



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 2023.

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*.

Information regarding the transparency on non-financial matters can be found in the sustainability report starting on page 21. In addition, the Bossard Group reports on the gender guidelines in the corporate governance report on page 82.

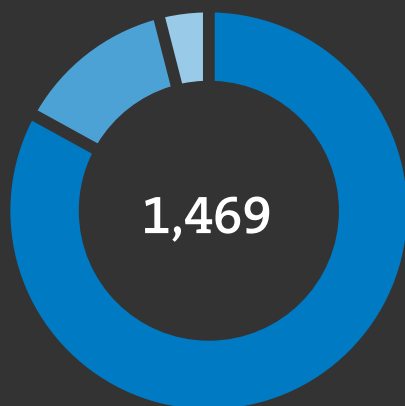
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AT A GLANCE

Compensation

Compensation of board of directors 2023

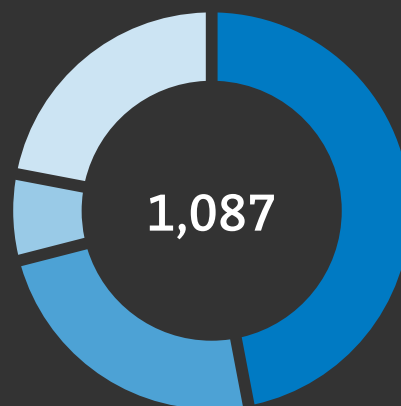
in CHF 1,000



- Fixed compensation
- Social costs
- Expense allowance

Compensation of CEO 2023

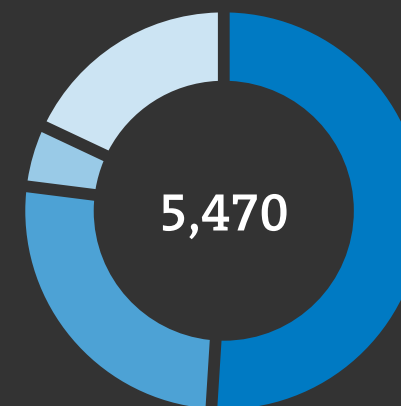
in CHF 1,000



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

Compensation of executive committee 2023

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 program 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 2023.

Changes to the compensation scheme

Based on an in-depth review of the compensation system of the executive committee by the compensation committee, the board of directors decided on the following adjustments for a new long-term oriented incentive (LTI):

In order to align the interests of the Group's executive committee with long-term shareholder interests, the Bossard Group has a long-term incentive system dependent on the financial success of the company. The previous plan (including the reporting year 2023) was based on qualitative goals for strategy implementation, innovation, and ESG. Starting in 2024, the LTI will be redesigned. This plan now includes Performance Share Units (PSUs) with a three-year vesting period, whose allocation is contingent upon achieving quantitative performance goals over three years and continued employment. The performance goals

are broadly supported by three performance indicators: these are revenue growth, EBIT margin, and ESG. Performance goals and stock price development are essential for calculating the payout factor of the allocated Performance Share Units (PSUs) and take into account the nature and volatility of the Bossard Group's business in each reporting period. This ensures the clear implementation of a pay-for-performance philosophy throughout.

Calculation of PSU allocation: The number of allocated PSUs is calculated by dividing a fixed CHF amount by the average closing price during the last 60 days before the start of the vesting period. The actual payout at the end of the vesting period is made in registered A shares of Bossard Holding AG and depends on the performance factor, based on meeting the Board's targets for revenue growth, EBIT margin, and ESG. These values are weighted at 40 percent, 40 percent, and 20 percent, respectively. With regard to ESG goals, there are two defined ESG goals to achieve. The first goal is to reduce the total emissions in Scope 1 and 2 by a defined amount annually, based on the defined reduction path. The second goal is to ensure that the procurement volume is covered by the applicability of the supplier code of conduct and that a defined higher percentage is achieved every year. The total performance factor is calculated as the sum of the performance factors for the three individual years. The

payout factor can range from 0 percent to 200 percent. The actual value of the allocation at the end of the vesting period is thus dependent on the payout factor and the stock price performance during the vesting period.

The definitive stock allocation is subject to the following vesting rules:

- Performance factor below the threshold:
0 percent of the PSUs will be converted into shares.
- Performance factor meets target:
100 percent of the PSUs will be converted into shares.
- Performance factor at maximum level:
200 percent of the PSUs will be converted into shares (cap).

The annual remuneration is subject to clawback and malus provision.

Revision of the articles of association

Necessary amendments in connection with the revision of the company law, which came into force in 2023, will also be made with the revision of the articles of association that are on the agenda for the annual general meeting of shareholders 2024. Provided that the annual general meeting of shareholders approves the revision of the articles of association, these amendments will come into effect immediately.

Compensation of the board of directors

The compensation of the board of directors for the period between the annual general meeting of shareholders 2022 and 2023 is below the approved maximum compensation amount:

Time period of compensation	Approved compensation	Effective compensation
2022–2023	CHF 1,800,000	CHF 1,573,969
2023–2024	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 2024.

Compensation of the executive committee

The compensation granted to the executive committee for 2023 is below the maximum compensation approved by the annual general meeting of shareholders 2023:

Time period of compensation	Approved compensation	Effective compensation
2023	CHF 7,000,000	CHF 5,470,360

1. Compensation philosophy and principles

Board of directors

To reinforce the independence in exercising their supervisory duties, members of the board of directors receive fixed compensation only. The board of directors is not eligible for any performance-based compensation and is not insured in the company pension plans. The compensation is paid in cash and 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 compensation is linked with the share price development of the company and strengthens the alignment with the shareholders' interests.

Executive committee

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 2023 annual general meeting of shareholders re-elected David Dean (chair) and Marcel Keller and newly elected Prof. Dr. Ina Toegel as members of the compensation committee. All three 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 2023, it held three meetings, each lasted half a day. 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 2023, no external consultants were mandated.

The compensation committee regularly compares compensation levels with benchmarks, reviews Bossard Group's compensation policies and conducts a self-assessment. The compensation committee mandated the last time in 2022 Agnès Blust Consulting AG (now part of PricewaterhouseCoopers AG, which serves as the external

auditor. In order to ensure independence between the audit of the financial statements and other mandates of PricewaterhouseCoopers AG, clear rules have been defined that have been consistently applied to this mandate.) Agnès Blust Consulting AG conducted a benchmarking study on compensation levels for the executive committee. The Bossard Group did not engage Agnès Blust Consulting AG for any other consulting mandate regarding compensation systems.

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, revenue), 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. These included: Arbonia, Autoneum, BELIMO, BOBST, Bucher Industries, Burckhardt Compression, Comet, Daetwyler, Huber+Suhner, INFICON, INTERROLL, Kardex, Komax, Landis+Gyr, LEM, Phoenix Mecano, Schweiter Technologies, V-Zug, VAT, Vetropack and Zehnder.

For the compensation of the board of directors, a benchmarking analysis was last carried out in 2019, based on a comparison group of 20 Swiss industrial companies listed on the SIX Swiss Exchange, which are comparable in terms of market capitalization, employees and revenue. These included: Autoneum, BELIMO, BOBST, Burckhardt Compression, Comet, Huber+Suhner, INFICON, INTERROLL, Kardex, Komax, Landis+Gyr, LEM, Metall Zug, Phoenix Mecano, Rieter, Schweiter Technologies, Siegfried, Valora, Ypsomed and Zur Rose.

Performance management: the actual compensation effectively paid out in a given year to the executive committee members depends on their individual performance. Depending on the level of responsibility, the evaluation of individual performance 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 contribution.

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 2023, 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 treasury shares of Bossard Holding AG or by share purchases on the market.

in CHF per year

Fixed compensation for the chair of the board of directors	340,000
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 social security contributions on these amounts are paid by the company.

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; RSUs) 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/VP of People & Organization	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			The ratio within these 2/3 is area gross profit (1/3), area EBIT (2/3)

The short-term oriented incentive (STI) is focused on two financial goals. These objectives include gross profit (indicating profitable growth and guiding pricing) and EBIT (highlighting operational excellence and overall profitability). Each financial objective comes with an expected performance level, determined either by the data from preceding years or the annual financial plan. These targets have been chosen because they are considered the primary value drivers for the Bossard business model. They play a crucial role in rewarding profitable business expansion and gaining a lucrative market share (top-line contribution). Additionally, they contribute to sustainably increasing profitability through robust operating leverage

(bottom-line contribution), making them key drivers for generating lasting capital returns. The board of directors firmly believes that these targets promote Bossard’s performance in a balanced and sustainable manner, aligning well with the interests of the shareholders.

Due to the commercial sensitivity of financial objectives, the board of directors abstains from any further disclosure in the compensation report, in particular also for any separate disclosure for each member of the executive committee. The actual payout level of the short-term oriented variable compensation in the reporting year is explained and commented in section 5.

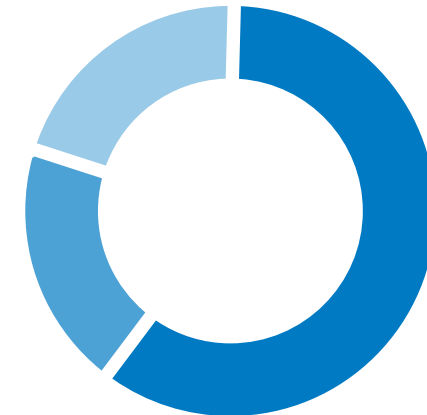
The CEO and other members of the executive committee may draw up to 20 percent of their total cash compensation in the form of registered A shares of Bossard Holding AG. The shares are subject to a restriction period of three years during which they cannot be sold, transferred or pledged. The restriction 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 treasury shares of Bossard Holding AG 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 the long-term 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). Due to the fact that the RSUs are not exchanged for shares until the third to fifth year after the grant, this is intended to encourage long-term thinking and action as well as to align the compensation with the interests of long-term shareholders. The LTI is based on three main non-financial targets; namely social, environmental and strategic initiatives. These targets are weighted at 20 percent, 20 percent and 60 percent, respectively. On an annual basis, these targets are defined in more detail for each member of the executive committee for the respective LTI-plan.

Non-financial targets



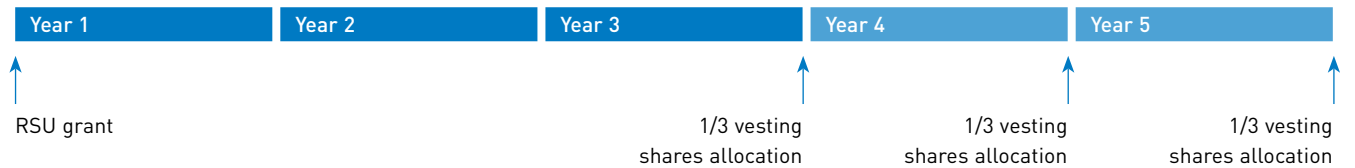
- Strategic initiatives (60%)
- Social (20%)
- Environment (20%)

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 right to receive one registered A share of Bossard Holding AG after the vesting period. The RSUs vest 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. In cases of retirement, disability and death, the RSUs vest immediately. If the employment with the Bossard Group terminates for any other

reason than retirement, disability or death, the unexecuted RSUs shall not be vested immediately. Such RSUs remain subject to the respective vesting period. 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 294,000 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 2023 and 2022

In 2023, 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 is lower due to the fact that the board of directors was constituted with seven members as of April 2023 compared to eight members before.

Compensation paid to members of the board of directors for the financial year 2023

in CHF, gross		Fixed	Expense allowance	Social costs	Total compensation	Thereof in shares ¹¹⁾
Dr. Thomas Schmuckli	Chair, Chair NC ¹⁾ , ARCC ²⁾	356,667	8,000	54,320	418,987	29,976
Patricia Heidtman	Vice Chair, NC, CC ^{3) 4)}	133,333	8,000	20,374	161,707	29,976
David Dean	Repr. of registered A shares, Chair CC, ARCC ⁵⁾	146,667	8,000	22,411	177,078	29,976
Petra Maria Ehmann	NC ⁶⁾ , ARCC	133,334	8,000	20,368	161,702	29,976
Marcel Keller	CC	130,000	8,000	19,860	157,860	29,976
Martin Kühn	Chair ARCC ⁷⁾	136,667	8,000	20,883	165,550	29,976
Prof. Dr. Ina Toegel ⁸⁾	NC, CC	93,333	5,333	14,261	112,927	-
Dr. René Cotting ¹⁰⁾	Chair ARCC ⁹⁾	46,666	2,667	7,131	56,464	29,976
Prof. Dr. Stefan Michel ¹⁰⁾	NC, CC	46,666	2,667	7,131	56,464	29,976
2023		1,223,333	58,667	186,739	1,468,739	239,808

1) Nomination committee [NC]

2) Member of the Audit, risk & compliance committee [ARCC] until April 2023

3) Compensation committee [CC]

4) Member of the CC until April 2023

5) Member of the ARCC since April 2023

6) Member of the NC until April 2023

7) Chair of the ARCC since April 2023, before member of the ARCC

8) Election to the board of directors in April 2023

9) Chair of the ARCC until April 2023

10) Resignation from the board of directors in April 2023

11) 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 2023, the allotment price was CHF 211.10. The draw of the shares took place one day after the annual general meeting of shareholders 2023

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.

In 2023, 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 2023 until the next annual general meeting of shareholders 2024. As this compensation period has not yet ended, the final amount will be disclosed in the compensation report for financial year 2024.

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. The compensation of the board of directors for this term of office amounted to CHF 1,573,969 and remains therefore within the approved compensation payable to the board of directors.

Payments to former members of the board of directors

In 2023, Prof. Dr. Stefan Michel has been mandated by the company for a workshop with the board of directors and certain members of the top management of the company on the topic of artificial intelligence. Prof. Dr. Stefan Michel received a fee in the amount of CHF 6,500.

In 2022, no compensation was paid to former members of the board of directors.

Payments to related parties of members of the board of directors

In 2023, as well as in 2022, 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, 2023 as well as of December 31, 2022 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.

External mandates of the board of directors

In the financial year, the members of the board of directors held the following functions in other companies with an economic purpose:

Name of member	Name of company	Function performed
Dr. Thomas Schmuckli	Hans Oetiker Holding AG, Horgen	Member of the board of directors
	Helvetia Holding AG, St. Gallen	Chair of the board of directors
	Helvetia Schweiz. Versicherungsgesellschaft AG, St. Gallen	Chair of the board of directors
	Helvetia Schweiz. Lebensversicherungs AG, Basel	Chair of the board of directors
	Stiftung Infinite Elements, Altdorf	Member of the foundation board
Patricia Heidtman	SIKA AG, Baar	Chief Innovation and Sustainability Officer
David Dean	Komax Holding AG, Dierikon	Member of the board of directors
	Burckhardt Compression Holding AG, Winterthur	Member of the board of directors
	Compressor Tech Holding AG, Zug	Member of the board of directors
	Burckhardt Compression AG, Winterthur	Member of the board of directors
	Metall Zug AG, Zug	Member of the board of directors
	Haag-Streit Holding AG, Koeniz (until end of April 2024)	Chair of the board of directors
	Brugg Group AG, Brugg	Member of the board of directors
	Brugg eConnect AG, Brugg	Member of the board of directors
	Brugg Ropes AG, Romanshorn	Member of the board of directors
	Geobrug AG, Romanshorn	Member of the board of directors
	Fatzer AG, Romanshorn	Member of the board of directors
	Brugg Lifting AG, Birr	Member of the board of directors
	Brugg Rohrsystem AG, Kleindoettingen	Member of the board of directors
	Brugg Immobilien AG, Brugg	Member of the board of directors
Rittmeyer AG, Baar	Member of the board of directors	
Petra Maria Ehmann	Ringier AG, Zofingen	Group Chief Innovation and AI Officer
	Swiss Science Center Technorama, Winterthur	Member of the board of trustees
	DKV Mobility GmbH, Ratingen	Member of the board of directors
Marcel Keller	SCION Association, Lucerne	Managing director
Martin Kühn	KIBAG Holding AG, Baech	Chief Financial Officer
	Kannewischer Ingenieurbüro AG, Cham	Member of the board of directors
	Kannewischer Bern AG, Bern	Member of the board of directors
	Kannewischer Ostschweiz AG, Wattwil	Member of the board of directors
	Pensionskasse der KIBAG, Baech	Member of the foundation board
	KIBAG Personalstiftung, Zurich	Member of the foundation board
	Windlin AG, Zurich	Chair of the board of directors
	Bürgergemeinde Zug, Zug	Member of the audit commission
	Donatorenverein FDP Kanton Zug, Zug	Chair
Prof. Dr. Ina Toegel	IMD, Lausanne	Professor

5.2. Compensation paid to members of the executive committee for the financial years 2023 and 2022

In 2023, 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	
	2023	2022 ⁵⁾	2023	2022
Fixed compensation	2,769,042	2,680,119	510,479	485,476
Variable compensation – short-term incentive (STI) ¹⁾	1,402,552	1,712,262	257,362	307,184
Variable compensation – long-term incentive (LTI) ²⁾	329,000	333,600	80,000	90,000
Other benefits ³⁾	103,830	83,400	18,000	16,800
Social and pension costs	865,936	956,844	221,597	214,570
Total	5,470,360	5,766,225	1,087,438	1,114,030
Thereof in shares ⁴⁾	84,440	178,240	-	111,400
Number of members of the executive committee	7	6.5 ⁶⁾		

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 2022 is the actual total payment made.

2) The long-term variable compensation, namely the allocation of the RSU, for the financial year 2023 will take place in the second quarter of 2024 (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 2022 represents the actual allocations made. The fair value for the RSU allocation for the financial year 2023 amounts to CHF 217.15 (2022: CHF 199.80).

3) Private share in company vehicle, child allowances, anniversary bonus

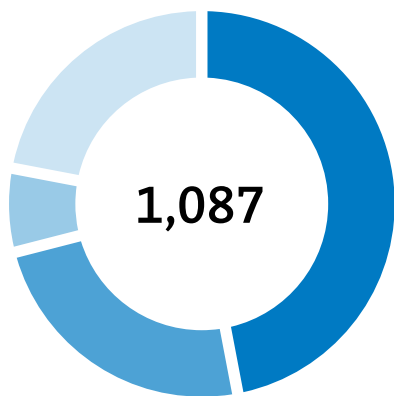
4) Members of the executive committee may draw up to 20 percent of their total compensation in registered A shares of Bossard Holding AG of the prior year (according to article 38 of the articles of association). The purchase price corresponds to the market value, in each case after deduction of the 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 2023 was CHF 211.10 (2022: CHF 222.80).

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

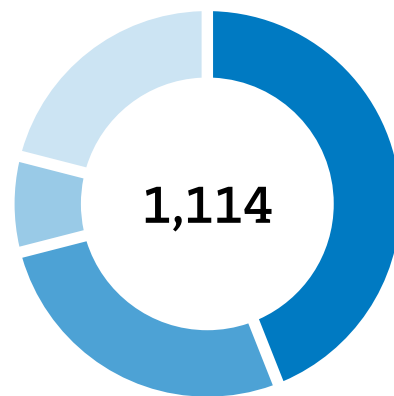
Compensation of CEO for 2023

in CHF 1,000



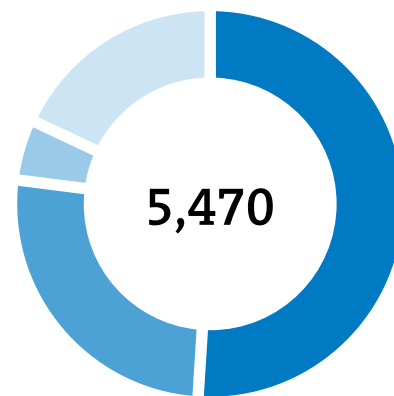
Compensation of CEO for 2022

in CHF 1,000



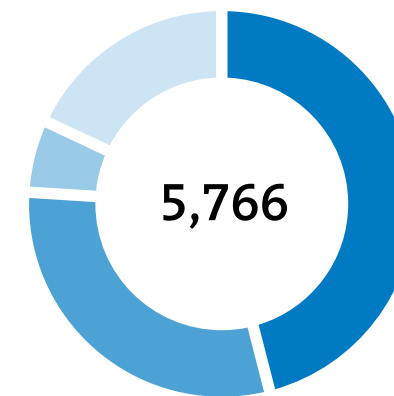
Compensation of executive committee for 2023

in CHF 1,000



Compensation of executive committee for 2022

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 the prior year is attributed to the reduced variable compensation. Specifically, the short-term incentive of the variable compensation reflects the lower profitability in 2023.

In 2023, the variable compensation, short-term incentive, amounted to 50 percent of the fixed compensation for the CEO Dr. Daniel Bossard (2022: 63 percent) and between 29 percent and 60 percent for the other executive committee members (2022: between 54 percent and 69 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 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. The total compensation 2023 of the executive committee of CHF 5,459,119 is within the approved total compensation.

In 2023, 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, 2024 to December 31, 2024.

Compensation paid to former members of the executive committee

In 2023, no compensation was 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 120.

Compensation paid to related parties of members of the executive committee

In 2023, as well as in 2022, 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, 2023, as well as of December 31, 2022, 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.

External mandates of the executive committee

In the financial year, the members of the executive committee held the following functions in other companies with an economic purpose:

Name of member	Name of company	Function performed
Dr. Daniel Bossard	Schweiter Technologies AG, Steinhausen	Member of the board of directors
	BURU Holding AG, Cham	Member of the board of directors
	Swiss American Chamber of Commerce, Zurich	Member of the chapter board
	Ecoparts AG, Hinwil	Member of the board of directors
Stephan Zehnder	-	-
Rolf Ritter	-	-
Dr. Frank Hilgers	enersis suisse AG, Bern	Member of the advisory board
	INYO Mobility GmbH, Grafing	Member of the advisory board
	MultiMaterial-Welding AG, Biel/Bienne	Member of the board of directors
David Jones	-	-
Robert Ang	-	-
Susan Salzbrenner	-	-

6. Participations of members of the board of directors and the executive committee at December 31, 2023 and 2022

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	2023	Thereof blocked ⁷⁾	2022	Thereof blocked ⁷⁾
Dr. Thomas Schmuckli Chair, Chair NC, ARCC ¹⁾	8,352	427	8,658	685
Patricia Heidtman Vice Chair, NC, CC ²⁾	927	427	785	685
David Dean Repr. of registered A shares, Chair CC, ARCC ³⁾	1,427	427	1,285	541
Petra Maria Ehmann NC ⁴⁾ , ARCC	277	277	135	135
Marcel Keller CC	277	277	135	135
Martin Kühn Chair ARCC ⁵⁾	1,589	427	1,447	797
Prof. Dr. Ina Toegel ⁶⁾ CC, NC	-	-	-	-
Total	12,849	2,262	12,445	2,978

1) Member of the ARCC until April 2023

2) Member of the CC until April 2023

3) Member of the ARCC since April 2023

4) Member of the NC until April 2023

5) Chair of the ARCC since April 2023, before member of the ARCC

6) Election to the board of directors in April 2023

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

Executive committee		2023	Thereof blocked ⁵⁾	2022	Thereof blocked ⁵⁾
Dr. Daniel Bossard ^{1) 2)}	CEO	7,630	500	7,205	500
Stephan Zehnder	CFO	10,575	-	11,710	-
Rolf Ritter ³⁾	CEO Central Europe	241	-	210	-
Dr. Frank Hilgers	CEO Northern and Eastern Europe, CCO	2,827	-	2,562	300
David Jones	CEO America	700	700	300	300
Robert Ang	CEO Asia	12,819	-	13,054	-
Susan Salzbrenner ⁴⁾	VP of People & Organization	-	-	-	-
Total		34,792	1,200	35,041	1,100

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

2) Also acting as CEO Central Europe ad interim in 2022

3) Appointment as CEO Central Europe in January 2023, former CSO in 2022

4) Appointment as VP of People & Organization in January 2023

5) 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):

Executive committee		2023 ⁴⁾	2022
Dr. Daniel Bossard ¹⁾	CEO	1,210	1,185
Stephan Zehnder	CFO	637	662
Rolf Ritter ²⁾	CEO Central Europe	296	189
Dr. Frank Hilgers	CEO Northern and Eastern Europe, CCO	647	662
David Jones	CEO America	385	145
Robert Ang	CEO Asia	622	662
Susan Salzbrenner ³⁾	VP of People & Organization	96	96
Total		3,893	3,601

1) Also acting as CEO Central Europe ad interim in 2022

2) Appointment as CEO Central Europe in January 2023, former CSO in 2022

3) Appointment as VP of People & Organization in January 2023

4) RSUs which will be granted in the second quarter of 2024 for the financial year 2023 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 2023), 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 2023. The audit was limited to the information pursuant to article 734a-734f CO in the note 5 and 6 on pages 117 to 124 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report (pages 117 to 124) 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 note 5 and 6 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 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 AG

Thomas Wallmer

Licensed audit expert
Auditor in charge

Simon Hux

Licensed audit expert

Zurich, February 23, 2024

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

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