

# COMPENSATION REPORT

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This Compensation Report explains the philosophy behind the compensation concept of the Komax Group, the compensation policy, the compensation systems, as well as the principles used to determine the compensation of the Board of Directors and the Executive Committee of Komax Holding AG. In addition, the compensation paid in 2023 is disclosed in detail, including a comparison with the previous year. The Compensation Report has been drawn up in accordance with the provisions of the Swiss Code of Obligations, the Directive on Corporate Governance (DCG) of SIX Swiss Exchange, and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

# 1 INTRODUCTION BY THE CHAIRMAN OF THE REMUNERATION COMMITTEE

## Dear Shareholder,

Although the rising trend in the automation of wire processing has continued unabated, the markets were volatile in the year under review and posed a significant challenge for the Komax Group. Given the difficult economic environment, customers in China in particular were more reticent about investing in automation solutions than they had been in the previous year, which explains why this region recorded a substantially weaker result.

For its part, the integration of the Schleuniger Group into the Komax Group is continuing on schedule. A particular area of focus for the Remuneration Committee was the personnel situation. This is because, with the addition of the new employees through the combination with the Schleuniger Group, the Komax Group now has additional expertise and specialist knowledge, which it intends to leverage. The Remuneration Committee thus focused intensively on organizational structures and succession planning, with a view to strengthening the extended Komax Group and ensuring an optimal structure.

By anchoring ESG in the new Strategy 2028 and defining the first-ever non-financial targets, the Komax Group is clearly expressing the importance it attaches to ensuring a sustainable, social, and responsible approach. This also has an impact on the compensation policy: from 2024, the members of the Executive Committee will be given individual ESG targets, the achievement of which will constitute a criterion for determining the amount of the annual variable compensation element (cash bonus).

The Board of Directors established the Sustainability and Innovation Committee following the Annual General Meeting in 2023. The Committee supports the Board with sustainable corporate development and reinforces the Komax Group's leadership position in terms of innovation. The Board of Directors also focused on finding a successor for Kurt Haerri, who will not be standing for re-election in 2024 given that he has already served for twelve years and due to the restriction in place on possible terms of office. In Annette Heimlicher, the Board has found a proven management figure as successor. Annette Heimlicher will be proposed for election at the 2024 Annual General Meeting.

2023 saw the addition to the Executive Committee of two very experienced managers with extensive leadership experience. Oliver Blauenstein has been responsible for the Komax Group's Testing activities since 1 January 2023, as Head of the Quality Solutions Business Unit. CEO Matijas Meyer had managed this business unit on an ad interim basis in 2022. Christian Mäder joined the Group in August 2023 and took over as CFO in October 2023. He succeeded Andreas Wolfisberg, who retired at the end of the year under review. To ensure independent oversight of the Executive Committee, the members of the Board of Directors receive a fixed compensation amount, which is regularly reviewed to ensure market conformity through a peer comparison with other listed, internationally active Swiss industrial companies of comparable size and complexity.

With regard to the compensation system for the Executive Committee, the Komax Group consistently applies its pay-for-performance philosophy. In addition to a fixed base salary, members receive variable compensation which is largely determined by the commercial success of the company and the performance achievement level in respect of the targets set for the individual Executive Committee members. The remuneration policy of the Komax Group has been moderate for many years, and will remain so going forward.

You will be able to vote on this Compensation Report at the Annual General Meeting of Shareholders on 17 April 2024 and express your opinion on our compensation system as well as on the proposed maximum possible total compensation. This is very important to us. The current members of the Remuneration Committee will stand for re-election at the Annual General Meeting.

Yours sincerely



**Prof. Dr. Roland Siegwart**

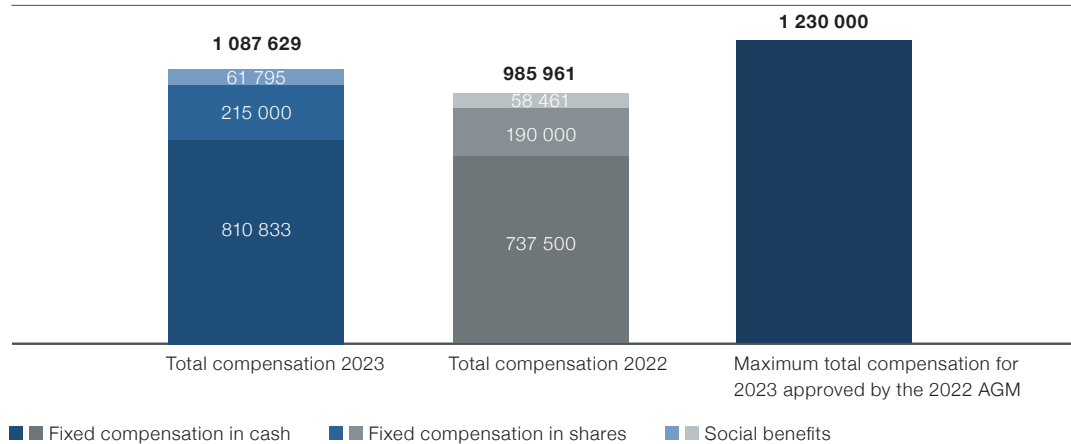
Chairman of the Remuneration Committee

## 2 COMPENSATION IN THE 2023 FINANCIAL YEAR AT A GLANCE

### Compensation of the Board of Directors

In order to ensure their independence in their supervisory function, members of the Board of Directors receive a fixed proportion of their compensation in cash plus a fixed proportion in restricted shares. In 2023, the total compensation of the Board of Directors amounted to CHF 1.1 million, and was therefore in line with the maximum amount of CHF 1.23 million approved for the 2023 financial year at the 2022 Annual General Meeting.

in CHF

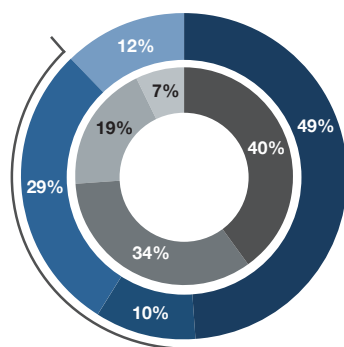


### Compensation of the Executive Committee

The compensation of the members of the Executive Committee consists of a fixed base salary, a variable cash bonus, and a long-term incentive system in the form of performance share units (PSUs) with a three-year vesting period. In 2023, the total compensation of the Executive Committee amounted to CHF 3.8 million, and was therefore well below the maximum overall amount of CHF 6.0 million approved for the 2023 financial year at the 2022 Annual General Meeting.

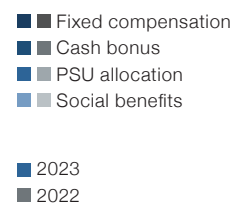
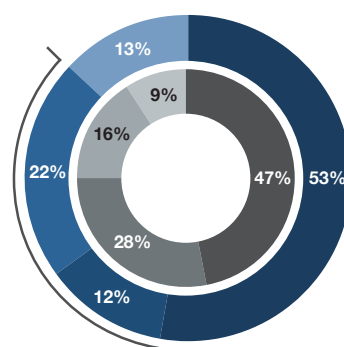
#### CEO

Variable compensation 2023: 39%



#### Total other members of the Executive Committee

Variable compensation 2023: 34%



### 3 COMPENSATION PHILOSOPHY OF THE KOMAX GROUP

The Komax Group pursues a long-term business strategy with a view to creating lasting value for the good of all stakeholder groups. Above-average profitability and sustainable growth are key objectives here. This goes hand-in-hand with environmentally conscious, socially aware, and responsible conduct towards all stakeholder groups.

The compensation philosophy is designed to be in alignment with this corporate strategy and the nature of the Komax Group's business model. The compensation amounts paid to the Executive Committee should be attractive in order to acquire and retain outstanding managers while at the same time setting incentives for the long-term success of the Komax Group. In addition, it should be fair, transparent, and proportionate. To this end, the Komax Group has created a compensation system that offers a balance of short-term and long-term as well as fixed and variable components. It adheres to both commercial and ethical principles in equal measure.

#### Principles of the Komax Group's compensation philosophy – what matters to us

##### WE ...

- Pursue a clear pay-for-performance approach involving a mix of fixed and variable compensation.
- Align compensation with the commercial success of the Komax Group and the individual performance of Executive Committee members.
- Pay only performance-related bonuses, not guaranteed bonuses.
- Regularly align performance-related compensation with shareholder interests.
- Focus on sustainable success through a long-term incentive system in order to harmonize the interests of management and the long-term interests of shareholders.
- Are committed to fair compensation that is based on job profile, responsibility, competence, and experience.
- Provide transparency with regard to structure and the payment of compensation.
- Ensure that compensation is in line with market rates through regular external analysis of similar positions in comparable companies in order to attract and retain top-quality managers.
- Define clearly measurable targets for each Executive Committee member.
- Define ceilings for compensation in order to ensure moderation.
- Do not pay severance compensation ("golden parachutes").
- Do not reward short-term profit maximization and inappropriately high risks at the cost of long-term company success.
- Restrict notice periods for Executive Committee members to a maximum of twelve months.

The Komax Group is a globally active technology company in the machinery industry, and primarily sells industrial capital goods. Its business model is subject to economic fluctuations. These are reflected in the variable component of compensation in order to reflect the Komax Group's strict pay-for-performance approach. As the company has its headquarters in Switzerland, the compensation of the Board of Directors and Executive Committee is also aligned with that of other internationally active Swiss industrial companies.

As is the case for other employees, the compensation of the Executive Committee is based on job profile, responsibility, competence, and experience. There are key differences in the amounts of variable compensation. The cash bonus for the Executive Committee is higher than that of other employees who receive variable compensation, in order to ensure a direct link between business development and individual performance. Furthermore, a long-term incentive system dependent on the financial success of the company is in place in the form of performance share units. The Komax Group takes care to ensure that the compensation of members of the Executive Committee is in reasonable proportion to that of other employees, as well as in line with market rates.

It also strives to achieve diversity on its Board of Directors in respect of age, gender, professional background, etc., and is keen that the members should cover the broadest possible set of skills. The Komax Group does not yet fulfil the statutory requirement for a 30% quota of women on the Board of Directors, which entered into force in Switzerland in 2021, and will take this factor into consideration when filling future vacancies. At the Annual General Meeting on 17 April 2024, Annette Heimlicher will be proposed as Kurt Haerri's successor. If elected, this will increase the quota of women on the Board to 28.6%.

## 4 TASKS AND COMPETENCIES OF THE REMUNERATION COMMITTEE

The overall responsibility for the tasks and competencies assigned to the Remuneration Committee, such as resolutions regarding compensation policy, the fundamental structuring of the compensation system, and the proposed compensation put before the Annual General Meeting, lies with the Board of Directors. Under the Articles of Association, Organizational Regulations, and Regulations of the Remuneration Committee of Komax Holding AG, the Remuneration Committee is the supervisory body for staff and compensation policy within the Komax Group. The Committee amalgamates the tasks of a remuneration and nomination committee:

- Development and regular review of staff policy and compensation policy, including the principles of variable compensation and participation programs.
- Annual review of, and proposals for, the maximum total compensation payable to the Board of Directors and the Executive Committee, as well as preparation of the related proposals to the Annual General Meeting.
- Proposal on the individual compensation amounts payable to members of the Board of Directors and the CEO within the limits approved by the Annual General Meeting.
- Resolutions on the compensation payable to the other members of the Executive Committee within the limits approved by the Annual General Meeting.
- Succession planning for the Board of Directors, Executive Committee, and other key functions.
- Annual assessment of the independence of the members of the Board of Directors.
- Annual assessment of the performance of the CEO and the members of the Executive Committee.
- Preparation of the Compensation Report.

### Delineation of competencies

	CEO	Committee	Board of Directors	Annual General Meeting
Compensation policy, including the principles of variable compensation and participation programs		proposes	approves	
Maximum total compensation for the Board of Directors and the Executive Committee		proposes	submits	approves (binding vote)
Individual compensation of the members of the Board of Directors		proposes	approves	
Evaluation of the performance of the CEO		proposes	approves	
Compensation of the CEO		proposes	approves	
Evaluation of the performance of the other members of the Executive Committee	proposes	approves		
Individual compensation of the other members of the Executive Committee	proposes	approves		
Compensation Report		proposes	approves	confirms (advisory vote)

The Committee monitors and regularly discusses trends and developments in the area of compensation, including any changes to statutory provisions or changes to provisions on corporate governance.

Under the Articles of Association, the Remuneration Committee consists of a maximum of three non-executive members of the Board of Directors. The Committee is elected by the Annual General Meeting. The members' term of office ends with the conclusion of the next Annual General Meeting. Re-election is permissible. The 2023 Annual General Meeting elected Roland Siegwart (Chairman), Andreas Häberli, and Beat Kälin to the Committee. The Remuneration Committee meets as often as business requires, but at least twice a year, generally in March and in December.

### Overview of meetings of the Remuneration Committee in the 2023 reporting year

	Ordinary meetings		Extraordinary meetings <sup>1</sup>
	March	December	September
<b>Total</b>	1	1	2
<b>Topics addressed</b>			
Individual performance evaluation of the CEO and other members of the Executive Committee and determination of variable compensation	•		
Determination of compensation for the individual members of the Board of Directors	•		
Proposal to the Annual General Meeting for the total amount of compensation for the Board of Directors and Executive Committee for the 2023 financial year	•		
Determination of the individual performance targets of the CEO and other members of the Executive Committee	•		
Approval of the Compensation Report	•		
Personnel issues (including succession planning, talent management)		•	
Corporate governance		•	
Review of compensation and organizational regulations		•	
Recruitment of a new member of the Board of Directors			•

<sup>1</sup> The purpose of the two extraordinary meetings was to evaluate Kurt Haerri's succession as a member of the Board of Directors.

In the reporting year, the Committee held two ordinary meetings and two extraordinary meetings; in each case all members were present. Meetings lasted five hours on average. The Chair of the Committee may invite the CEO and other members of the Executive Committee to meetings in an advisory (non-voting) capacity. However, they do not take part in discussions concerning their own performance and compensation. The Committee Chair reports to the full Board of Directors on the activities of the Committee after every Committee meeting and, where necessary, proposes adjustments to the compensation system. The minutes of Committee meetings are made available to all members of the Board of Directors.

Furthermore, the Committee may call in external individuals in a consulting capacity and draw on their assistance when fulfilling its duties. No external consultants were called during the year under review.

## 5 PROVISIONS OF THE ARTICLES OF ASSOCIATION ON COMPENSATION

In compliance with the provisions designed to prevent excessive remuneration in Listed Companies Limited by Shares (according to the Swiss Code of Obligations), the Articles of Association contain provisions relating to remuneration, which are reproduced below in abbreviated form (as an excerpt) and set out in detail in Articles 13 and 25 of the Articles of Association.

### Principles for the compensation of members of the Board of Directors

- Members of the Board of Directors receive fixed compensation in cash as well as in shares under the company's employee participation program.
- The calculated value (fair value) of the shares at the time of allocation may not exceed the amount of compensation paid in cash.
- The Board of Directors determines the conditions that apply to shares.
- The lock-in periods amount to at least three years.

### Principles for the compensation of members of the Executive Committee

- Members of the Executive Committee receive a fixed base salary, variable performance-related compensation, and shares under the company's employee participation program.
- The Board of Directors determines the conditions for the performance-related compensation component on an annual basis. These are linked to the attainment of one or more performance criteria, whereby these criteria are either company-related or individual in nature.
- The target amount may not exceed 50% of the annual fixed compensation. If targets are not attained, the performance-related compensation may fall to zero. If all targets are significantly exceeded, it may go up to a maximum of 100% of the annual fixed compensation.
- The Board of Directors determines the conditions that apply to shares/performance share units. The calculated value (fair value) of the shares at the time of allocation may not exceed 100% of the annual fixed compensation.
- The lock-in periods amount to at least three years.

### Binding vote on the compensation paid to the Board of Directors and Executive Committee

- The Annual General Meeting holds a separate vote each year on the total amount of compensation payable to the Board of Directors and to the Executive Committee.
- The vote has binding effect, and applies for the coming financial year to the relevant total maximum amounts that may be paid to members of the Board of Directors and the Executive Committee.

### Additional sum for payments to members of the Executive Committee appointed after the binding vote of the AGM

- The additional amount for payments to persons newly appointed to the Executive Committee after the binding vote of the Annual General Meeting on payments may not exceed 30% of the approved total amount of compensation payable to the Executive Committee.

### Pension benefits

- The pension benefits of members of the Executive Committee are only paid within occupational domestic and foreign pension plans provided by the company or its Group companies.
- The benefits for the insured persons and the employer contributions are solely drawn from the above-mentioned plans and/or corresponding regulations.
- Retirement benefits are provided solely within the context of the company's ordinary pension plans.

The Articles of Association of Komax Holding AG can be found at [www.komaxgroup.com/organization](http://www.komaxgroup.com/organization). They also set out the number of permissible mandates that may be held by members of the Board of Directors and Executive Committee in comparable roles at other companies with a commercial purpose. These activities can be found in the profiles (► pages 108–116, Corporate Governance).

## 6 PRINCIPLES OF THE COMPENSATION POLICY

### 6.1 BOARD OF DIRECTORS

The members of the Board of Directors only receive fixed compensation. This ensures that they are independent in their supervision of the Executive Committee. Their compensation is paid in cash and restricted shares, thereby ensuring alignment with the long-term interests of shareholders. The amount of compensation reflects the importance of the mandate in question, and is based on the typical levels of compensation paid to board members of other listed Swiss industrial companies of comparable size and complexity. To this end, market analysis is commissioned by the Remuneration Committee at regular intervals. The last analysis in 2019 showed that the compensation of the members of the Board of Directors was in line with the market. The compensation of this body was not adjusted in 2023.

### 6.2 EXECUTIVE COMMITTEE

The compensation policy for the members of the Executive Committee is determined by the Board of Directors. It is geared toward key principles that take into account the corporate strategy of the Komax Group, which is designed to deliver profitable growth, as well as the company's wider values with respect to sustainability and social responsibility. The compensation system is intended to provide an incentive to create and preserve value for shareholders.

The compensation paid to the Executive Committee is determined on the basis of the following key factors:

#### **Practice of competitors**

The Komax Group reviews the market conformity of the compensation paid to the Executive Committee and other senior managers every three years using benchmarks based on comparable roles at other internationally active Swiss industrial companies listed on the SIX Swiss Exchange. The last benchmarking exercise was carried out in 2022 by Willis Towers Watson and encompassed 21 companies with a comparable complexity, size, and geographical reach to the Komax Group from the sectors of systems and mechanical engineering, automation, chemicals, electrical engineering, logistics, and supply engineering. The sources used for the benchmark are publicly accessible data such as compensation reports and the Ethos study on remuneration in Swiss companies. The results indicate a need for target compensation amounts to be increased. This is addressed in several stages since 2023.

#### **Performance**

The basis is the financial performance of the company and its relevant business areas, as well as the attainment of individual targets agreed as part of the annual performance management process.

#### **Available financial resources of the company and market situation**

Budget-related considerations, inflation, and wage trends in local markets are all incorporated into the evaluation.



## 7 STRUCTURE OF THE COMPENSATION SYSTEM

### 7.1 BOARD OF DIRECTORS

The members of the Board of Directors only receive fixed compensation. To strengthen the alignment of their interests with the long-term interests of shareholders, their compensation is paid partly in cash and partly in restricted shares. The amount of the total compensation depends on the responsibilities of the individual, the time taken up by their mandate and their additional roles on the committees of the Board of Directors. It is based on the structure set out below.

#### Fixed fees for the Board of Directors

in CHF	Basic annual fee	Annual allocation of restricted shares <sup>1</sup>
Chair of the Board of Directors	217 500	60 000
Vice Chair of the Board of Directors	90 000	30 000
Member of the Board of Directors	90 000	25 000
Chair of a committee	10 000	0
Member of a committee	5 000	0

<sup>1</sup> Fixed amount in CHF, is divided by the share price as per allocation date (average closing price over the last 40 trading days prior to allocation) and rounded up to the nearest number of full shares.

Compensation is calculated according to the term of office. This begins with the election of the individual members to the Board of Directors at the Annual General Meeting and lasts until the subsequent Annual General Meeting. In the event of a member leaving or joining the Board of Directors in between Annual General Meetings, the amount of compensation is based on the term of office actually served during that year.

The amount of the defined basic fee is based on the assumption that the Board of Directors will meet six times annually and each committee will meet twice. It covers all ordinary and extraordinary meetings of the Board of Directors and the Committees.

The basic annual fee in cash is paid out in April and December for the current calendar year. Restricted shares are allocated at the end of the member's period of office shortly before the Annual General Meeting. The lock-in period is three years. In the event of resignation from office as a result of retirement, death, or disability, the entitlement to restricted shares is calculated pro rata temporis. In such cases, the lock-in period may be either continued or rescinded at the discretion of the Board of Directors. In the event of a change in company control, the lock-in period is automatically rescinded.

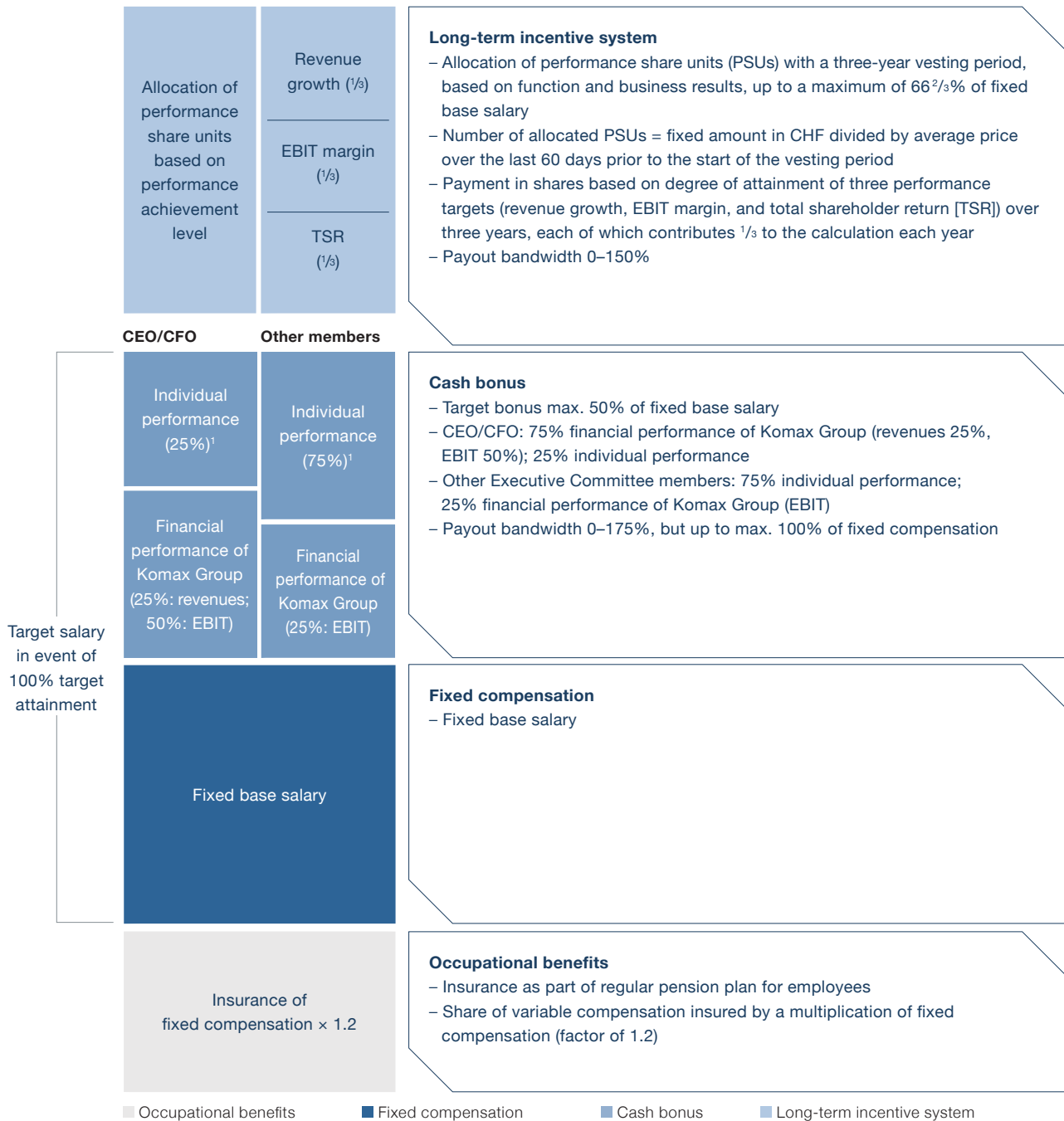
Additional compensation may be paid for exceptional efforts that cannot be considered part of ordinary activity by the Board of Directors. No additional compensation of this kind was granted in 2023.

The compensation granted to members of the Board of Directors is subject to the standard social security deductions. Members of the Board of Directors do not participate in the staff pension plan of the Komax Group.

## 7.2 EXECUTIVE COMMITTEE

In keeping with the principles of performance orientation and alignment with the long-term interests of shareholders, the CEO and the other members of the Executive Committee receive a fixed salary component, a variable, performance-related cash bonus, a long-term incentive component in the form of performance share units, and occupational benefits.

### Overview of the compensation system for the Executive Committee



<sup>1</sup> Attainment of the Executive Committee's individual quantitative targets can fall anywhere within a bandwidth of 0% to 200%.

	Purpose	Driver	Performance criterion	Period	Instrument
<b>Fixed compensation</b>	Attract, retain, motivate	Function, market comparability	–	Ongoing	Monthly cash payments
<b>Cash bonus</b>	Pay for performance	Financial and individual performance	Revenues, EBIT, individual objectives	One year	Yearly cash payment
<b>Long-term incentive system</b>	Align with shareholder interests, pay for performance	Function	Revenue growth, EBIT margin, total shareholder return (TSR)	3 years	Performance share units (PSUs)
<b>Occupational benefits</b>	Protect against risks	Market comparability	–	Ongoing	Retirement savings/ insurance plan

#### a) Fixed compensation

For all members of the Executive Committee, the fixed compensation component comprises the fixed base salary and a fixed company car allowance in keeping with the current expense regulations. Expense allowances are not included, as these are not considered compensation. The fixed salary component and the cash bonus for 100% target attainment form what is known as the target salary. The target salary is determined on the basis of the following factors:

- the tasks and responsibilities of the individual functions;
- the standard market compensation rate for the function in question (external benchmark);
- an internal peer comparison taking into account the proportionality of internal wage structures;
- the individual profile of the function holder, e.g. skills, experience, and performance;
- the company's available financial resources.

#### b) Cash bonus

The cash bonus depends on the financial performance of the company and the attainment of the individually agreed objectives in the year under assessment. The target amount (target bonus) may not exceed 50% of the annual fixed base salary for the CEO and all other members of the Executive Committee. The cash bonus is paid out in April of the following year.

#### CEO and CFO

The cash bonus payable to the CEO and CFO is calculated as follows: 75% on the basis of the financial performance of the Komax Group (Group revenues 25% and Group EBIT 50%) and 25% on the basis of individual performance. The Board of Directors determines the performance achievement level and the amount of the cash bonus payable to the CEO annually on the recommendation of the Remuneration Committee. Taking this as a basis, the Remuneration Committee then defines the performance achievement level and the cash bonus of the CFO. If performance objectives are not attained, the cash bonus may fall to zero. If all objectives are significantly exceeded, the cash bonus may amount to a maximum of 175% of the target bonus, but no more than 100% of annual fixed compensation.

#### Other members of the Executive Committee

The cash bonus payable to the other members of the Executive Committee is calculated as follows: 25% on the basis of the financial performance of the Komax Group (Group EBIT) and 75% on the basis of individual performance. The performance achievement level and corresponding bonuses are determined by the Remuneration Committee on the recommendation of the CEO. If performance objectives are not attained, the cash bonus may fall to zero. If all objectives are significantly exceeded, the cash bonus may amount to a maximum of 175% of the target bonus, but no more than 100% of annual fixed compensation.

#### Financial and individual target attainment

The attainment of the financial targets set for the Komax Group is evaluated after the end of the financial year. It may fall anywhere within a bandwidth of 0% to 200%.

The individual performance component of the individual members of the Executive Committee is based on the attainment of personal objectives agreed as part of the annual performance management process. These objectives may be both quantitative (financial) and qualitative (above all strategic) in nature. Strategic objectives may encompass, for example, the opening up of new markets, the development of new products, the further development of a business unit, the improvement of the Komax Group's reputation, or the management of key projects or management objectives. A further element from 2024 is ESG targets, which are based on the ESG targets set out in Strategy 2028 (► page 70). Attainment of individual objectives is evaluated after the end of the financial year – it may fluctuate within a range of 0% to 100%.

In order to avoid the Komax Group suffering any competitive disadvantages, the Board of Directors has resolved not to disclose the financial and individual objectives in detail. Any detailed communication of these objectives would allow competitors to acquire in-depth insight into the Komax Group's strategy, which could in turn jeopardize implementation of this strategy. The annually defined objectives are generally very ambitious, and are designed to help the Komax Group achieve its mid-term financial targets.

### c) Long-term incentive system

To ensure that the interests of the Executive Committee are aligned with long-term shareholder interests, the Komax Group has a long-term incentive system linked to the company's financial performance. This plan comprises performance share units (PSUs) with a three-year vesting period that are dependent on the attainment of performance targets over a period of three years and the continuation of the employment relationship. Since the 2022 financial year, performance targets have been structured over a broad base with three performance indicators with equal weighting: revenue growth, EBIT margin, and total shareholder return (TSR). For the purpose of calculating the TSR performance factor, the deviation of the TSR of the Komax Group from the mean TSR of a peer group is relevant. The peer group is made up of twelve internationally active Swiss industrial companies listed on the SIX Swiss Exchange and included in the SPI Extra. They are machinery companies and/or suppliers to the automotive industry. Under the plans initiated prior to the 2021 financial year, the average RONCE figure set by the Board of Directors over three years was the determining performance indicator.

Performance targets and share price development are key to the calculation of the payout factor of the allocated performance share units (PSUs), and take into account the nature and volatility of the Komax Group's business in the relevant reporting period even in the elements of the compensation that are aligned with long-term development. The company's clear pay-for-performance philosophy is thus consistently implemented.

The Board of Directors determines the allocation amounts in CHF, taking account of the importance of the function and its impact on corporate results.

### Calculation of PSU allocation

The number of PSUs allocated is calculated by dividing a fixed CHF amount by the average closing share price during the 60 days preceding the start of the vesting period. The allocation may amount to a maximum of 66 2/3% of the fixed base salary. The effective payment at the end of the three-year vesting period is made in shares and is dependent on the performance factor, which in turn is based on achievement of the targets for revenue growth, EBIT margin, and total shareholder return set by the Board of Directors. Each of these values has a weighting of 1/3. The overall performance factor is calculated based on the sum of the performance factors for the three individual years, with each year weighted 1/3. The payout factor may range from 0% to 150%. The actual value of the allocation at the end of the vesting period therefore depends on the payout factor and the development of the share price over the course of the vesting period.

Shares are definitively issued according to the following vesting rules:

- Performance factor below threshold value: 0% of PSUs are converted into shares (forfeiture rate of 100%).
  - Performance factor on target: 100% of PSUs are converted into shares.
  - Performance factor at maximum performance level: 150% of PSUs are converted into shares (cap).
- The payout factor between the threshold value, the target level, and the cap is obtained by linear interpolation.

$$\text{Number of shares allocated at time of vesting} = \text{Number of PSUs originally granted to the individual in question} \times \text{Payout factor (0–150\%)}$$

#### Duration of plan

Plan period (2023–2025)

2023 plan year	2024 plan year	2025 plan year
Sum of performance factors (revenue growth, EBIT margin, TSR) for the three individual years		

1 January 2023

#### Allocation of PSUs

31 December 2025

#### End of the vesting period

(payout factor between 0% and 150%)

In the event of any termination of employment, pro rata vesting applies at the ordinary vesting date. The calculation is based on the number of whole months that have elapsed within the vesting period until the departure date. Dismissals for cause are excluded from this; in such cases, all unvested PSUs are immediately forfeited and become worthless. In the event of a change in control, accelerated pro rata vesting applies. The calculation is based on the number of whole months that have elapsed by the date of change in control. This date is determined at the discretion of the Board of Directors.

The Remuneration Committee reviews the variable compensation system regularly in order to align compensation with the implementation of the corporate strategy as closely as possible.

#### d) Occupational benefits

Members of the Executive Committee are insured under Komax Group's ordinary pension scheme in Switzerland. The amount insured is the annual fixed compensation multiplied by a factor of 1.2 in order to additionally insure at least a proportion of the variable compensation. Contributions are graduated by age, and are shared equally between the insured person and the employer. The benefits of the plan go beyond the statutory requirements of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans, and are in line with the market practice of other industrial companies in Switzerland.

#### e) Other provisions in employment contracts

The employment contracts of members of the Executive Committee are concluded for an indefinite period and stipulate a maximum notice period of twelve months. They do not contain any severance agreement or change of control provisions.

## 8 COMPENSATION AND SHAREHOLDINGS OF THE BOARD OF DIRECTORS IN 2023

Section 8.1 of the Compensation Report was audited by the company's external auditor.

### 8.1 COMPENSATION

In 2023, the seven members of the Board of Directors received total compensation of CHF 1 087 629 (2022: CHF 985 961), of which CHF 810 833 was paid out in cash (2022: CHF 737 500), CHF 215 000 in the form of restricted shares (2022: CHF 190 000), and CHF 61 795 as social benefit contributions (2022: CHF 58 461). Contributions to pension plans amounted to CHF 0 (2022: CHF 0). Total compensation was therefore in line with the maximum amount of CHF 1.23 million approved for the 2023 financial year at the 2022 Annual General Meeting.

in CHF		Basic annual fee <sup>1</sup>	Allocation of restricted shares <sup>2</sup>	Social benefits <sup>3</sup>	Total compensation 2023	Total compensation 2022
Beat Kälin	Chairman	222 500	60 000	9 098	<b>291 598</b>	295 848
David Dean	Member	100 000	30 000	9 617	<b>139 617</b>	139 656
Andreas Häberli	Member	101 667	25 000	9 355	<b>136 022</b>	128 868
Kurt Haerri	Member	95 000	25 000	8 832	<b>128 832</b>	128 868
Mariel Hoch	Member	95 000	25 000	8 832	<b>128 832</b>	128 868
Roland Siegwart	Member	103 333	25 000	9 486	<b>137 819</b>	132 463
Jürg Werner	Member	93 333	25 000	6 575	<b>124 909</b>	31 390
<b>Total Board of Directors</b>		<b>810 833</b>	<b>215 000</b>	<b>61 795</b>	<b>1 087 629</b>	<b>985 961</b>

<sup>1</sup> Basic annual fee in cash (incl. expense allowance).

<sup>2</sup> Fixed amount in CHF, is divided by the share price as per allocation date (average closing price over the last 40 trading days prior to allocation) and rounded up to the nearest number of full shares. The share price applied in 2023 was CHF 285.45.

<sup>3</sup> Includes mandatory employer contributions to social insurance.

No compensation was paid to former members of the Board of Directors for the 2022 and 2023 financial years. Komax Group companies had not granted any guarantees, loans, advances, or credits to members of the Board of Directors or parties closely linked to such persons as at 31 December 2023. No members of the Board of Directors or persons closely linked to them are or were involved in Komax Group transactions outside their normal duties.

### 8.2 HOLDINGS OF SHARES AS AT 31 DECEMBER 2023

As at the end of 2022 and 2023, the members of the Board of Directors had the following holdings of shares in the company:

Assets in units		31.12.2023	31.12.2022
		Shares	Shares
Beat Kälin	Chairman	11 012	10 802
David Dean	Member	1 648	1 543
Andreas Häberli	Member	622	534
Kurt Haerri	Member	3 421	3 333
Mariel Hoch	Member	434	346
Roland Siegwart	Member	2 562	2 474
Jürg Werner	Member	55	0
<b>Total Board of Directors</b>		<b>19 754</b>	<b>19 032</b>

## 9 COMPENSATION AND SHAREHOLDINGS OF THE EXECUTIVE COMMITTEE IN 2023

Sections 9.1 and 9.3 of the Compensation Report were audited by the company's external auditor.

### 9.1 COMPENSATION AT GRANT VALUE

In 2023, the six members of the Executive Committee received total compensation of CHF 3 831 285 (2022: CHF 3 696 071). Of this amount, CHF 2 002 543 was paid as fixed compensation (2022: CHF 1 643 860), CHF 440 391 as cash bonuses (2022: CHF 1 109 161), CHF 910 000 granted as performance share units (2022: CHF 630 000), and CHF 478 350 comprised social security and pension fund contributions (2022: CHF 313 050). The Executive Committee consisted of six members in 2023 (2022: five members). Oliver Blauenstein took up the previously vacant position of Head of the Quality Solutions Business Unit on 1 January 2023. In addition, Christian Mäder took over as CFO and Member of the Executive Committee on 1 October 2023, succeeding Andreas Wolfisberg, who stepped down as CFO on 30 September 2023 in light of his retirement at the end of the year under review. Total compensation for the Executive Committee was therefore in line with the maximum amount of CHF 6.0 million approved for the 2023 financial year at the 2022 Annual General Meeting.

in CHF		Fixed compensation <sup>1</sup>	Cash bonus <sup>2</sup>	PSU allocation (plan period 2023–2025) <sup>3</sup>	Social benefits <sup>4</sup>	Total compensation 2023	Total compensation 2022
Matijas Meyer <sup>5</sup>	CEO	509 950	108 400	300 000	124 940	<b>1 043 290</b>	1 282 595
Total other members of the Executive Committee <sup>6</sup>		1 492 593	331 991	610 000	353 410	<b>2 787 995</b>	2 413 476
<b>Total Executive Committee</b>		<b>2 002 543</b>	<b>440 391</b>	<b>910 000</b>	<b>478 350</b>	<b>3 831 285</b>	<b>3 696 071</b>

<sup>1</sup> Expense allowances are not included in the fixed compensation as these are not considered compensation.

<sup>2</sup> Bonus for 2023, payment in April 2024.

<sup>3</sup> Fixed amount in CHF, is divided by the share price as per allocation date (average closing price over the last 60 trading days prior to allocation) and rounded up to the nearest number of full shares. The share price applied in 2023 was CHF 245.64.

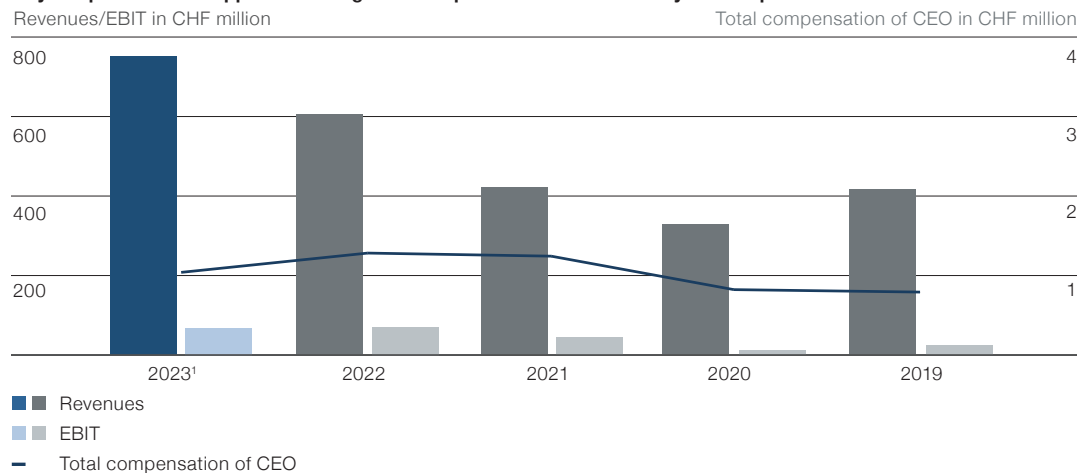
<sup>4</sup> Includes mandatory employer contributions to social insurance of CHF 92 496 as well as contributions to occupational benefits (BVG). This amount entitles members of the Executive Committee to draw the maximum state-insured pension benefits in the future.

<sup>5</sup> Highest compensated member of Executive Committee in 2023.

<sup>6</sup> In 2022, the Executive Committee consisted of the CEO and only four other members, which affected the level of compensation in 2022.

### 9.2 NOTES ON COMPENSATION

#### Pay-for-performance approach taking the example of the CEO in a five-year comparison



<sup>1</sup> Excluding one-time effects (revenues: CHF +10.9 million; EBIT: CHF +5.0 million).

The 2023 financial year was characterized by a challenging environment. Among other things, economic and geopolitical uncertainties, interest rate rises in key sales markets, and the muted development of the Chinese market impacted on the willingness of customers to invest. This became particularly apparent from the middle of the year onward, with both revenues and EBIT remaining below the Komax Group's expectations. The integration of Schleuniger into the Komax Group was intensively driven forward in 2023, with many projects – such as the optimization of the sales and service network, as well as improvements to the corporate structure – being completed before the year was out. In addition, the Executive Committee worked intensively on the new Strategy 2028, which was unveiled in September 2023. Individual performance across a range of projects had an influence on the variable compensation paid to members of the Executive Committee, as did the financial development of the Komax Group.

### **Relation of variable to fixed compensation**

In 2023, the CEO's cash bonus amounted to 21% of fixed compensation (2022: 85%). This payout level is due to the development of revenues and EBIT and the attainment of individual objectives. For the other members of the Executive Committee, the cash bonus amounted to 22% of fixed compensation (2022: 60%). The PSUs granted to the CEO in the year under review corresponded to 59% of the annual fixed compensation (2022: 49%) and 41% for the other members of the Executive Committee (2022: 34%). The cash bonus and PSU allocation are in line with the provisions of the company's Articles of Association, which allow for a maximum level of 100% of the annual fixed base salary for each element of variable compensation.

The overall variable compensation of the CEO in 2023 amounted to 80% of the annual fixed compensation (2022: 134%) and that of the other members of the Executive Committee to 63% (2022: 93%). Further details on the participation plans can be found in the notes to the consolidated financial statements on pages 173–175.

### **Former members of the Executive Committee**

For the 2023 financial year, no compensation was paid to members of the Executive Committee who left the company. Komax Group companies had not granted any guarantees, loans, advances, or credits to members of the Executive Committee or parties closely linked to such persons as at 31 December 2023. No members of the Executive Committee or persons closely linked to them are or were involved in Komax Group transactions outside their normal duties.

## **9.3 REALIZED COMPENSATION**

### **Performance Share Units**

The annually allocated performance share units (PSUs) are paid out to the members of the Executive Committee in the form of shares after a three-year vesting period. In 2023, this payout took place for the period 2020–2022. The members of the Executive Committee received shares with a total value of CHF 864 736 (allocation amount on 1 January 2020: CHF 518 667, relevant share price: CHF 219.65). In 2022, shares with a total value of CHF 147 974 were remunerated.

The 2020–2022 allocation plan had a performance factor of 150.0%, made up of the average RONCE figure over three years. Over the plan period of 2020 to 2022, the Komax share price rose from CHF 219.65 to CHF 244.00. The value appreciation, determined from the share price development and performance factor, therefore amounted to 66.7%.



### Performance share units in a three-year comparison

	Price at point of allocation in CHF	Price at point of conversion in CHF	Performance factor	Value development of allocated share packages
2018–2020	295.00	230.80	47.8%	–62.6%
2019–2021	265.51	241.00	40.1%	–63.6%
2020–2022	219.65	244.00	150.0%	66.7%

### Performance factors from the 2021–2023 plan period

Since the 2021–2023 plan period, new performance indicators have been applied for the calculation of shares paid to the members of the Executive Committee for the allocated PSUs (► page 130). These recorded mixed developments over the three years, resulting in a performance factor of 114.9% for the overall plan period. These shares will be paid out in 2024.

	Financial performance (revenue growth and EBIT margin) <sup>1</sup>	Total shareholder return (TSR)	Overall performance factor
2021	150.0%	150.0%	150.0%
2022	150.0%	150.0%	150.0%
2023	66.9%	0.0%	44.6%
Average 2021–2023	122.3%	100.0%	114.9%

<sup>1</sup> Revenue growth and EBIT margin are weighted equally.

### Total compensation

The total compensation figure for 2023 of CHF 3 786 021 (2021: CHF 3 214 045) is significantly below the maximum amount of CHF 6 000 000 approved at the 2022 Annual General Meeting (2022: CHF 5 200 000).

in CHF	Fixed compensation <sup>1</sup>	Cash bonus <sup>2</sup>	PSU allocation (plan period 2020–2022)	Social benefits <sup>3</sup>	Total compensation 2023	Total compensation 2022
Matijas Meyer <sup>4</sup> CEO	509 950	108 400	366 732	124 940	<b>1 110 022</b>	1 105 377
Total other members of the Executive Committee <sup>5</sup>	1 492 593	331 991	498 004	353 410	<b>2 675 999</b>	2 108 668
<b>Total Executive Committee</b>	<b>2 002 543</b>	<b>440 391</b>	<b>864 736</b>	<b>478 350</b>	<b>3 786 021</b>	<b>3 214 045</b>

<sup>1</sup> Expense allowances are not included in the fixed compensation as these are not considered compensation.

<sup>2</sup> Bonus for 2023, payment in April 2024.

<sup>3</sup> Includes mandatory employer contributions to social insurance of CHF 92 496 as well as contributions to occupational benefits (BVG). This amount entitles members of the Executive Committee to draw the maximum state-insured pension benefits in the future.

<sup>4</sup> Highest compensated member of Executive Committee in 2023.

<sup>5</sup> In 2022, the Executive Committee consisted of the CEO and only four other members, which affected the level of compensation.

#### 9.4 HOLDINGS OF SHARES AS AT 31 DECEMBER 2023

As at the end of 2022 and 2023, the members of the Executive Committee had the following holdings of shares in the company:

Assets in units		<b>31.12.2023</b>	31.12.2022
		<b>Shares</b>	<b>Shares</b>
Matijas Meyer	CEO	6 494	4 991
Christian Mäder <sup>1</sup>	CFO	250	n. s.
Oliver Blauenstein <sup>2</sup>	Executive Vice President	0	n. s.
Jürgen Hohnhaus	Executive Vice President	0	0
Tobias Rölz	Executive Vice President	514	113
Marc Schürmann	Executive Vice President	1 083	537
Andreas Wolfisberg <sup>3</sup>	CFO	n. s.	939
<b>Total Executive Committee</b>		<b>8 341</b>	<b>6 580</b>

<sup>1</sup> Member of the Executive Committee since 1 October 2023.

<sup>2</sup> Member of the Executive Committee since 1 January 2023.

<sup>3</sup> Member of the Executive Committee until 30 September 2023.

As regards the personnel changes within the Executive Committee, no severance payments or payments for taking up office were made, in line with the compensation philosophy of the Komax Group.

## 10 MANDATES OUTSIDE THE KOMAX GROUP

Pursuant to Art. 734e of the Swiss Code of Obligations, the comparable roles of the Members of the Board of Directors and Executive Committee at companies with a commercial purpose are set out below. More detailed information on individual profiles can be found in the Corporate Governance Report (► pages 108–110 and 115–116).

#### Overview of the mandates of the Board of Directors and the Executive Committee 2023

	Mandates
<b>Board of Directors</b>	
Beat Kälin	CabTec Holding AG and Huber+Suhner AG (Member of the Board of Directors)
David Dean	Bossard Holding AG, Burckhardt Compression Holding AG, Brugg Group AG, and Metall Zug AG (Member of the Board of Directors)
Andreas Häberli	PhenoSign AG (Chairman of the Board of Directors) and Kardex Holding AG (Member of the Board of Directors)
Kurt Haerri	4B AG and Bertschi Holding AG (Member of the Board of Directors)
Mariel Hoch	Comet Holding AG, MEXAB AG, and SIG Group AG (Member of the Board of Directors)
Roland Siegwart	Evatec Holding AG, NZZ Media Group, and Voliro AG (Member of the Board of Directors)
Jürg Werner	Haag-Streit Holding AG and V-ZUG AG (Member of the Board of Directors)
<b>Executive Committee</b>	
Matijas Meyer	none
Christian Mäder	O. Kleiner AG (Member of the Board of Directors)
Oliver Blauenstein	none
Jürgen Hohnhaus	none
Tobias Rölz	none
Marc Schürmann	Abnox AG (Member of the Board of Directors)



Report of the statutory auditor to the General Meeting of Komax Holding AG, Dierikon.

## REPORT ON THE AUDIT OF THE REMUNERATION REPORT

### Opinion

We have audited the remuneration report of Komax Holding 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 sections marked 'audited' on pages 134 to 138 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the accompanying remuneration report 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 sections 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 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



**Thomas Brüderlin**  
Licensed audit expert  
Auditor in charge



**Korbinian Petzi**  
Licensed audit expert

Basel, 11 March 2024