

# Compensation report



## Letter from the Chairman of the Compensation Committee

Clay Brendish, Chairman

### Dear Shareholders,

On behalf of the Compensation Committee ('the Committee'), I am pleased to present our Compensation report for the year ended 31 March 2024.

During the year under review, the Group reported solid results, despite an uncertain macroeconomic environment, with sales exceeding € 20 billion, notwithstanding a reduction in operating profit compared to the prior year. The Committee remains committed to ensuring that the Group's senior management are remunerated in line with performance; short-term incentives awarded for the year ended 31 March 2024 reflect the results of the year. Long-term incentives which will vest in August 2024 reward performance over the period March 2021 to March 2024, a period during which the Group has grown significantly in profitability; the full vesting of the Performance Share Units awarded to Group management reflect this performance.

We have continued our efforts during the year to engage with stakeholders around compensation topics and will continue to do so over the coming year.

During the year, the Senior Executive Committee ('SEC') welcomed three new members, Boet Brinkgreve, CEO Laboratoire Haute Parfumerie et Beauté, Swen Grundmann, Director of Corporate Affairs and Company Secretary, and Karlheinz Baumann, Group Director of Operations. As is customary, the Committee reviewed the contractual terms and conditions of these new members to ensure alignment with their enhanced responsibilities.

This Committee also underwent a significant change in membership, with the arrival of two new members in September 2023, Fiona Druckenmiller and Jasmine Whitbread, as well as the departure in March 2024 of Guillaume Pictet, who had served on the Committee since September 2017.

At the AGM in September 2023, shareholders once again approved the remuneration proposals. Specifically, shareholders were asked to approve the maximum amount of fixed Board of Directors' compensation from the 2023 AGM to the 2024 AGM, the maximum amount of fixed SEC compensation for the 2025 financial year and the variable compensation of the SEC for the 2023 financial year. The actual compensation paid to the Board for the period from the 2022 AGM to the 2023 AGM and to the SEC with respect to fixed compensation for the 2024 financial year was within amounts previously approved by the shareholders. Further details can be found in the following report.

The Compensation report describes the Group's guiding principles, philosophy and policies for setting the compensation of members of the Board and the SEC. The report complies with the relevant articles of the Swiss Code of Obligations, the Directive Corporate Governance of the SIX Exchange Regulation, the recommendations of the Swiss Code of Best Practice for Corporate Governance, and with the Company's Articles of Incorporation. The compensation for the financial year under review, as detailed on pages 76 to 79, has been audited by the Group's auditor, PricewaterhouseCoopers.

On behalf of the Board, we would like to thank you for your continued support on executive compensation matters.

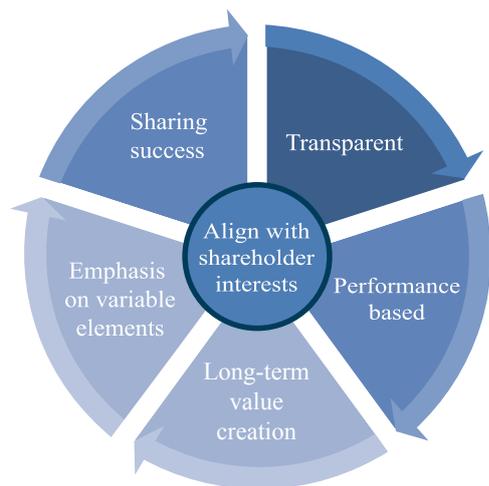
We look forward to receiving comments from our shareholders.

**Clay Brendish**  
Chairman

# Compensation report continued

## Our compensation-setting philosophy

The primary objective of the Group's compensation strategy is to align variable compensation paid to senior executives to total shareholder returns over the long term, while attracting and retaining key talent in the face of competition from other multinational groups. It also aims to ensure that the interests of executives are aligned to the values of the Group, including a focus on capital allocation for long-term strategic purposes and the development of a culture of creativity and responsibility within the Maisons.



Members of the SEC, with the exception of the Chairman of the Board of Directors, are rewarded in line with the level of their authority and responsibility within the organisation. An executive's total compensation comprises both fixed and variable elements. Short-term incentives are complemented by long-term awards under the Group's Performance Stock Unit ('PSU') and Performance Cash Unit ('PCU') plans.

The variable remuneration of each Senior Executive is dependent on performance against certain, predefined KPIs. These measures are both quantitative, reflecting the performance of the Group in terms of sales, operating profit and cash generation, as well as return on net assets for long-term incentives, and qualitative, with respect to individual and collective management performance.

Remuneration of the Chairman of the Board of Directors and the non-executive directors is fixed, depending on overall responsibilities, including committee membership. None of the remuneration is variable. The Chairman and non-executive directors are not eligible for awards under the Group's short- or long-term incentive schemes.

### Comparative group benchmarking

To ensure that the Group remains competitive in its compensation arrangements, benchmarking surveys are periodically considered by the Committee. A comprehensive benchmarking survey was performed in early 2023 which covered both the SEC and other key positions within the Group, focusing on base salaries, target bonuses and long-term incentives.

In benchmarking the remuneration of these executives, the Group considered compensation practices in a selection of multinational

groups which it considers to be its peers, taking into account the primary location of the executive whose remuneration is under review. For members of the SEC, all of which are based in Switzerland, this peer group is determined as follows:

- Multinational groups with Swiss executive presence, active in the Luxury Goods and FMCG sectors, including: Breitling, Avolta, Lindt & Sprungli, Philip Morris International, Mondelez International, L'Occitane, Swarovski, VF Corporation, LVMH Moët Hennessy Louis Vuitton, Pepsico, Wella Company, JT International, Kellogg, Nestlé, Procter & Gamble, Bacardi, GlaxoSmithKline, Unilever, Colgate-Palmolive.
- International groups active in the Luxury Goods sector, with specific focus on those present in Europe (primarily Italy, France, Switzerland, UK, Germany), including: Kering, Hermes International, Chanel, L'Oréal, EssilorLuxxotica, Moncler, Swatch Group.

As a point of reference, the Group targets at least the median compensation level of the peer group, while maintaining the potential for above-average variable compensation for superior performance and critical skills.

## Compensation Committee

The Compensation Committee is a committee of the Board of Directors, responsible for reviewing and establishing the Group's compensation policies and strategy. The core responsibilities of the Committee include reviewing the compensation of the executive directors of the Board and SEC members and setting the compensation of the non-executive directors and the Chairman of the Board of Directors. The compensation of all other members of senior management is regularly reviewed by the Committee. For further details of the responsibilities of the Committee with respect to compensation awards, see page 74.

Members of the Committee are appointed by the shareholders of the Company for a term of one year. During the year ended 31 March 2024, the composition of the Committee was as follows:

### Compensation Committee

Clay Brendish (Chairman)	
Fiona Druckenmiller	from 6 September 2023
Keyu Jin	
Guillaume Pictet	until 31 March 2024
Maria Ramos	
Jasmine Whitbread	from 6 September 2023

The Committee meets up to five times per year, with additional meetings scheduled as required. During the year ended 31 March 2024, the Committee met five times. The Group Chief Executive Officer, Chief Finance Officer and Chief People Officer also attend Committee meetings but are not present when decisions are taken regarding their own compensation. The Chairman of the Committee reports to the full Board of Directors on the discussions and decisions taken at each Committee meeting. Remuneration awards for members of the SEC are approved by the Committee at its first meeting following the end of the financial year to which the awards relate.

## Compensation of the Senior Executive Committee

Total compensation of members of the Group's SEC is made up as follows:

		Payment	Performance criteria	Target*	Max*	% quantitative	% qualitative
Performance Cash Units (PCU)	Variable (3 year vesting)	Cash	<ul style="list-style-type: none"> <li>Quantitative (Value creation, RONA)</li> </ul>	–	75%	100%	0%
Performance Stock Units (PSU)		Shares	<ul style="list-style-type: none"> <li>Quantitative 70% (Value creation, 50% RONA 20%)</li> <li>Qualitative 30% (Brand Equity, Customer Centricity, Sustainability, People)</li> </ul>	112.5%	150%	70%	30%
Short-term incentive	Short-term	Cash	<ul style="list-style-type: none"> <li>Quantitative (Sales, EBIT, Cash) 55%</li> <li>Individual qualitative KPIs 25%</li> <li>Collective qualitative KPIs 20%</li> </ul>	75%	150%	55%	45%
Base salary and benefits	Fixed						

\* As a percentage of base salary

### Fixed compensation

#### Base salary

The base salary reflects the position, qualifications and responsibilities of the executive, taking into account the external market value for the position in the market in which the individual is based. It is paid on a monthly basis in cash. The level of base salary is reviewed as necessary in accordance with the Group's salary review process, which usually takes place in May. In determining the level of any increase to base salary, consideration is given to the Group's performance, the role and responsibilities of the individual and the results of benchmarking studies.

#### Benefits

SEC members, with the exception of the Chairman of the Board of Directors, also receive benefits in line with their duties and responsibilities, which may include company car and medical insurance subsidy.

The Company also operates a retirement foundation in Switzerland. Each executive has a retirement account to which the executive and the Group make contributions at rates set out in the foundation rules based on a percentage of salary. A Group contribution of up to 13.05% was applied in the year on salaries to a ceiling of CHF 882 000.

Executives are reimbursed for travel and other necessary business expenses incurred in the performance of their duties.

### Variable compensation

#### Short-term cash incentives

Short-term incentives are awarded with respect to performance in each financial year and are paid in cash.

The performance assessment comprises both quantitative and qualitative components, each with a pre-set target expressed as a percentage of base salary. These objectives are aligned with the Group's business priorities for the year ahead, encouraging individual creativity and business development, as well as delivering continued profit growth and value creation. For members of the SEC, the short-term incentive target is set at 75% of base salary, with a maximum cap of 150% of base salary.

The quantitative component of the short-term cash incentive makes up 55% of the total target incentive and is assessed on actual Group sales, operating profit and cash generation, compared to budget. Cash generation is calculated as operating cash flow after capital expenditure and lease payments. Each of these three measures has equal weighting in the calculation (i.e., 1/3 each).

The qualitative component is assessed on performance against both individual and collective strategic targets. Individual targets reflect the specific responsibilities of the executive. Collective targets measure contributions towards the strategic objectives of the Group. The Compensation Committee may decide to use its discretion in assessing the qualitative aspect of performance to take into account exceptional performance during the year where necessary, while ensuring that total compensation reflects performance during the period.

# Compensation report continued

## Long-term variable incentives

SEC members, with the exception of the Chairman of the Board of Directors, are awarded long-term incentives under the Group's PSU and PCU plans.

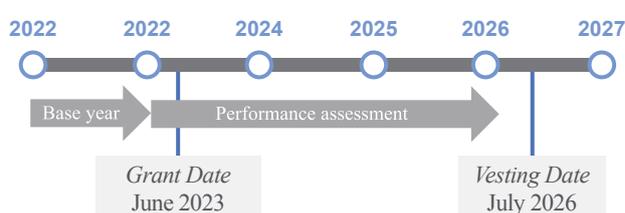
### Performance Stock Unit plan

Under the PSU plan, executives receive 'A' shares after a fixed vesting period. Awards are subject to performance conditions which may reduce the number of shares vesting. The main features of this plan are as follows:

Plan	Performance Stock Unit plan
Vesting period	Three years from grant date (awards prior to 2021 vested between three and five years from grant date)
Vesting conditions	<ul style="list-style-type: none"> <li>Continued employment with the Group.</li> <li>Achievement of quantitative and qualitative performance conditions as set by the Compensation Committee for each grant.</li> </ul>
Termination of employment	<ul style="list-style-type: none"> <li>In the event that an award holder dies or has to end employment with the Group due to injury or permanent disability, all outstanding units vest immediately.</li> <li>If the award holder is a bad leaver, all unvested awards are forfeited.</li> <li>If employment is terminated for any other reason, unvested PSU, reduced pro-rata to reflect the date of cessation of employment compared to the original vesting period, shall continue and vest on the original date, provided that performance conditions are met.</li> <li>Accelerated vesting of PSU is not granted to a member of the SEC on retirement.</li> </ul>
Hedging of obligations	<ul style="list-style-type: none"> <li>Buyback of 'A' shares immediately prior to grant date, if needed.</li> <li>Awards do not result in the issue of new share capital.</li> </ul>
Dividends	No entitlement prior to vesting
Compensation value at date of grant	Based on valuation principles of IFRS 2, excluding employer's social security costs
Governance	Total award is reviewed and approved by the Compensation Committee, as are individual awards to SEC members

The target long-term variable award for SEC members is set at 112.5% of base salary. This value is adjusted in line with performance during the year under review, aligned to the assessment made for the short-term incentive, up to a maximum cap of 150% of base salary. The final award value is converted into PSU based on the average share price over the 30 trading days preceding the approval of the award by the Compensation Committee. The Compensation Committee has discretion to increase or decrease the final grant to take into account exceptional performance which this calculation did not capture, considering current market conditions, long-term and strategic decision-making, amongst other factors; such discretion is used only in very limited circumstances, to take into account exceptional performance which the calculation above did not capture. No such discretionary adjustments were made in the year under review.

For performance in the year ended 31 March 2023, PSU awards were made in June 2023, with a vesting date of July 2026. The performance conditions related to these awards are assessed over the vesting period; average performance during the financial years ending March 2024, March 2025 and March 2026 is compared to performance in the base year, being the year ended 31 March 2023. Full vesting of the award takes place only if performance is at least equal to the base year. Any reduction in performance leads to a linear reduction in the number of PSU which vest.



For the 2023 award, performance will be measured as follows:

Measure	Weighting	Description
Value creation	50%	Value based on a predefined formula: $(15 \times \text{Operating Profit} + 20 \times \text{Free Cash Flow}) / 2$
RONA	20%	Return on Net Assets
Qualitative	30%	Individual qualitative targets from amongst the following categories, depending on executive scope of responsibility, assessed over the three-year vesting period: <ul style="list-style-type: none"> <li>Brand equity</li> <li>Customer centricity</li> <li>Sustainability</li> <li>People</li> </ul>

Performance measures are aligned with the Group's strategic goals, including value creation and improving overall returns on assets employed. Qualitative targets are set for each executive based on the individual's area of responsibility and reflect medium- to long-term goals, both for the Group and for the individual. The weighting of each criterion reflects the percentage of the total award which vests depending on that performance measure. Each criterion is evaluated independently of the others.

The maximum number of PSU on vesting is equal to the number of PSU awarded at the grant date.

The cost to the Group of this plan is equal to the fair value of the PSU awards, which is charged to net profit over the vesting period. There may also be a cash outflow on grant, as the Group repurchases its own shares in order to meet its obligations under this plan. The total fair value of PSU granted to members of the SEC in relation to performance for the year ended 31 March 2023 was CHF 5.9 million. The award of PSU requires retrospective approval from shareholders at the AGM. Following such approval, a revised fair value is determined for accounting purposes only.

The PSU plan may also be used as a retention tool, with additional awards made to specific executives whom the Group has identified as strategic to its future growth.

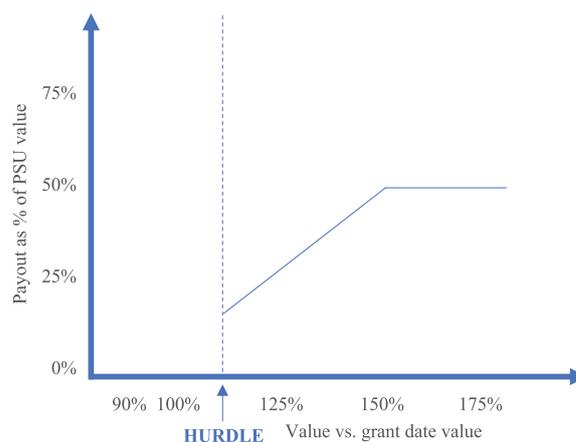
#### *Performance Cash Unit plan*

PSU awards are supplemented by a long-term cash plan, the PCU. Under this plan, certain senior executives, including members of the SEC, are eligible to receive a cash payment after a fixed vesting period. The vesting period is three years, the same as for the PSU plan.

The objective of this plan is to reward those executives whose performance has exceeded expectations in terms of value creation, therefore creating incentives for medium- to long-term performance and ensuring that exceptional performance is appropriately rewarded. Payment is made only if pre-set hurdle rates are reached; this hurdle rate is set at the beginning of the plan in order to capture challenging but realistic growth targets over the vesting period. The hurdle rate is set individually for each executive and depends on various factors, such as forecast growth and market share, amongst others. If the hurdle rates are achieved, the executive receives a cash payment which increases on a linear basis in line with growth in the value of the Group (or Maison or business area, depending on the responsibilities of the executive) compared to the award year, up to the maximum amount which is set at 50% of the executive's PSU award. The maximum possible payout is therefore equal to 75% of base salary, for an executive receiving the maximum PSU award.

For awards made in June 2023, hurdle rates are based on the value of the Group (or Maison or business area, depending on the responsibilities of the executive), calculated on the same basis as for the PSU plan (see above) and on RONA.

An illustration of the potential payout is presented as follows:



#### *Share options*

In previous years, executives also received awards under the Group's share option plan. The final awards were made under this plan in 2020.

Awards vest over periods of three to five years from the date of grant, provided that the executive remains employed by the Group at the end of the period, and expire after nine years. In the event that an option holder retires, dies or has to end employment with the Group due to injury or permanent disability, all outstanding share options vest immediately. If employment is terminated for any other reason, unvested share options are forfeited.

Gains made by executives on exercising the share options depend on changes in the share price since the date of the award and, other than employer's social security contributions thereon, do not represent a cost to the Group.

#### **Long-term incentive schemes for other Group executives**

The Group also operates the following long-term incentive plans for Group and Maison executives, to which SEC members are not eligible. Awards are made on an annual basis.

#### *Long-term Retention Plan*

The Long-term Retention Plan ('LRP') is a cash incentive plan primarily used as a retention tool for key positions within the Group. For each eligible participant, the awards are set at the grant date at between 50% and 150% of the target short-term cash incentive awarded for the previous year (which varies as a percentage of fixed salary depending on employment grade) and become payable, typically after three further years of service. The level of the award is determined based on the current position, as well as on the employee's individual performance and potential, while ensuring consistency across the Group. In exceptional circumstances a higher percentage may be awarded. Exceptionally in the year ended 31 March 2020, LRP were granted to certain employees in lieu of RSU awards. These LRP awards vest in tranches over three, four and five years. No awards were made under the LRP plan in the year ended 31 March 2024.

# Compensation report continued

## Restricted Stock Unit plan

The Restricted Stock Unit plan ('RSU') operates on the same basis as the PSU plan, but is not subject to performance conditions. Employees receive an 'A' share provided that they remain in employment during the vesting period. In case of retirement, vesting is on a pro-rata basis.

## Senior Executive Committee

In the year under review the members of the SEC were:

### Senior Executive Committee

Johann Rupert	Chairman of the Board of Directors
Burkhardt Grund	Chief Finance Officer
Jérôme Lambert	Group Chief Executive Officer
Karlheinz Baumann <sup>2</sup>	Group Director of Operations
Boet Brinkgreve <sup>1</sup>	CEO Laboratoire Haute Parfumerie et Beauté
Patricia Gandji	Chief People Officer and CEO of Regions
Swen Grundmann <sup>1</sup>	Director of Corporate Affairs
Bérangère Ruchat	Chief Sustainability Officer

1. From 6 September 2023.

2. From 10 November 2023.

Compensation of the SEC for the period is summarised below:

	Awarded in FY24					Total CHF
	Salary and other employee benefits CHF	Post- employment benefits CHF	Short-term incentives CHF	Long-term incentive: equity plan CHF	Long-term incentive: cash plan CHF	
<i>Awarded for performance in:</i>	FY24	FY24	FY24	FY23	FY23	
<b>Senior Executive Committee</b>						
Burkhardt Grund	1 931 106	118 124	3 756 840	2 107 569	1 143 563	<b>9 057 202</b>
Jérôme Lambert	1 948 325	117 047	1 450 410	2 107 569	1 143 563	<b>6 766 914</b>
Other SEC members <sup>1</sup>	2 797 680	328 499	2 096 240	1 663 856	902 788	<b>7 789 063</b>
<b>Total</b>	<b>6 677 111</b>	<b>563 670</b>	<b>7 303 490</b>	<b>5 878 994</b>	<b>3 189 914</b>	<b>23 613 179</b>

	Received during FY24					Total CHF
	Salary and other employee benefits CHF	Post- employment benefits CHF	Short-term incentives <sup>2</sup> CHF	Long-term incentive: equity plan <sup>3</sup> CHF	Long-term incentive: cash plan CHF	
<b>Senior Executive Committee</b>						
Burkhardt Grund	1 931 106	118 124	3 772 050	4 710 295	–	<b>10 531 575</b>
Jérôme Lambert	1 948 325	117 047	1 486 990	5 513 547	–	<b>9 065 909</b>
Other SEC members <sup>1</sup>	2 797 680	328 499	975 930	2 138 923	–	<b>6 241 032</b>
<b>Total</b>	<b>6 677 111</b>	<b>563 670</b>	<b>6 234 970</b>	<b>12 362 765</b>	<b>–</b>	<b>25 838 516</b>

1. For the period of membership of the SEC.

2. Related to performance in the year to 31 March 2023.

3. Amounts shown in the table above as paid during FY24 for the Group's equity plans are equal to the fair value of equity awards delivered to the executive during the year, based on the share price on the date of vesting and the strike price in the case of stock options. These equity awards vested in July 2023 (stock options), August 2023 (PSU) and December 2023 (PSU).

Changes in the level of compensation awarded to members of the SEC reflect changes in membership compared to the previous year, as well as changes to performance-related compensation, as explained below.

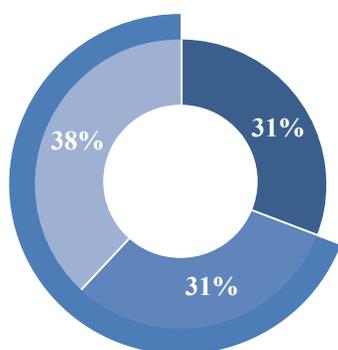
### Variable compensation

The objective of the Group's compensation policy is to favour variable (short- and long-term incentives) over fixed compensation. Executives benefit from a short-term cash incentive plan and awards granted under the Group's PSU and PCU plans. The Committee considers these components in total to ensure there is an appropriate balance between reward for short-term success and long-term retention. Targets used to determine the payout levels for both the variable short-term and long-term incentives are considered by the Committee on an annual basis. The Group does not provide for any transaction-specific success fees for its executives.

The split for the Group's Senior Executives for the year ended 31 March 2024 was as follows:

### VARIABLE COMPENSATION

■ Fixed ■ Short-term ■ Long-term



Variable compensation made up 69% of total compensation for the year under review.

Total variable compensation reported of CHF 16.4 million has decreased compared to the prior year, when taking into account changes in SEC membership (specifically, four members in the prior year, compared to seven members at 31 March 2024). This decrease reflects:

- a reduction in the quantitative achievement of short-term incentives versus budget, as a result of more challenging conditions during the year to 31 March 2024;
- lower growth rates, particularly in profitability, compared to the prior year, which included the impact of the recovery from the global pandemic; and
- a one-off, exceptional award of PSU in the prior period, which has not been repeated in the current year.

### Short-term incentives

The performance assessment for short-term incentives awards to members of the SEC is as follows:

Measure	Weighting	Description
Quantitative KPIs	55%	Performance against budget of: <ul style="list-style-type: none"> <li>• Sales</li> <li>• Operating profit</li> <li>• Cash flow</li> </ul>
Qualitative KPIs		
Individual	25%	Specific targets based on executive's scope of responsibility
Collective	20%	Performance during the year to 31 March 2024 is assessed collectively for the SEC in the following areas: <ul style="list-style-type: none"> <li>• Sustainability</li> <li>• Talent</li> <li>• Business development</li> </ul>

The total incentive awards achieved under the short-term incentive scheme, excluding exceptional amounts, represented on average 78% of base salary. The individual achievement figures for the Group's executive directors, compared to the target bonus, are as follows:

	Quantitative	Individual	Collective	Total	% salary
Burkhart Grund	104%	107%	89%	102%	76%
Jérôme Lambert	104%	106%	89%	101%	76%

Individual performance targets, and the achievement thereof, are not disclosed due to confidentiality.

For exceptional performance and commitment to the Group, additional incentives may be awarded by the Committee. One member of the SEC, Burkhart Grund, Chief Finance Officer, was previously awarded an additional incentive, payable over three years. The final amount of € 2.3 million is payable in May 2024. This discretionary award recognises exceptional performance over a number of years which the Committee considered had not been properly reflected in previous remuneration awards.

### Long-term incentives

Members of the SEC received PSUs in June 2023, for performance in the year to 31 March 2023. All of these awards vest over three years.

All executives have also received awards under the Group's PCU plan for performance in the year to 31 March 2023. The maximum possible payout to be received in July 2026 is equal to 50% of the PSU value awarded for the year.

## Compensation report continued

Long-term incentive awards are approved by the Compensation Committee after the end of the financial year to which the award relates. The grant date is determined by the date on which the award, including any performance conditions, is communicated to the recipient, which falls after the date of this report. Awards related to performance during the year to 31 March 2024 will therefore be reported in next year's Compensation report. This report presents details of awards made during the period under review, which relate to performance in the year ended 31 March 2023.

Details of PSUs held by members of the Board and the SEC under the Group's PSU plan at 31 March 2024 were as follows:

	Number of units					Vesting dates
	1 April 2023	Granted in year	Vested in year	Cancelled in year	31 March 2024	
Burkhart Grund	100 893	15 665	16 492	–	<b>100 066</b>	Aug 2024-Jul 2026
Jérôme Lambert	91 933	15 665	19 646	–	<b>87 952</b>	Aug 2024-Jul 2026
Other SEC members <sup>1</sup>	85 989	12 367	9 504	–	<b>88 852</b>	Aug 2024-Jul 2026
	278 815	43 697	45 642	–	<b>276 870</b>	

1. For executives who joined during the year, opening balance refers to the outstanding balance for the date on which the executive joined the SEC.

Members of the SEC also hold share options which were awarded in prior years. Details of share options held by members of the Board and the SEC under the Group's share option plan at 31 March 2024 were as follows:

	Number of options					Average strike price CHF	Earliest exercise period
	1 April 2023	Granted	Exercised	Lapsed	31 March 2024		
Burkhart Grund	63 269	–	44 154	–	<b>19 115</b>	79.22	Jul 2024-Dec 2025
Jérôme Lambert	217 786	–	27 000	–	<b>190 786</b>	86.44	Apr 2024-Dec 2025
Other SEC members <sup>1</sup>	57 187	–	32 917	–	<b>24 270</b>	77.45	Jul 2024-Dec 2025
	338 242	–	104 071	–	<b>234 171</b>		

1. For executives who joined during the year, opening balance refers to the outstanding balance for the date on which the executive joined the SEC.

Long-term incentive awards in 2021 will vest in August 2024, based on the performance of the Group during the performance period, being the three years ended 31 March 2024. The 64 475 PSU granted to current members of the SEC will vest, reflecting the performance of the Group during the performance period, as shown below, which includes the post-Covid recovery.

Measure	Weighting	Achievement
Value creation	50%	100%
RONA	20%	100%
Qualitative <sup>1</sup>	30%	99%
Total		100%

1. Average achievement of qualitative objectives by SEC members.

SEC members will receive a payment under the PCU plan amounting to CHF 3.0 million in total, as both quantitative measures (value creation and RONA) exceeded the pre-set hurdle rate during the vesting period. The payment will be paid in cash in August 2024 and represents the maximum possible payment under this plan, reflecting the growth in the value of the Group over the three-year vesting period ended 31 March 2024.

### Shareholders' approval

For the year ended 31 March 2024, the shareholders' meeting of September 2022 approved total fixed compensation of CHF 5.4 million. Actual fixed compensation of CHF 7.2 million is within the limits previously approved by shareholders, taking into account the additional amounts allowed by the Group's Articles of Association for five members who joined the SEC after approval by the AGM of the fixed remuneration for the year. The executives which joined the SEC after the approval of fixed remuneration for the year ended 31 March 2024 are as follows:

		Date of appointment to SEC
Patricia Gandji	Chief People Officer and CEO of Regions	11 November 2022
Bérangère Ruchat	Group Chief Sustainability Officer	10 February 2023
Swen Grundmann	Director of Corporate Affairs	7 September 2023
Boet Brinkgreve	CEO Laboratoire Haute Parfumerie et Beauté	7 September 2023
Karlheinz Baumann	Group Director of Operations	10 November 2023

At the AGM, the shareholders of the Company will be asked to approve the fixed compensation of the SEC for the next full financial year, being the twelve months to 31 March 2026. Changes compared to the prior year reflect the increase in membership of the SEC.

Shareholders will also be requested to retrospectively approve the variable compensation paid and accrued during the current year to 31 March 2024, as follows:

	CHF
Variable remuneration for the year to 31 March 2024	
Short-term incentives for the year ended 31 March 2024	<b>7 303 490</b>
Long-term incentive awards	<b>9 068 907</b>
Employer's social security	<b>1 048 498</b>
<b>Total</b>	<b>17 420 895</b>

### Compensation of the Board of Directors

Compensation paid to non-executive directors for the period is summarised below:

	Fixed fees CHF	Attendance fees CHF	Social security cost CHF	Total CHF	Prior year CHF
<b>Board of Directors</b>					
Johann Rupert (Chairman)	2 700 000	–	356 356	<b>3 056 356</b>	3 057 346
Non-executive directors	1 430 000	2 854 500	122 641	<b>4 407 141</b>	3 422 976
<b>Total</b>	<b>4 130 000</b>	<b>2 854 500</b>	<b>478 997</b>	<b>7 463 497</b>	<b>6 480 322</b>

One Board member, Mr Anton Rupert, has formally waived his entitlement to receive any fees or compensation in respect of his duties as a non-executive director.

#### Chairman

The total compensation awarded to the Chairman of the Board of Directors, Mr Johann Rupert, is reviewed annually by the Committee. No variable compensation was awarded.

#### Non-executive directors

Non-executive directors are entitled to receive an annual base retainer of CHF 100 000, plus a fee of CHF 27 500 (2023: CHF 20 000) for each Board meeting attended.

Non-executive directors are not eligible for performance-related payments and do not receive awards under the Group's share option plan or other long-term incentive plans.

Non-executive directors who are also Committee members are entitled to receive further fees per meeting attended. Fees effective for the year ended 31 March 2024 are listed below.

Committee attendance fees	Chairman	Member
Audit Committee	CHF 22 000	CHF 16 500
Governance and Sustainability Committee	CHF 16 500	CHF 11 000
Compensation Committee	CHF 16 500	CHF 11 000
Strategic Security Committee	CHF 16 500	CHF 11 000
Nominations Committee	–	CHF 5 500

Following a review of directors' fees, which had remained unchanged for a number of years, Committee attendance fees were increased by 10% from 1 April 2023.

#### Executive directors

The executive directors of the Board are all members of the SEC and do not receive any compensation for their role as members of the Board.

#### Shareholder approval

For the period from AGM 2022 to AGM 2023, the shareholders' meeting of September 2022 approved total compensation for the Board of Directors, including the Chairman, of CHF 7.65 million. Actual fixed compensation of CHF 6.7 million, made up as follows, is within the limits previously approved by shareholders.

	CHF
Remuneration for the period AGM 2022 to AGM 2023	
Chairman	<b>2 700 000</b>
Non-executive directors – fixed fees	<b>3 518 000</b>
Social security	<b>482 199</b>
<b>Total</b>	<b>6 700 199</b>

At the AGM, the shareholders of the Company will be asked to approve the maximum compensation of the Board of Directors for the period from AGM 2024 to AGM 2025. The change compared to the current year reflects changes in the composition of the Board and its Committees.

# Compensation report continued

## Compensation governance

### Severance

There are no arrangements in place to provide for any severance benefit or other special departure payments for any director or any member of the SEC, other than their contractual and legal rights. In general, the duration of the contractual notice period is six months. In certain cases, the employing entity is required to provide twelve months' notice; however, in no cases is the notice period longer than twelve months for members of the SEC.

### Clawback

In addition to applicable statutory provisions, the Group's long-term incentive plans include provisions allowing the Group to reclaim, in full or in part, distributed compensation as a result of special circumstances. There are no clawback provisions for the short-term incentive.

Upon termination of employment as a result of serious misconduct, including fraud as defined by the applicable criminal law and violation of the Group's Standards of Business Conduct, all awards granted and outstanding, whether vested or unvested, lapse immediately without any compensation.

### External consultants

The Group also uses external consultants for advice on remuneration matters. During the year, external advice was received from a number of professional firms including PricewaterhouseCoopers, Deloitte, Lenz & Staehelin, RSM, Mercer and Willis Towers Watson. None of these firms received any additional remuneration-related mandates from those consultations; however, Lenz & Staehelin also received fees for legal and tax advice (see page 129). PricewaterhouseCoopers is the Company and Group's external auditor and its advice is therefore limited by the independence rules.

### Change of control

The rules of the share option and PSU plan for executives in the Group contain specific provisions in respect of a change of control of the Group. These provisions are typical in terms of such plans and would result in the full vesting of benefits due to participants in the event of a change of control taking place.

### Management contracts

There are no contracts between the Group and any third parties for the management of the Company or any subsidiary in the Group.

### Allotment of shares

No shares were allotted to directors or members of senior management during the financial year under review, other than as a result of the Group's PSU/RSU and stock option plans.

## Trading in Richemont shares

The exercise of options and transactions in Richemont shares and related securities by any current director or member of the SEC and their related parties is promptly notified to the SIX Swiss Exchange. These notifications are simultaneously published by SIX Swiss Exchange.

## Decision making

Specific decision-making authority of the compensation is as follows:

Compensation of:	Recommendation	Approval
Board of Directors, <i>in aggregate</i>	Board of Directors	AGM
SEC, <i>in aggregate</i>	Board of Directors	AGM
Chairman of the Board	Compensation Committee	BOD <sup>1</sup>
Individual non-executive directors	Compensation Committee	BOD <sup>1</sup>
Individual executives <sup>2</sup>	Compensation Committee	BOD <sup>1</sup>

1. Within the overall limits approved by the AGM, where applicable.

2. Includes all SEC members and the Chief Executive Officers of certain Maisons.

The Committee considers the recommendations of the Chairman of the Board of Directors regarding compensation awards for the SEC and the Chief Executive Officers of certain Maisons and may amend or reject these recommendations. Remuneration awards for members of the SEC are approved by the Committee at its first meeting following the end of the financial year to which the awards relate. The compensation of all other members of senior management is also regularly reviewed by the Committee.

## Shareholder approval

The Company's Articles of Association contain provisions relating to compensation-related articles with respect to compensation principles (Article 38) and the binding votes of the AGM (Article 39). Shareholders are required to approve prospectively the remuneration of the Board of Directors and the fixed compensation of the SEC, while variable compensation is approved retrospectively. The Articles also include provisions for the remuneration of new members of the SEC (Article 39).

The following compensation will be proposed to the shareholders for approval at the AGM:

	Period covered
<i>Board of Directors</i>	
Fixed compensation	AGM 2024 – AGM 2025
<i>Senior Executive Committee</i>	
Fixed compensation	April 2025 – March 2026
Variable compensation	April 2023 – March 2024

The Articles of Association can be found at:

<https://www.richemont.com/about-us/corporate-governance/>

## Compensation report for the financial year under review

The Board of Directors has delegated management of the day-to-day operations of the organisation to the SEC which comprises the following executives:

Johann Rupert	Chairman of the Board of Directors
Burkhard Grund	Chief Finance Officer
Jérôme Lambert	Group Chief Executive Officer
Karlheinz Baumann	Group Director of Operations
Boet Brinkgreve	CEO Laboratoire Haute Parfumerie et Beauté
Patricia Gandji	Chief People Officer and CEO of Regions
Swen Grundmann	Director of Corporate Affairs
Bérangère Ruchat	Group Chief Sustainability Officer

Members of the SEC are considered to be subject to the various disclosure and approval requirements imposed by the Swiss Code of Obligations.

The total compensation of the members of the Board of Directors and the SEC amounted to CHF 7.5 million and CHF 24.8 million, respectively, including pension contributions, benefits in kind and all other aspects of compensation. The highest paid member of the SEC was Burkhard Grund, Chief Finance Officer, with a total compensation of CHF 9.6 million.

The measurement basis for each component of compensation is described below:

- salary and other short-term benefits: accruals basis;
- short-term incentives: accruals basis;
- pension: contributions paid;
- PSU awards: total fair value, as determined at the date of award determined in accordance with the valuation methodology of IFRS 2;
- PCU awards: maximum payout awarded; and
- employer's social security: amounts are presented on a cash paid basis for short-term compensation and estimated, based on fair value at grant date and mandatory employer social security contributions which provide rights up to the maximum future state benefit, for long-term incentives.

All amounts are stated gross before the deduction of any related tax or amounts due by the employee.

# Compensation report continued

## Compensation for the financial year to 31 March 2024

	Fixed fees CHF	Attendance fees CHF	Other CHF	Social security cost <sup>1</sup> CHF	Total CHF
<b>Board of Directors</b>					
Johann Rupert	2 700 000	–	–	356 356	<b>3 056 356</b>
Josua Malherbe	110 000	253 000	–	27 612	<b>390 612</b>
Nikesh Arora	110 000	154 000	–	–	<b>264 000</b>
Clay Brendish	110 000	429 000	–	–	<b>539 000</b>
Fiona Druckenmiller <sup>2</sup>	55 000	115 500	–	–	<b>170 500</b>
Jean-Blaise Eckert	110 000	187 000	–	–	<b>297 000</b>
Keyu Jin	110 000	209 000	–	–	<b>319 000</b>
Wendy Luhabe	110 000	209 000	–	24 091	<b>343 091</b>
Jeff Moss	110 000	192 500	–	–	<b>302 500</b>
Vesna Nevistic	110 000	187 000	–	–	<b>297 000</b>
Guillaume Pictet	110 000	280 500	–	29 811	<b>420 311</b>
Maria Ramos	110 000	192 500	–	22 766	<b>325 266</b>
Anton Rupert <sup>3</sup>	–	–	–	–	–
Bram Schot <sup>2</sup>	55 000	55 000	–	–	<b>110 000</b>
Patrick Thomas	110 000	137 500	–	18 361	<b>265 861</b>
Jasmine Whitbread	110 000	253 000	–	–	<b>363 000</b>
<b>Total</b>	<b>4 130 000</b>	<b>2 854 500</b>	<b>–</b>	<b>478 997</b>	<b>7 463 497</b>

	Fixed components			Variable components			Total CHF
	Salary and other employee benefits CHF	Post- employment benefits CHF	Short-term incentives CHF	Share-based awards <sup>4</sup> CHF	Cash-based long- term incentives CHF	Social security cost <sup>1</sup> CHF	
<i>Variable paid in:</i>			<i>Cash</i>	<i>Equity</i>	<i>Cash</i>		
<b>Senior Executive Committee<sup>5</sup></b>							
Burkhardt Grund	1 931 106	118 124	3 756 840	2 107 569	1 143 563	512 489	<b>9 569 691</b>
Jérôme Lambert	1 948 325	117 047	1 450 410	2 107 569	1 143 563	348 992	<b>7 115 906</b>
Other SEC members <sup>6</sup>	2 797 680	328 499	2 096 240	1 663 856	902 788	346 948	<b>8 136 011</b>
<b>Total</b>	<b>6 677 111</b>	<b>563 670</b>	<b>7 303 490</b>	<b>5 878 994</b>	<b>3 189 914</b>	<b>1 208 429</b>	<b>24 821 608</b>
<b>Total compensation</b>							<b>32 285 105</b>

1. Social security costs are the employer's contribution on all components of compensation (see above).

2. From 6 September 2023.

3. Mr Anton Rupert has formally waived his entitlement to receive any fees or compensation in respect of his duties as a non-executive director.

4. Share-based compensation is recognised at the total fair value at the date of the award. These incentives are settled in equity (shares) after completion of the vesting period of three years. Details of the share-based compensation valuation model and significant inputs to this model are found in note 31 to the consolidated financial statements.

5. Refer to page 72 for details of statutory additional amount used as a result of the appointment on new SEC members during the period.

6. Other SEC members include five executives in the current year. Figures relate to compensation for the period of membership of the Senior Executive Committee only.

## Compensation for the financial year to 31 March 2023

	Fixed fees CHF	Attendance fees CHF	Other CHF	Social security cost <sup>1</sup> CHF	Total CHF
<b>Board of Directors</b>					
Johann Rupert	2 700 000	–	–	357 346	<b>3 057 346</b>
Josua Malherbe	110 000	200 000	–	21 859	<b>331 859</b>
Nikesh Arora	110 000	90 000	–	–	<b>200 000</b>
Clay Brendish	110 000	340 000	–	–	<b>450 000</b>
Jean-Blaise Eckert	110 000	95 000	–	–	<b>205 000</b>
Keyu Jin	110 000	140 000	–	–	<b>250 000</b>
Wendy Luhabe	110 000	140 000	–	17 348	<b>267 348</b>
Ruggero Magnoni <sup>2,3</sup>	–	–	–	–	–
Jeff Moss	110 000	140 000	–	–	<b>250 000</b>
Vesna Nevistic	110 000	135 000	–	–	<b>245 000</b>
Guillaume Pictet	110 000	235 000	–	26 217	<b>371 217</b>
Maria Ramos	110 000	120 000	–	19 929	<b>249 929</b>
Anton Rupert <sup>2</sup>	–	–	–	–	–
Jan Rupert <sup>3</sup>	55 000	55 000	–	8 036	<b>118 036</b>
Patrick Thomas	110 000	90 000	–	14 587	<b>214 587</b>
Jasmine Whitbread	110 000	160 000	–	–	<b>270 000</b>
<b>Total</b>	<b>4 075 000</b>	<b>1 940 000</b>	<b>–</b>	<b>465 322</b>	<b>6 480 322</b>

	Fixed components			Variable components			Total CHF
	Salary and other employee benefits CHF	Post- employment benefits CHF	Short-term incentives CHF	Share-based award <sup>4</sup> CHF	Cash-based long- term incentives CHF	Social security cost <sup>1</sup> CHF	
<i>Variable paid in:</i>			<i>Cash</i>	<i>Equity</i>	<i>Cash</i>		
<b>Senior Executive Committee</b>							
Burkhardt Grund	1 922 456	115 809	3 772 050	5 071 855	1 425 000	640 553	<b>12 947 723</b>
Jérôme Lambert	1 951 094	114 989	1 486 990	2 638 369	1 425 000	363 475	<b>7 979 917</b>
Other SEC members <sup>5</sup>	450 352	49 675	332 084	–	–	23 064	<b>855 175</b>
<b>Total</b>	<b>4 323 902</b>	<b>280 473</b>	<b>5 591 124</b>	<b>7 710 224</b>	<b>2 850 000</b>	<b>1 027 092</b>	<b>21 782 815</b>
<b>Total compensation</b>							<b>28 263 137</b>

1. Social security costs are the employer's contribution on all components of compensation (see above).

2. Mr Magnoni and Mr Anton Rupert have formally waived their entitlement to receive any fees or compensation in respect of their duties as non-executive directors.

3. Until 7 September 2022.

4. Share-based compensation is recognised at the total fair value at the date of the award. These incentives are settled in equity (shares) after completion of the vesting period of three years. Details of the share-based compensation valuation model and significant inputs to this model are found in note 31 to the consolidated financial statements.

5. Other SEC members include two executives in the prior year. Figures relate to compensation for the period of membership of the Senior Executive Committee only.

# Compensation report continued

## Share ownership

Directors are encouraged to acquire and hold shares in the Company. The interest of individual directors and members of the SEC in the Company's 'A' shares is as follows:

	at 31 March 2024	at 31 March 2023
Board of Directors		
Clay Brendish	3 020	2 010
Jean-Blaise Eckert	100	75
Burkhardt Grund	7 500	5 000
Keyu Jin	2 000	–
Jérôme Lambert	1 177	1 148
Wendy Luhabe	170	–
Jeff Moss	2 400	2 400
Guillaume Pictet	5 809	5 535
Maria Ramos	1 443	1 404
Jasmine Whitbread	290	–
Senior Executive Committee		
Other SEC members	10 427	–
	<b>34 336</b>	<b>17 572</b>

In addition, Compagnie Financière Rupert, a Swiss partnership limited by shares, holds 6 418 850 Richemont 'A' shares (2023: 6 263 000 'A' shares) and 537 582 089 Richemont 'B' registered shares (2023: 522 000 000 'B' shares), representing 10% of the equity of the Company and controlling 51% of the Company's voting rights. Mr Johann Rupert, Chairman of Richemont, is the sole General Managing Partner of Compagnie Financière Rupert. Mr Anton Rupert, non-executive director of the Company, is a partner of Compagnie Financière Rupert.

Parties associated with Mr Johann Rupert and Compagnie Financière Rupert held a further 2 921 335 'A' shares at 31 March 2024 (2023: 2 836 664 'A' shares or 'A' share equivalents).

Mr Josua Malherbe, a non-executive director, does not hold any 'A' shares. Members of Mr Malherbe's family have acquired and currently hold 14 488 'A' shares (2023: 14 067 'A' share equivalents) and are beneficiaries of trusts holding 207 103 'A' shares (2023: 201 100 'A' shares or 'A' share equivalents) at 31 March 2024.

## Related party transactions

Maitre Jean-Blaise Eckert, a non-executive director, is a partner of the Swiss legal firm Lenz & Staehelin. During the year under review, Lenz & Staehelin received fees totalling CHF 0.8 million from Group companies for advice on legal and taxation matters.

## Payments to former directors

Mr Alain-Dominique Perrin, a former director of the Company, provided consulting services to the Group during the year. Fees for these services amounted to CHF 4.5 million. The consultancy services provided to the Group are in connection with business development and marketing-related activities, in particular ensuring that matters related to communication, products and distribution are appropriate and consistent with the identity and strategy of the Group's Maisons.

## Loans to members of governing bodies

As at 31 March 2024, there were no loans or other credits outstanding to any current or former executive, non-executive director or member of the SEC. In accordance with the Group's Articles of Association (Article 38), the Group does not extend loans to current or former members of the Board or SEC. There were also no non-business-related loans or credits granted to relatives of any member of the Board or SEC.

## External mandates

Directors of the Company and members of the Senior Executive Committee also hold the following positions outside of the Group at 31 March 2024:

External mandates	
<b>Board of Directors</b>	
Johann Rupert	<ul style="list-style-type: none"> <li>• Director, AER Holdings Ltd S.a.r.l. <i>and affiliate entities</i></li> <li>• Director, Carhant Investments (Pty) Ltd <i>and affiliate entities</i></li> <li>• Non-executive Chairman, Remgro Ltd</li> <li>• Managing partner, Compagnie Financière Rupert <i>and affiliate entities</i></li> <li>• Director, Reinet Fund Manager SA</li> <li>• Chairman, Reinet Investments Manager SA</li> </ul>
Josua Malherbe	<ul style="list-style-type: none"> <li>• Director, Remgro Limited</li> <li>• Director, Reinet Investments Management SA</li> <li>• Director, Pension Insurance Corporate Group Limited</li> </ul>
Nikesh Arora	<ul style="list-style-type: none"> <li>• Chairman and CEO, Palo Alto Networks</li> </ul>
Jean-Blaise Eckert	<ul style="list-style-type: none"> <li>• Partner, Lenz &amp; Staehlin</li> <li>• Director, Stellantis International SA*</li> <li>• Director, UL GmbH</li> <li>• Director, Danone International Services SA</li> </ul>
Burkhardt Grund	<ul style="list-style-type: none"> <li>• Director, Kering Eyewear</li> </ul>
Keyu Jin	<ul style="list-style-type: none"> <li>• Non-executive director, Jardines Group*</li> <li>• Member, Economic Council of the State of Qatar</li> </ul>
Wendy Luhabe	<ul style="list-style-type: none"> <li>• Non-executive Chair, Pepkor</li> <li>• Non-executive Chair, Libstar</li> </ul>
Vesna Nevistic	<ul style="list-style-type: none"> <li>• Non-executive director, Atlantic Grupa d.d.</li> <li>• Non-executive director, Kuehne &amp; Nagel AG*</li> </ul>
Guillaume Pictet	<ul style="list-style-type: none"> <li>• Vice Chairman, de Pury Pictet Turrettini &amp; Cie SA</li> <li>• Director, Sécheron SA</li> </ul>
Maria Ramos	<ul style="list-style-type: none"> <li>• Chair, Anglo Gold Ashanti Limited</li> <li>• Senior Independent Director, Standard Chartered Plc*</li> </ul>
Anton Rupert	<ul style="list-style-type: none"> <li>• Director, AER Holdings Ltd S.a.r.l. <i>and affiliate entities</i></li> <li>• Director, Carhant Investments (Pty) Ltd <i>and affiliate entities</i></li> <li>• Partner, Compagnie Financière Rupert <i>and affiliate entities</i></li> <li>• Non-executive director, Remgro Ltd</li> </ul>
Bram Schot	<ul style="list-style-type: none"> <li>• Non-executive Director, Shell plc*</li> <li>• Non-executive Director, Signify NV*</li> <li>• Non-executive Director, Cognizant*</li> <li>• Senior Advisor, Carlyle Group</li> <li>• Senior Advisor, Global Cleantec Capital</li> <li>• Senior Advisor, ADS-Tec Holdings</li> <li>• Chairman, Future Mobility Lab MobiUS</li> </ul>
Patrick Thomas	<ul style="list-style-type: none"> <li>• Non-executive Chair, Champagne Laurent Perrier</li> <li>• Non-executive Chair, Ardian</li> <li>• Lead Independent Director, Teleperformance</li> <li>• Non-executive Director, MycoWorks</li> <li>• Non-executive Vice Chairman, Massilly Holding</li> </ul>
Jasmine Whitbread	<ul style="list-style-type: none"> <li>• Non-executive Chair, Travis Perkins Plc*</li> <li>• Non-executive Director, WPP plc*</li> </ul>
<b>Senior Executive Committee</b>	
Swen Grundmann	<ul style="list-style-type: none"> <li>• Director, Reinet Fund Manager SA<sup>1</sup></li> <li>• Director, Muse Holdings Sàrl<sup>1</sup></li> <li>• Director, Reinet Sàrl<sup>1</sup></li> <li>• Director, Reinet Strokes Holdings SA<sup>1</sup></li> <li>• Director, RSF I SA<sup>1</sup></li> <li>• Director, RSF SA<sup>1</sup></li> <li>• Director, Reinet Limited<sup>1</sup></li> </ul>

\* Listed company.

1. Entities under common control.

No other directors or SEC members held external mandates at 31 March 2024.

# Report of the statutory auditor

## to the General Meeting of Compagnie Financière Richemont SA

### Bellevue, Switzerland

#### Report on the audit of the compensation report

##### Opinion

We have audited the compensation report of Compagnie Financière Richemont (the Company) for the year ended 31 March 2024. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'audited' on pages 76 to 79 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the accompanying compensation 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 compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

##### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

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

Our objectives are to obtain reasonable assurance about whether the information pursuant to 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 compensation 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 compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and 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 SA

Guillaume Nayet  
License audit expert  
Auditor in charge

Yazen Jamjum  
Licensed audit expert

Geneva, 16 May 2024