



Compensation Report

The compensation report describes the compensation principles and programs as well as the governance framework related to the compensation of the board of directors and the executive committee of Bossard Holding AG. The report also provides details on the compensation awarded to those two bodies in the financial year 2022.

The compensation report has been prepared in compliance with the provisions of the Swiss Code of Obligations (CO), the Directive on Information relating to Corporate Governance (DCG) of SIX Swiss Exchange and the principles of the “Swiss Code of Best Practice for Corporate Governance” of [economiesuisse](#).

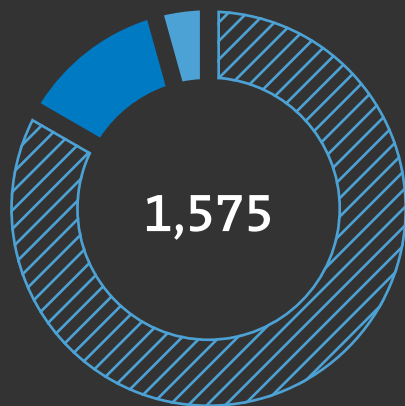


AT A GLANCE

Compensations

Compensation of board of directors 2022

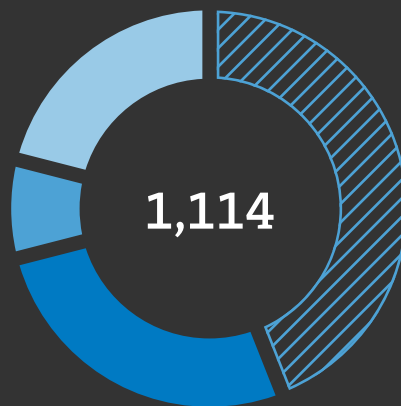
in CHF 1,000



- Fixed compensation
- Social costs
- Expense allowance

Compensation of CEO 2022

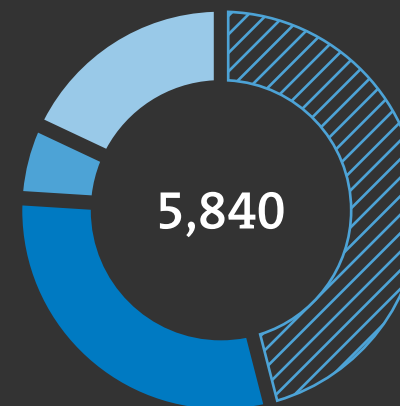
in CHF 1,000



- Fixed compensation
- Variable compensation - short-term incentive (STI)
- Variable compensation - long-term incentive (LTI)
- Social costs and other benefits

Compensation of executive committee 2022

in CHF 1,000



- Fixed compensation
- Variable compensation - short-term incentive (STI)
- Variable compensation - long-term incentive (LTI)
- Social costs and other benefits

COMPENSATION REPORT

Compensation of the board of directors and the executive committee

The compensation report contains information on the compensation policy, the compensation programs and the procedure for determining the compensation of the board of directors and the executive committee of the Bossard Group. The report also contains information on the compensation for these two bodies in the financial year 2022.

Necessary amendments with regard to the compensation in connection with the revision of the company law, which came into force on January 1, 2023, were approved at the annual general meeting of shareholders 2022 and have come into effect as of May 1, 2022.

Compensation of the board of directors

The compensation of the board of directors for the period from the annual general meeting of shareholders 2021 until the next annual general meeting of shareholders 2022 is below the approved maximum compensation amount:

Time period of compensation	Approved compensation	Effective compensation
2021–2022	CHF 1,600,000	CHF 1,574,711
2022–2023	CHF 1,800,000	n/a ¹⁾

1) The compensation period has not yet ended. The final amount will be disclosed in the compensation report for financial year 2023.

Compensation of the executive committee

The compensation granted to the executive committee for 2022 is below the maximum compensation approved by the annual general meeting of shareholders 2022:

Time period of compensation	Approved compensation	Effective compensation
2022	CHF 7,000,000	CHF 5,839,975

1. Compensation philosophy and principles

The compensation philosophy of Bossard Holding AG reflects the commitment to recruit, retain, motivate and develop well-qualified employees and executives at all levels in the organization. Compensation programs are designed to motivate executives to achieve the business objectives and to create long-term and sustainable value for the company. They are based on the following principles:

Pay for performance	A portion of compensation is directly linked to the sustainable success of the company and to individual contributions.
Alignment to shareholders' interests	The compensation system strengthens the link between management and shareholders' interests through the remuneration of part of the compensation in the form of shares or share-based compensation.
Balanced system	There is a healthy balance between fixed and variable performance-based compensation (no excessive leverage of variable compensation, capped at 100 percent of fixed compensation) for the executive committee. The board of directors receives a purely fixed compensation in order to ensure its independence.
Market competitiveness	Compensation levels are market competitive in order to attract and retain individuals with the required skill sets and leadership capabilities.
Simplicity and transparency	Compensation programs are straightforward and transparent.

2. Compensation Governance

2.1. Articles of association

The articles of association of Bossard Holding AG contain a summary of the compensation principles in articles 36–38. Details available at:

www.bossard.com/en/about-us/investor-relations/corporate-governance/articles-of-association/

2.2. Compensation committee

In accordance with the articles of association, the organizational and business regulations of Bossard Holding AG and the compensation committee regulations, the compensation committee is composed of at least three members of the board of directors that are elected individually by the annual general meeting of shareholders for a period of one year. Subject to the approval of the annual general meeting of shareholders, the representative of registered A shares is entitled to be a member of the compensation committee. The 2022 annual general meeting of shareholders re-elected David Dean (chair), Patricia Heidtman, Marcel Keller and Prof. Dr. Stefan Michel as members of the compensation committee. All four members are independent according to the regulations.

It is the responsibility of the compensation committee to:

- develop and regularly review the compensation policy and principles applicable to the board of directors and the executive committee, including the design of compensation programs and retirement benefits plans; and, if necessary, propose any changes to the board of directors;
- propose to the board of directors the maximum aggregate amounts of compensation of the board of directors and of the executive committee to be submitted to the shareholders' vote at the annual general meeting of shareholders;
- propose to the board of directors the individual compensation for the members of the board of directors, the CEO and the other members of the executive committee, within the limits approved by the annual general meeting of shareholders;
- review and approve the employment contracts of the executive committee members;
- develop and regularly review the guidelines governing the structure of the occupational pension scheme for the executive committee;
- prepare the compensation report;
- if the compensation committee considers necessary: the assignment, the supervision and the critical evaluation of the results of advisers or the comparison with third party companies regarding the compensation practices.

The levels of authority between the CEO, the compensation committee (CC), the board of directors (BoD) and the annual general meeting of shareholders (AGM) are summarized in the following table:

	CEO	CC	BoD	AGM
Compensation policy and principles (incl. guidelines for the pension scheme)		Proposal	Approval	
Maximum aggregate compensation amounts of the board of directors		Proposal	Review	Approval (binding vote)
Maximum aggregate compensation amounts of the executive committee		Proposal	Review	Approval (binding vote)
Individual compensation of members of the board of directors		Proposal	Approval	
Compensation of the CEO		Proposal	Approval	
Individual compensation of members of the executive committee	Proposal	Review	Approval	
Compensation report		Proposal	Approval	Consultative vote

The compensation committee meets as often as business requires but at least twice a year. In 2022, it held two meetings, each lasted half a day. In addition, a circular resolution has been adapted. All members were present at these meetings.

As a general rule, the CEO participates in the meetings of the compensation committee in an advisory capacity. Other members of the board of directors may attend the committee meetings (without voting rights) and other executives may be invited in an advisory capacity as well. However, the other members of the board of directors and the executives abstain from a topic when their own performance and/or compensation is being discussed. After each meeting, the chair of the compensation committee reports to the board of directors the topics discussed and its recommendations. The minutes of the compensation committee meetings are available to the entire board of directors.

The compensation committee may appoint external consultants to provide support in fulfilling its duties. In 2022, the compensation committee engaged Agnès Blust Consulting (now part of PricewaterhouseCoopers) to conduct a benchmark study in relation to the compensation of the executive committee. The Bossard Group did not engage Agnès Blust Consulting for any other consulting mandate regarding compensation systems.

The compensation committee regularly compares compensation levels with benchmarks, reviews Bossard Group's compensation policies and conducts a self-assessment.

2.3. Method of determination of compensation

Benchmarking: in order to assess the market competitiveness of compensation and to determine appropriate compensation levels for the members of the board of directors and of the executive committee, the compensation committee periodically (i.e. every three to four years) reviews the compensation reports published by other international industrial companies that are listed in Switzerland and comparable to the Group in terms of size (market capitalization, employees, revenues), geographic scope and business complexity. The benchmarking study conducted in 2022 on compensation for the executive committee was based on a comparable group of 21 Swiss industrial companies listed on the SIX Swiss Exchange in terms of market capitalization, employees and revenue.

For the compensation of the board of directors, a benchmarking analysis was last carried out in 2019, based on a comparison group of several Swiss industrial companies listed on the SIX Swiss Exchange, which are comparable in terms of market capitalization, employees and revenue.

Performance management: the actual compensation effectively paid out in a given year to the executive committee members depends on their individual performances.

Depending on the level of responsibility, the evaluation of individual performances takes into account the results of the entire Group and/or of a business area. The performance evaluation is based on quantitative and qualitative criteria. The quantitative elements are derived both from the current business results and from the long-term value drivers, which are decisive for the Group's future results and profitability. The assessment is closely linked to the value-oriented and sustainability-focused management approach implemented by the Bossard Group. Qualitative criteria are derived from the company's strategic targets. Therefore, compensation reflects both the sustainable success of the company and the respective individual contributions.

3. Compensation structure – board of directors

In terms of independence of the members of the board of directors, each member of the board of directors receives a fixed compensation, supplemented by a compensation for his or her work on a committee of the board of directors. The remuneration is intended to compensate appropriately for the time spent on the board of directors and its committees as a result of the mandate. In addition, each member of the board of directors receives a lump-sum expense allowance.

For the term of office starting at the annual general meeting of shareholders in 2022, CHF 30,000 of the total compensation is paid in the form of registered A shares of Bossard Holding AG. The shares are subject to a restriction period of three years during which they cannot be sold, transferred or pledged. The restriction period also applies in case of termination of mandate, except in case of termination following death where the restriction immediately lapses. The shares are priced at their market value, determined at the end of February of each year based on the average share price of the previous ten trading days – deducting the reduction of around 16 percent permitted under Swiss tax law for the three-year blocking period.

The shares required for the share plan are provided by the Group's treasury shares or by share purchases on the market.

in CHF per year

Fixed compensation for the chair of the board of directors	320,000
Fixed compensation for each member of the board of directors	120,000
Fixed compensation for the chair of a committee of the board of directors	20,000
Fixed compensation for each member of a committee of the board of directors	10,000
Expense allowance	8,000

The illustrated amounts are after deduction of social security contributions.

4. Compensation structure – executive committee

According to the compensation principles defined in section 1, the compensation of the executive committee includes the following elements:

- fixed compensation
- variable compensation – short-term oriented incentive (short-term incentive – STI)
- variable compensation – long-term oriented incentive (long-term incentive – LTI)
- occupational benefits

Structure of compensation of the executive committee:

Element	Purpose	Drivers	Performance measures	Vehicle
Fixed compensation	Attract & retain	Position, skills and experience		Monthly cash payments
STI / Variable compensation – short-term oriented incentive	Pay for performance	Annual performance	EBIT Group respectively EBIT as well as gross profit of own business area	Annual bonus in cash
LTI / Variable compensation – long-term oriented incentive	Align to shareholders’ interests, retain	Achieved strategic goals	Individual, qualitative performance	Entitlements (namely, restricted stock units; RSU) with five-year staged vesting period
Occupational benefits	Protect against risks, attract & retain	Market practice and position		Retirement plan, insurance, perquisites

4.1. Fixed compensation

The annual fixed compensation is paid in cash on a monthly basis. It reflects the scope and responsibilities of the role, the skills required to perform the role and the profile of the jobholder in terms of experience and capabilities.

4.2. Variable compensation – short-term oriented incentive (STI)

The short-term oriented variable compensation rewards the achievement of annual financial goals.

The fixed compensation and the expected short-term oriented variable compensation (assuming 100 percent achievement of all financial goals) form the so-called total cash compensation. The target value of the total cash compensation of the CEO and the other executive committee members is reviewed annually based on the scope of the role, competitive market practice, individual profile and performance, as well as the company's affordability.

The short-term variable compensation is based on the financial performance of the Group as a whole and/or its businesses as follows:

Component		CEO	CF0/CS0	Other members of the executive committee
Financial performance	Group	Group gross profit (1/3), Group EBIT (2/3)	Group gross profit (1/3), Group EBIT (2/3)	Group EBIT (1/3)
	Own business area			EBIT as well as gross profit of own business area (2/3)

The financial objectives always include a measure of profitability, such as business area and Group operating profit, because profitability is absolutely critical to the long-term success of the company. In addition, gross profit development is used as a growth parameter. For each financial objective, an expected level of performance is determined, either on the basis of the annual financial plan or of the prior year's results.

Due to the commercial sensitivity of financial objectives, the board of directors abstains from such a disclosure in the compensation report. However, the actual payout level of the short-term oriented variable compensation in the reporting year is explained and commented in section 5.

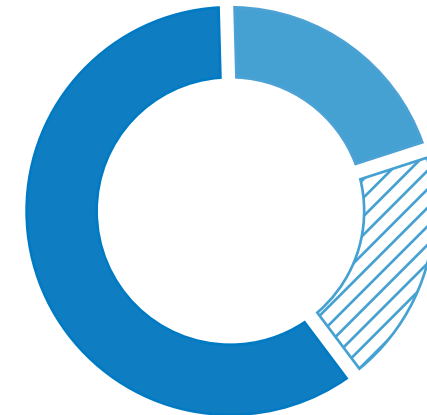
The CEO and other members of the executive committee may draw up to 20 percent of their total cash compensation in the form of registered A shares of Bossard Holding AG. The shares are subject to a restriction period of three years during which they cannot be sold, transferred or pledged. The restriction period also applies in cases of termination of employment and retirement. In case of termination following death the restriction lapses immediately. The shares are priced at their market value, determined at the end of February of each year, based on the average share price over the previous ten trading days after deduction of the reduction of around 16 percent permitted under Swiss tax law for the three-year blocking period. The individual choice to draw shares by the CEO as well as the other members of the executive committee is made the day after the annual general meeting of shareholders. The shares required for the share plan are provided by the Group's treasury shares or by share purchases on the market.

4.3. Variable compensation – long-term oriented incentive (LTI)

The objectives of the long-term oriented variable compensation for the executive committee are to strengthen the link between management and shareholders' interests, to foster the executive committee's long-term motivation and identification with the Bossard Group, to let participants directly participate in the long-term shareholder value created through share price appreciation.

The condition for granting the entitlement (namely restricted stock units; RSUs) is linked to the implementation of Bossard Group's strategic initiatives approved by the board of directors. These objectives are qualitative in nature and relate primarily to innovation, market cultivation, cultural transformation and further sustainability criteria (ESG).

Non-financial targets



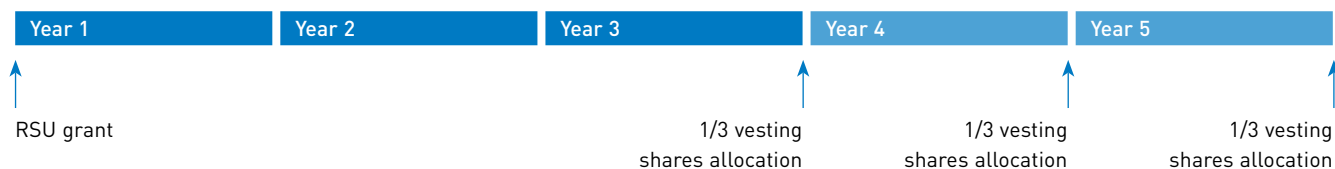
- Social (20%)
- ▨ Environment (20%)
- Further strategic initiatives (60%)

For the CEO a maximum amount of CHF 100,000 and for the other members of the executive committee a maximum amount of CHF 50,000 is foreseen. The conversion is carried out at market value and is based on the average share price of the last ten trading days in December. The grant is based on the achievement of objectives in the financial year. Therefore, the vesting period starts at the beginning of the following financial year.

Each RSU is a conditional right to receive one registered A share of Bossard Holding AG after the vesting period. The RSUs vest conditionally if the beneficiary is employed at the time of the vesting date and according to the following vesting schedule: one third of the RSUs vest three years after the grant date, one third vest four years after the grant date and the last third vest five years after the grant date.

At the respective vesting date, the vested RSUs are converted into registered A shares of Bossard Holding AG. The shares are not subject to any further restrictions other than the general rules governing management transactions. In circumstances where the allocation of shares may be unlawful or impractical, the award may be settled in cash instead of registered A shares of Bossard Holding AG.

Vesting period:



4.4. Occupational benefits

The members of the executive committee participate in the benefit plans available in the country of their employment contract. Benefits consist mainly of retirement, insurance and healthcare plans that are designed to provide a reasonable level of protection for the employees and their dependents with respect to retirement, risk of disability, death and health. The members of the executive committee with a Swiss employment contract participate in the pension plan of Bossard (Bossard Personalstiftung, Zug) offered to all employees in Switzerland, in which a base compensation up to an amount of CHF 286,800 per annum is insured, as well as a supplementary plan in which earnings in excess of this limit are insured up to the maximum amount permitted by law. Bossard's pension benefits exceed the legal requirements of the Swiss federal law on occupational retirement, survivors' and disability pension plans (BVG) and are in line with what other international industrial companies offer. Members of the executive committee under foreign employment contracts are insured commensurately with

local market conditions and with their position. Each plan varies in line with the local competitive and legal environment and is, as a minimum, in accordance with the legal requirements of the respective country.

In addition, members of the executive committee are also eligible to standard perquisites, such as a company car or a car allowance, seniority awards, child allowance and other benefits in kind, according to competitive market practice in their country of contract. The monetary value of these other elements of compensation is evaluated at fair value and is disclosed in the compensation tables.

4.5. Employment contracts

The members of the executive committee are employed under employment contracts of unlimited duration with a notice period of six months, respectively twelve months for the CEO. Members of the executive committee are not contractually entitled to termination payments or any change of control provisions.

5. Compensation of the board of directors and the executive committee

5.1. Compensation paid to members of the board of directors for the financial years 2022 and 2021

In 2022, the members of the board of directors received a compensation in the amount shown in the following table.

Compared to the prior year, the total compensation remains stable.

Compensation paid to members of the board of directors for the financial year 2022

in CHF, gross		Fixed	Expense allowance	Social costs	Total compensation	Thereof in shares ⁴⁾
Dr. Thomas Schmuckli	Chair, Chair NC ¹⁾ , ARCC ²⁾	350,000	8,000	53,614	411,614	30,078
Patricia Heidtman	Vice Chair, NC, CC ³⁾	140,000	8,000	21,445	169,445	30,078
Dr. René Cotting	Chair ARCC	140,000	8,000	21,445	169,445	30,078
David Dean	Repr. of registered A shares, Chair CC	140,000	8,000	21,445	169,445	30,078
Petra Maria Ehmann	NC, ARCC	140,000	8,000	21,459	169,459	30,078
Marcel Keller	CC	130,000	8,000	19,927	157,927	30,078
Martin Kühn	ARCC	130,000	8,000	19,916	157,916	30,078
Prof. Dr. Stefan Michel	NC, CC	140,000	8,000	21,448	169,448	30,078
2022		1,310,000	64,000	200,699	1,574,699	240,624

1) Nomination committee (NC)

2) Audit, risk & compliance committee (ARCC)

3) Compensation committee (CC)

4) Each member of the board of directors receives CHF 30,000 worth of the total compensation in the form of registered A shares of Bossard Holding AG. The allocation price corresponds to the market value, in each case after deduction of the tax-permissible reduction of around 16 percent for the three-year blocking period. For the shares subscribed in 2022, the allotment price was CHF 222.80. The draw of the shares took place one day after the annual general meeting of shareholders 2022.

Compensation paid to members of the board of directors for the financial year 2021

in CHF, gross		Fixed	Expense allowance	Social costs	Total compensation	Thereof in shares ⁷⁾
Dr. Thomas Schmuckli	Chair, Chair NC ¹⁾ , ARCC ²⁾	344,167	8,000	50,303	402,470	29,918
Patricia Heidtman	Vice Chair ³⁾ , NC, CC ⁴⁾	137,667	8,000	21,213	166,880	29,918
Dr. René Cotting	Chair ARCC	137,667	8,000	21,213	166,880	29,918
David Dean	Repr. of registered A shares, Chair CC	137,667	8,000	21,213	166,880	29,918
Petra Maria Ehmann ⁵⁾	NC, ARCC	93,333	5,333	14,382	113,048	-
Marcel Keller ⁵⁾	CC	86,667	5,333	13,354	105,354	-
Martin Kühn	ARCC	127,833	8,000	19,698	155,531	29,918
Prof. Dr. Stefan Michel	NC, CC	134,500	8,000	20,725	163,225	29,918
Anton Lauber ⁶⁾	Vice Chair, NC, CC	44,333	2,667	5,102	52,102	29,918
Maria Teresa Vacalli ⁶⁾	ARCC	41,167	2,667	6,343	50,177	29,918
2021		1,285,001	64,000	193,546	1,542,547	239,344

1) Nomination committee (NC)

2) Audit, risk & compliance committee (ARCC)

3) Vice Chair of the board of directors since April 2021

4) Compensation committee (CC)

5) Election to the board of directors in April 2021

6) Resignation from the board of directors in April 2021

7) Each member of the board of directors receives CHF 30,000 of its total compensation in registered A shares of Bossard Holding AG. The allocation price corresponds to the market value. For the shares subscribed in 2021 the allotment price was CHF 199.45. The draw of the shares took place one day after the annual general meeting of shareholders 2021.

In 2022, the annual general meeting of shareholders approved a maximum compensation amount for the board of directors of CHF 1,800,000 for the period from the annual general meeting of shareholders 2022 until the next annual general meeting of shareholders 2023. As this compensation period has not yet ended, the final amount will be disclosed in the compensation report for financial year 2023.

In 2021, the annual general meeting of shareholders approved a maximum compensation amount for the board of directors of CHF 1,600,000 for the period from the annual general meeting of shareholders 2021 until the next annual general meeting of shareholders 2022. The compensation of the board of directors for this term of office augmented to CHF 1,574,711 and remains therefore within the approved compensation payable to the board of directors.

Payments to former members of the board of directors

No compensation was paid to former members of the board of directors in 2022.

In 2021, Anton Lauber and Maria Teresa Vacalli, who resigned from their positions as member of the board of directors at the annual general meeting of shareholders 2021, received compensation in accordance with the table above.

Payments to related parties of members of the board of directors

In 2022, as well as in 2021, no compensation was paid to related parties of present or former members of the board of directors.

Loans and credits to present or former members of the board of directors or to related parties

As of December 31, 2022 as well as of December 31, 2021 no such loans or credits existed to present or former members of the board of directors, or to related parties of present or former members of the board of directors.

5.2. Compensation paid to members of the executive committee for the financial years 2022 and 2021

In 2022, the members of the executive committee received the compensation according to the table below:

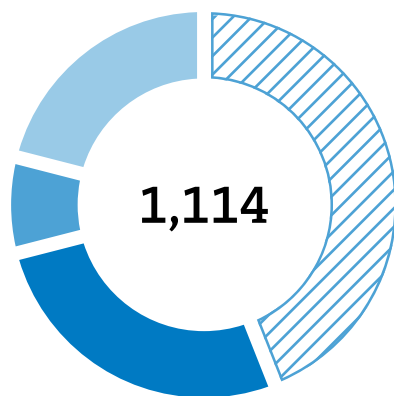
Compensation paid to members of the executive committee

in CHF	Executive committee total		Dr. Daniel Bossard, CEO	
	2022 ⁵⁾	2021 ⁷⁾	2022	2021
Fixed compensation	2,693,869	2,981,010	485,476	452,137
Variable compensation – short-term incentive (STI) ¹⁾	1,772,262	1,999,604	307,184	283,868
Variable compensation – long-term incentive (LTI) ²⁾	333,600	362,167	90,000	90,000
Other benefits ³⁾	83,400	101,429	16,800	16,800
Social and pension costs	956,844	834,166	214,570	186,308
Total	5,839,975	6,278,376	1,114,030	1,029,113
Thereof in shares ⁴⁾	178,240	-	111,400	-
Number of members of the executive committee	6.5 ⁶⁾	7.5 ⁸⁾		

- 1) The disclosed short-term component of the variable compensation is accrued for the reporting year. This may differ from the actual payment made in the following year. Any deviations between accruals and actual payments are recognized in the following reporting year for which the compensation was paid. The compensation disclosed for 2021 is the actual total payment made.
- 2) The long-term variable compensation, namely the allocation of the RSU, for the 2022 financial year will take place in the second quarter of 2023 (according to section 4.3). The amount disclosed here represents the compensation envisaged as of the reporting date. Any discrepancies between the amount reported and the actual allocation will be reported in the following year for the corresponding financial year. The compensation reported for 2021 represents the actual allocations made. The fair value for the RSU allocation for the financial year 2022 amounts to CHF 199.80 (2021: CHF 317.50).
- 3) Private share in company vehicle, child allowances, anniversary bonus.
- 4) Members of the executive committee may draw up to 20 percent of their total compensation in registered A shares of Bossard Holding AG of the prior year (according to article 38 of the articles of association). The purchase price corresponds to the market value, in each case after deduction of the permissible tax reduction of around 16 percent for the three-year blocking period. The draw always takes place one day after the annual general meeting of shareholders. The purchase price for the shares purchased in 2022 was CHF 222.80. In 2021, no shares were drawn.
- 5) This total compensation includes the compensation for the former CEO Central Europe until the end of June 2022.
- 6) Seven members until end of June 2022 and six members as of beginning of July 2022.
- 7) This total compensation includes the compensation for the new CEO America as of February 1, 2021 as well as the former CEO America, who left Bossard Group due to a termination agreement as of July 31, 2021. This total compensation further includes the compensation for the additional member of the executive committee as of May 1, 2021.
- 8) Six members until end of January 2021 and seven members as of beginning of May 2021. In addition, there was an overlap (double occupancy) from the beginning of February 2021 to the end of July 2021 due to the change of the CEO Bossard America.

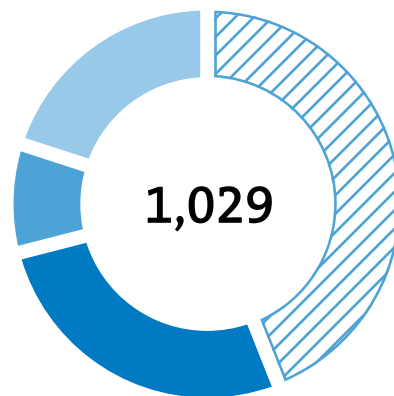
Compensation of CEO for 2022

in CHF 1,000



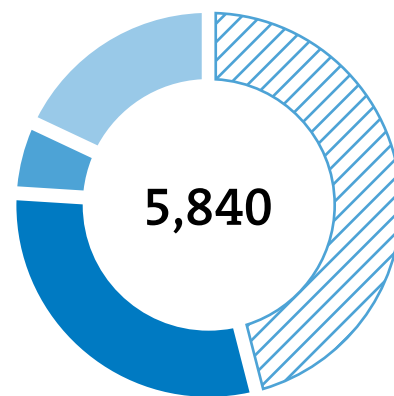
Compensation of CEO for 2021

in CHF 1,000



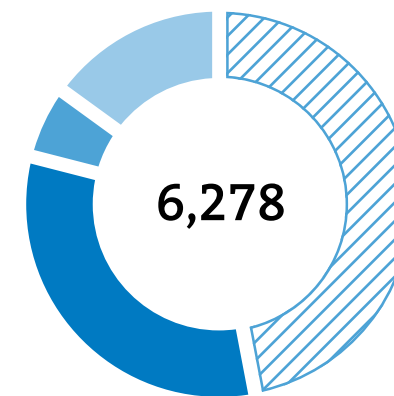
Compensation of executive committee for 2022

in CHF 1,000



Compensation of executive committee for 2021

in CHF 1,000



■ Fixed compensation
 ■ Variable compensation – short-term incentive (STI)
 ■ Variable compensation – long-term incentive (LTI)
 ■ Social costs and other benefits

The lower remuneration compared to prior year is due to the vacancy in the function of CEO Central Europe and the respective management ad interim by the CEO Dr. Daniel Bossard.

In 2022, the variable component, short-term incentive, amounted to 63 percent of the fixed compensation for the CEO Dr. Daniel Bossard (2021: 63 percent) and to 66 percent on average for the other executive committee members (2021: 68 percent). In order to maintain an appropriate level of compensation and not provide any incentives to take

excessive risks or to focus on short-term decisions at the expense of the Group's sustainable success, the variable remuneration (short-term and long-term oriented components) is limited to 100 percent of the annual fixed compensation.

In 2021, the annual general meeting of shareholders approved a maximum compensation amount for the executive committee of CHF 6,000,000 for the period from January 1, 2022 to December 31, 2022, which in 2022 was increased by the annual general meeting of shareholders

to CHF 7,000,000. The total compensation 2022 of the executive committee of CHF 5,839,975 is within the approved total compensation.

In 2022, the annual general meeting of shareholders approved a maximum compensation amount for the executive committee of CHF 7,000,000 for the period from January 1, 2023 to December 31, 2023.

Compensation paid to former members of the executive committee

In 2022, Beat Grob, former CEO Bossard Central Europe, received a compensation according to the table on page 105.

In 2021, Steen Hansen, former CEO Bossard America, received a compensation according to the table on page 105.

Compensation paid to related parties of members of the executive committee

In 2022, as well as in 2021, no compensation was paid to related parties of present or former members of the executive committee.

Loans and credits to present or former members of the executive committee or to related parties

As of December 31, 2022, as well as of December 31, 2021, no such loans or credits existed to present or former members of the executive committee, or to related parties of present or former members of the executive committee.

6. Participations of members of the board of directors and the executive committee at December 31, 2022 and 2021

At December 31, the individual members of the board of directors and the executive committee (including persons closely associated with them) held the following numbers of registered A shares of Bossard Holding AG:

Board of directors	2022	Thereof blocked ²⁾	2021	Thereof blocked ²⁾
Dr. Thomas Schmuckli Chair, Chair NC, ARCC	8,658	685	8,523	998
Patricia Heidtman Vice Chair, NC, CC	785	685	650	550
Dr. René Cotting Chair ARCC	2,535	635	2,400	900
David Dean Repr. of registered A shares, Chair CC	1,285	541	1,150	406
Petra Maria Ehmann ¹⁾ NC, ARCC	135	135	-	-
Marcel Keller ¹⁾ CC	135	135	-	-
Martin Kühn ARCC	1,447	797	1,312	1,102
Prof. Dr. Stefan Michel NC, CC	1,189	541	1,054	854
Total	16,169	4,154	15,089	4,810

1) Election to the board of directors in April 2021

2) These shares are subject to a blocking period of three years starting from the grant date.

Executive committee		2022	Thereof blocked ⁴⁾	2021	Thereof blocked ⁴⁾
Dr. Daniel Bossard ¹⁾	CEO, CEO Central Europe ad interim	7,205	500	5,363	400
Stephan Zehnder	CFO	11,710	-	10,349	600
Dr. Frank Hilgers	CEO Northern & Eastern Europe, CCO	2,562	300	2,301	300
David Jones ²⁾	CEO America	300	300	-	-
Robert Ang	CEO Asia	13,054	-	12,793	900
Rolf Ritter ³⁾	CSO	210	-	-	-
Total		35,041	1,100	30,806	2,200

1) Additionally, shareholder of Kolin Holding AG, which holds 56.3 percent of the votes of Bossard Holding AG.

2) Takeover as CEO America in February 2021

3) Appointment as CSO as of May 1, 2021

4) These shares are subject to a blocking period of three years starting from the grant date.

At December 31, the individual members of the executive committee held the following numbers of awarded restricted stock units (RSUs):

		2022 ³⁾	2021
Dr. Daniel Bossard	CEO, CEO Central Europe ad interim	1,185	1,243
Stephan Zehnder	CFO	662	765
Dr. Frank Hilgers	CEO Northern & Eastern Europe, CCO	662	765
David Jones ¹⁾	CEO America	145	-
Robert Ang	CEO Asia	662	765
Rolf Ritter ²⁾	CSO	189	94
Total		3,505	3,632

1) Takeover as CEO America in February 2021

2) Appointment as CSO as of May 1, 2021

3) RSUs which will be granted in the second quarter of 2023 for the financial year 2022 are not included in the balance.

Guideline of shareholding

The board of directors adopted guidelines on shareholdings. These came into effect on January 1, 2020:

- The chair of the board of directors shall hold 150 percent of the equivalent value of the base fee in registered A shares of Bossard Holding AG.
- The members of the board of directors shall hold 100 percent of the equivalent value of the base fees in registered A shares of Bossard Holding AG.
- The CEO shall hold 150 percent of the equivalent value of the fixed compensation in registered A shares of Bossard Holding AG.
- The members of the executive committee shall hold 100 percent of the equivalent value of the fixed compensation in registered A shares of Bossard Holding AG.
- Newly elected members shall build up the required shareholding within four years upon their election. Should the share price fall or rise significantly, the board of directors may, at its own discretion, adjust this period accordingly.

For the determination of the minimum shareholdings, all shares are considered, regardless of whether they are restricted or not. The compensation committee annually assesses the alignment of the shareholdings with the guideline of shareholding.

According to the review of the compensation committee (last review in 2022), all members of the board of directors and the executive committee comply with the guideline of shareholding; this also includes the transition period of the newly elected or appointed members.



Report of the statutory auditor

to the General Meeting of Bossard Holding AG Zug

Report on the audit of the compensation report

Opinion

We have audited the compensation report of Bossard Holding AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on compensation, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Compensation in Listed Companies Limited by Shares (Ordinance) contained in the note 5 on pages 103 to 107 of the compensation report.

In our opinion, the information on compensation, loans and advances in the compensation report (pages 103 to 107) complies with Swiss law and article 14 to 16 of the Ordinance.

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 note 5 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. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information on compensation, loans and advances pursuant to article 14 to 16 of the Ordinance is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment 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 AG

Thomas Wallmer

Licensed audit expert
Auditor in charge

Remo Waldispühl

Licensed audit expert

Zurich, February 24, 2023

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