	Member of the Board
	Hübers Beteiligungs GmbH	Member of the Board
	tmax Holding GmbH	Member of the Board

In 2023	Company	Function
François Frôté	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Member of the Board (since 08-12-2023)
	Tornos Holding AG	Chair of the Board (until 07-12-2023)
	<b>Mandates in non-listed companies and organizations</b>	
	Parts Indus SA	Chair of the Board
	AZ Acquisitions et Financement	Chair of the Board
	Fondation Michel Rollier	Member of the Foundation Board
	RIM Holding SA	Member of the Board
	Daniel Charpilloz Holding S.A.	Member of the Board
	Gegeco SA	Member of the Board
	Gefco (Suisse) S.A.	Member of the Board
	Dimension SA	Member of the Board
	F&P Group SA	Chair of the Board
	Schoeb Frôté SA	Chair of the Board
	Bien-Air Holding SA	Member of the Board
	Eberhard et Co. SA	Member of the Board
	GFIE SA*, FFII SA*, FFW SA*	Chair of the Board
Fondation David Mosimann	Member of the foundation board	
Domaine Frôté SA	Secretary of the board	

\* Companies under the same control according to StarragTornos articles of association.



In 2023	Company	Function
Till Fust	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Member of the Board (since 08-12-2023)
	Tornos Holding AG	Member of the Board (until 07-12-2023)
	<b>Mandates in non-listed companies and organizations</b>	
	Solarify GmbH	Managing Partner

In 2023	Company	Function
Bernhard Iseli	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Member of the Board (since 08-12-2023)
	Starrag Group Holding AG	Member of the Board (until 07-12-2023)
	<b>Mandates in non-listed companies and organizations</b>	
	scenarioC GmbH	Managing Partner
	Krämer AG	Member of the Board

In 2023	Company	Function
Michel Rollier	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Member of the Board (since 08-12-2023)
	Tornos Holding AG	Member of the Board (until 07-12-2023)
	<b>Mandates in non-listed companies and organizations</b>	
	Parts Indus SA	Member of the Board
	AZ Acquisition et Financement	Member of the Board
	Fondation Michel Rollier	Chair of the Foundation
	RIM Holding SA	Chair of the Board
	ASA, Action Super Abrasive SA	Member of the Board



In 2023	Company	Function
Adrian Stürm	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Member of the Board (since 08-12-2023)
	Starrag Group Holding AG	Member of the Board (until 07-12-2023)
	<b>Mandates in non-listed companies and organizations</b>	
	Eduard Stürm AG	Chair of the Board
	Holz Stürm AG	Chair of the Board
	Eduard Stürm Immobilien AG	Chair of the Board
Holz Michel AG	Member of the Board	



## Executive Board

In 2023	Company	Function
Martin Buyle	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Division CEO Starrag (since 08-12-2023)
	Starrag Group Holding AG	CEO (until 07-12-2023)
	<b>Mandates in non-listed companies and organizations</b>	
	Mozaiq Switzerland AG	Member of the Board
<hr/>		
In 2023	Company	Function
Jens Thing	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	Division CEO Tornos (since 08-12-2023)
	Tornos Holding AG	CSO (until 07-12-2023)
	<b>Mandates in non-listed companies and organizations</b>	
	-	
<hr/>		
In 2023	Company	Function
Stéphane Pittet	<b>Mandates in listed companies</b>	
	StarragTornos Group AG	CFO (since 08-12-2023)
	Tornos Holding AG	CFO (until 07-12-2023)
	<b>Mandates in non-listed companies and organizations</b>	
	Institution de Prévoyance Tornos SA	Member of the foundation committee and of the investment committee



Report of the  
statutory auditor

**StarragTornos Group AG**  
Rorschacherberg

Report of the statutory auditor  
to the General Meeting

on the remuneration report 2023





# Report of the statutory auditor

to the General Meeting of StarragTornos Group AG

Rorschacherberg

## Report on the audit of the remuneration report

### Opinion

We have audited the remuneration report of StarragTornos Group AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables on pages 110 to 116 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report (pages 110 to 116) 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 responsible for designing the remuneration system and defining individual remuneration packages.

### Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information 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

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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

Oliver Kuntze  
Licensed audit expert  
Auditor in charge

Oscar Maier  
Licensed audit expert

St. Gallen, 14 March 2024

