

Compensation Report 2023

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Compensation Report

The Compensation Report provides an overview of the remuneration principles and compensation systems of the HUBER+SUHNER Group. It describes how compensation is determined and contains detailed information on the compensation of the Members of the Board of Directors and the Executive Group Management in the fiscal years 2022 and 2023.

The Compensation Report fulfils the requirements of the Swiss Code of Obligations (OR) and the provisions set forth in the Directive on Information relating to Corporate Governance issued by SIX Swiss Exchange.

1 Guidelines and responsibilities

Guidelines

The HUBER+SUHNER Group's success heavily depends on the quality and commitment of its employees. The compensation policy aims to attract skilled managers and employees and to gear their activities towards the company's goals and a long-term career with HUBER+SUHNER.

Payments are made according to the following principles:

- performance-based remuneration with market-competitive fixed and variable components
- the variable component is based on predefined targets and maximum thresholds
- contribution towards the sustainable success of the company
- transparency and clarity

The principles governing the compensation of Members of the Board of Directors and Executive Group Management are laid down in the following Articles of Association: Article 23 (Compensation Approval); 24 (Compensation of the Board of Directors); 25 (Compensation of Executive Group Management); 26 (Principles of Success and Performance-related Compensation); 27 (Principles for Allocating Shares); 28 (Additional Amount) and 29 (Activities for Group Companies).

For more details, please refer to the section on [Corporate Governance](#).

In accordance with Article 734b of the Swiss Code of Obligations (OR), credit and loans, as well as benefits outside of the occupational pension scheme may only be granted if a provision to this end is included in the Articles of Association. During the year under review and as per its previous practice, HUBER+SUHNER did not add any such provision in its Articles of Association.

Responsibilities

The Board of Directors is responsible for regulating general questions regarding compensation. The compensation models applicable to the Board of Directors and Executive Group Management are outlined in a compensation policy approved by the Board. The Board of Directors is supported by the Nomination and Compensation Committee. The committee reviews the principles and prepares all relevant decisions concerning compensation of members of both the Board of Directors and the Executive Group Management. The composition, main tasks and working practices of the Nomination and Compensation Committee are laid down in the [Corporate Governance Report](#).

No external advisors are involved in the preparation of the relevant decisions.

2 Compensation system for the Board of Directors

2.1 Chairman of the Board of Directors

The compensation of the Chairman consists of the following three components:

- a) fixed remuneration in cash;
- b) long-term oriented compensation in the form of a fixed number of shares;
- c) pension and other social security benefits

a) Remuneration

The Chairman receives a fixed fee of CHF 240 000 per annum.

b) Long-term oriented compensation in the form of shares

In addition, the Chairman annually receives a long-term oriented compensation in the form of a fixed number of company shares (2000), with a blocking period of at least three years. The share blocking periods are not rescinded on his retirement from the Board.

c) Pension and other social security benefits

The employer's obligatory contributions to social security and accident insurance schemes and regulatory contributions to pensions from the compensations paid to the Chairman are borne by the company. The Swiss system defines a portion of the pension and social security contribution to be paid by the employee. Accordingly these contributions are deducted from the fixed fee.

Remuneration payments and share allocations to the Chairman require the approval of the Annual General Meeting, as does all compensation for Board members. The basic remuneration is paid out on a monthly basis, but the shares are allocated only at the end of the Chairman's year in office. The total market value of the shares is accrued in accordance with the accrual principle in the financial statements of the given financial year.

2.2 All other Board Members

Compensation for the other members of the Board of Directors consists of the following three components:

- a) fixed remuneration in cash;
- b) long-term oriented compensation in the form of a fixed number of shares;
- c) social security benefits

a) Remuneration

Each member of the Board receives an equal fixed basic fee of CHF 70 000 per annum. Additionally, members receive an extra allowance for taking on a post as Deputy Chairman (CHF 20 000) or for serving on the Nomination and Compensation Committee or Audit Committee (CHF 10 000). The responsibility and the increased workload of the various functions are therefore accounted for individually.

b) Long-term oriented compensation in the form of shares

In addition, each Board member receives annually a long-term oriented compensation in the form of a fixed number of company shares (Deputy Chairman: 1200 shares; other members: 800 shares) with a blocking period of at least three years. The share blocking periods are not rescinded on retirement from the Board.

c) Social security benefits

The obligatory contributions towards social security out of the remuneration paid to Board members are also covered by the company. However, no pension fund contributions are made.

Remuneration payments and share allocations require the approval of the Annual General Meeting, as does all compensation for Board members. The basic remuneration including a post-related allowance and the shares are paid out or allocated accordingly at the end of the year in office. In the event of early termination of office, the Board member concerned will receive pro rata compensation. The amount of the remuneration and market value of the shares are accrued in accordance with the accrual principle in the financial statements of the given financial year.

3 Compensation system for the Executive Group Management

The total compensation for a member of the Executive Group Management (EGM) reflects the responsibility assigned, qualifications, complexity of the task, achievement of goals and local market conditions in the machinery and electrical industry.

These comparisons are executed every year, the last time 2023 (based on 2022 compensation reports), to benchmark Executive Group Management's salaries. The fixed and variable elements assessed are short-term incentives (basic salary and bonus), long-term incentives (shares) and complementary benefits (pension fund and other compensation).

In 2023, the comparison of Executive Group Management's salaries included manufacturing industrial companies with registered seat in Switzerland and of similar size (based on net sales, EBIT margin, number of employees and market capitalisation) like Arbonia, Belimo, Bossard, Burckhardt Compression, Comet, dormakaba, Kardex, Komax, Landis+Gyr, LEM, SFS and Zehnder Group.

In addition every three to five years international compensation analyses for selected management positions are conducted. The latest comparison was executed in 2021 by Mercer, a consulting company specializing in international salary benchmarking. It is based on anonymised data and helps to determine Executive Group Management's salaries. The elements assessed are short-term incentives (basic salary and bonus) and long-term incentives (shares).

The comparison mentioned above was made by Mercer using two peer groups. The sample in the two peer groups consisted of (i) manufacturing industrial companies with registered seat in Switzerland and similar size as HUBER+SUHNER (based on annual net sales and number of employees), (ii) direct competitors in the job market in the machinery and electrical industry with registered seat in Switzerland (based on annual net sales and number of employees). In case of companies of bigger size than HUBER+SUHNER, the benchmarking consulting firm compares the salary of managers with comparable responsibility to the one of the HUBER+SUHNER manager whose salary is benchmarked. The benchmarking consulting firm has vast experience in determining which roles are comparable in companies of different sizes. The benchmarking consulting firm does not have any other roles or mandates at HUBER+SUHNER.

Remuneration for the members of the Executive Group Management consists of the following components:

- a) fixed basic salary;
- b) variable performance components
 - b1) cash bonus
 - b2) long-term incentive (in the form of shares);
- c) pension and other social security benefits

a) Fixed basic salary

Executive Group Management members receive a fixed basic salary which is paid monthly. This is determined individually and takes into account the role and responsibilities of the given Executive Group Management member. It also includes allowances such as child or education allowances, work anniversary compensation and other compensation in connection with relocation for the purposes of conducting business on behalf of HUBER+SUHNER outside the member's country of residence.

b) Variable performance components

b1) Cash bonus

The Executive Group Management variable compensation system is based on the MbO (Management by Objective) process, which also applies to the entire Group. Performance-related compensation is defined based on a set target bonus (this corresponds to 100 % target achievement). The target bonus for Executive Group Management members, which is defined on an individual basis based on the ratio to the fixed basic salary, is between 40 % and 60 % for the CEO and between 20 % and 50 % for all other Executive Group Management members. The weighting of the variable compensation is set as follows:

Target category	Group financial targets	Individual targets	Leadership factor
CEO	60%	20%	20%
Other EGM members	40 %-60 %	20 %-40 %	20%

Every year, the Board sets in advance three weighted Group financial targets which are applicable for a one-year period. For the years 2022 and 2023 the Group financial targets were: net sales, EBIT-margin and net working capital (NWC).

The individual targets are three to five market segment or function-specific measurable management targets including at least one Environmental, Social and Governance (ESG) target. These are set and weighted annually in a structured target-setting process by the Chairman of the Board for the CEO, and by the CEO for members of the Executive Group Management.

A leadership factor (leadership, cooperation and conduct) is also included in the calculation of the cash bonus. The leadership performance review is conducted by the Chairman of the Board for the CEO and by the CEO for members of the Executive Group Management.

Failure to reach targets means that no bonus is paid out. Outperforming all targets may increase the bonus to a maximum of 150 % of the agreed target bonus. Payment is made following approval by the Annual General Meeting. The amount of the bonus is accrued in accordance with the accrual principle in the financial statements of the corresponding financial year.

b2) Long-term incentive (in the form of shares)

As long-term compensation, members of the Executive Group Management receive a variable number of HUBER+SUHNER shares each year. The annual number of target shares for the CEO is 4000, and between 800 and 2000 shares for other Executive Group Management members. The number of shares effectively allotted annually (number of target shares multiplied by a factor of between 0.0 and 1.5) is determined by the Board of Directors and is driven by the long-term business success, which is assessed based on the factors "market environment", "strategy implementation" and "financial position" based on macro-economic indicators and benchmarking with relevant customers and competitors.

- Market environment: The Board of Directors evaluates the influence of the market situation on the development in the past year and assesses the progress of HUBER+SUHNER's market positioning in the strategically important target markets. The Key Performance Indicators (KPIs) for determining this factor are the organic sales growth rates and the development of profitability compared to the development of the target markets and, where possible, compared to the development of benchmark companies.
- Strategy implementation: The Board of Directors assesses progress in the implementation of key strategic initiatives both from a Group perspective and in terms of the individual contribution of the members of the Executive Committee compared to the targets set in the annual business planning cycle for a five-year period. The Key Performance Indicators (KPIs), which are based on a multi-year performance review to determine strategy implementation factors, are: sales growth, gross margin development and progress achieved on key strategic action plans.
- Financial position: The Board of Directors assesses the company's financial starting position and financial outlook. The Key Performance Indicators (KPIs) used to determine this factor are free operating cash flow, return on invested capital, liquidity situation, and forward-looking financial planning.

A blocking period of at least three years applies for the allocated shares. The share blocking periods are not rescinded on the resignation of the member concerned.

The Board of Directors deliberately opts for a method without vesting period as the assessment of the long-term incentive is based on a comprehensive analysis of all factors over a period of several years and against an approved five year plan.

As a detailed analysis confirms the average holding period of allocated shares for the current members of the Executive Group Management is more than twice the defined minimum blocking period of three years. This emphasizes clearly the long-term nature of compensation in the form of shares and confirms the alignment of the interests of the Executive Group Management with those of the shareholders.

The shares are only effectively allocated following approval by the Annual General Meeting. The market value of the shares is accrued in accordance with the accrual principle in the financial statements of the corresponding financial year.

c) Pension and other social security benefits

The employer's obligatory contributions to social security and accident insurance schemes and regulatory contributions to pensions from the compensations paid to the members of the Executive Group Management are borne by the company. The Swiss system defines a portion of the pension and social security contribution to be paid by the employee. The employees' contribution to social security and pensions are deducted from the employees' gross salary.

Additional information

The Executive Group Management members' employment contracts provide for a notice period of 6 months; under certain circumstances, this may be extended to a maximum of 12 months by the employer. If the employment relationship is terminated by notice, the person entitled to compensation loses his eligibility for share allocation for the

current financial year, except if otherwise allocated by the Board of Directors. All other entitlements remain in force on a pro rata basis.

Executive Group Management members receive an expense allowance for effective minor expenses as per the expenses policy approved by the appropriate tax authorities.

The Board of Directors can approve additional fixed compensation for Executive Group Management members who are appointed after the Annual General Meeting. In this case, the total amount of approved fixed compensation for Executive Group Management members may be increased by a maximum of 20 % per new Executive Group Management member and by 40 % if a new CEO is appointed.

4 Determining method

At the request of the Nomination and Compensation Committee, the Board of Directors determines in February the compensation for both Board and Executive Group Management members. The compensation is subject to approval by the Annual General Meeting.

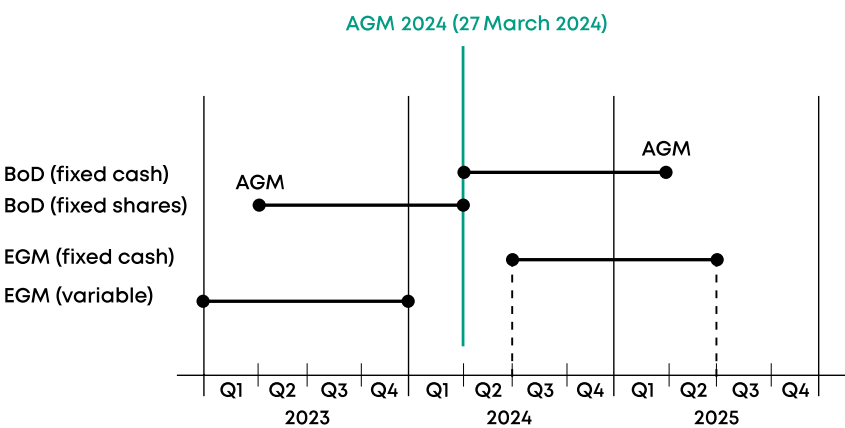
This relates to the amount of the fixed fees and post-related allowances for the members of the Board for the coming term of office and the fixed number of shares for the current term of office. For Executive Group Management members, this is the amount of the basic salary for the period from 1 July to 30 June the following year, the target bonus amount and the number of target shares for the current financial year. In addition, the previous financial year's target attainment (Group financial targets, individual targets, leadership factor as well as the share allocation factor) for Executive Group Management members is assessed and set by the Board of Directors, as proposed by the Nomination and Compensation Committee.

All members are present when the Board of Directors determines compensation for Board members; there are no special rules of abstention. The CEO is present when determining compensation for Executive Group Management members, unless his own target attainment is under review or his compensation is under discussion.

The Annual General Meeting grants final approval of the maximum compensation for the Board of Directors (BoD) and the Executive Group Management (EGM), as follows:

- total amount of fixed compensation in cash to the Board of Directors for the one-year term from the current Annual General Meeting until the conclusion of the next Annual General Meeting (prospective);
- compensation in form of a fixed number of shares for the Board of Directors for the one-year term of office expiring at the Annual General Meeting (retrospective);
- total amount of fixed compensation in cash to the Executive Group Management for the period from 1 July to 30 June of the following year from the current Annual General Meeting onwards (prospective);
- total amount of variable compensations for the Executive Group Management for the completed financial year (retrospective).

Compensation vote at the 2024 AGM



5 Compensation for the members of the Board of Directors and Executive Group Management for fiscal year 2023

Board of Directors' compensation 2023

The Board of Directors share-based compensation is based on a fixed number of shares: 2000 shares for the Chairman, 1200 shares for the Deputy Chairman and 800 shares for the remaining Members of the Board.

As of the AGM 2023 the Board of Directors consisted of 8 members (until AGM 2023 the Board of Directors consisted of 6 members).

The Members of the Board of Directors received TCHF 869 in fixed compensation in cash for the year under review (previous year: TCHF 731). Compensation in form of a fixed number of shares amounting to TCHF 582 (previous year TCHF 611) was also awarded. This amount is based on the market value of a total of 7600 shares (previous year: 6400 shares) divided into 1600 shares (previous year: 1600 shares) at a share price of CHF 78.30 from 1 April 2023 (previous year: CHF 92.50) for the period from 1 January to 31 March 2023 and 6000 shares (previous year: 4800 shares) at a share price of CHF 68.00 from 31 December 2023 (previous year: CHF 86.30) for the period from 1 April 2023 to 31 December 2023. No compensation was paid to former Board members.

Total compensation for members of the Board of Directors for the reporting year amounted to KCHF 1451 (previous year: KCHF 1342).

Compensation for the Board of Directors

(BoD)		Cash based compensation ¹⁾		Share-based compensation ²⁾		Total compensation		Number of allotted shares	
KCHF		2023	2022	2023	2022	2023	2022	2023	2022
Urs Kaufmann ^{a)}	Chairman	287	288	157	196	444	484	2 000	2 000
Beat Kälin ^{b)}	Deputy Chairman	114	114	95	118	209	232	1 200	1 200
	Member (as of AGM 2023)	68	–	46	–	114	–	600	–
Marina Bill ^{c)}	Member	91	91	63	78	154	169	800	800
Monika Bütler ^{d)}	Member (as of AGM 2023)	68	–	46	–	114	–	600	–
Kerstin Günther ^{e)}	Member	70	70	56	70	126	140	800	800
Rolf Seiffert	Member	80	78	56	70	136	148	800	800
Franz Studer ^{f) g)}	Member	91	91	63	78	154	169	800	800
Jörg Walther ^{h)}	Member	91	91	63	78	154	169	800	800
Total		869	731	582	611	1 451	1 342	7 600	6 400

¹⁾ The Chairman receives a fixed contractual amount including social security/accident insurance scheme/pension fund contributions. All other members receive a basic remuneration and an extra post allowance (if applicable) including social security contributions. A maximum fixed compensation has been approved in previous Annual General Meetings.

²⁾ Share-based compensation is calculated at a share price of CHF 78.30 (for the part of the allocation approved by the Annual General Meeting 2023) (previous year: CHF 92.50) and at CHF 68.00 (as of year-end 2023) (previous year CHF 86.30) for the outstanding amount including social security. Outstanding shares are transferred in the following financial year, subject to approval by the Annual General Meeting.

^{a)} Chairman

^{b)} Deputy Chairman and NCC Chairman (until AGM 2022), NCC member (as of AGM 2022)

^{c)} NCC member (as of AGM 2023)

^{d)} AC Chairwoman (until AGM 2022) and NCC Chairwoman (as of AGM 2022)

^{e)} AC member (as of AGM 2023)

^{f)} AC member (as of AGM 2022)

- g) Dr. Franz Studer is a member of the executive committee and Investment Director of EGS Beteiligungen AG, a significant shareholder of HUBER+SUHNER AG. His compensation, including cash payments and allocations of shares is made directly to his employer EGS Beteiligungen AG
- h) AC member (until AGM 2022) and AC Chairman (as of AGM 2022)

No loans have been granted to current or former Board members. In addition, no compensation, loans or credit have been granted to related parties of the Board of Directors.

In accordance with Article 734d of the Swiss Code of Obligations (OR), shareholdings in the company by members of Board of Directors are as follows:

Shareholdings of Board of Directors

(Number of shares at 31 December 2023)

		Own shares	Shares of close family members	Total shares	Of which non-restricted shares	Of which restricted shares ²⁾	Total share of votes ³⁾
Urs Kaufmann	Chairman	93 200	400	93 600	56 600	37 000	0.51%
Beat Kälin	Deputy Chairman	26 900	–	26 900	18 500	8 400	0.15%
Monika Bütler	Member	7 600	–	7 600	4 800	2 800	< 0.10%
Rolf Seiffert	Member	15 033	–	15 033	12 233	2 800	< 0.10%
Jörg Walther	Member	7 600	–	7 600	2 400	5 200	< 0.10%
Franz Studer ¹⁾	Member	–	–	–	–	–	–
Marina Bill	Member	–	–	–	–	–	–
Kerstin Günther	Member	–	–	–	–	–	–
Total shareholdings BoD 2023		150 333	400	150 733	94 533	56 200	0.82%

Shareholdings of Board of Directors

(Number of shares at 31 December 2022)

		Own shares	Shares of close family members	Total shares	Of which non-restricted shares	Of which restricted shares ²⁾	Total share of votes ³⁾
Urs Kaufmann	Chairman	91 200	400	91 600	51 600	40 000	0.49%
Beat Kälin	Deputy Chairman	25 700	–	25 700	16 500	9 200	0.14%
Monika Bütler	Member	6 800	–	6 800	3 600	3 200	< 0.10%
Rolf Seiffert	Member	14 233	–	14 233	11 033	3 200	< 0.10%
Jörg Walther	Member	6 800	–	6 800	–	6 800	< 0.10%
Franz Studer ¹⁾	Member	–	–	–	–	–	–
Total shareholdings BoD 2022		144 733	400	145 133	82 733	62 400	0.78%

¹⁾ The figures stated do not include the participation of EGS Beteiligungen AG, where F. Studer is a member of the executive board and Investment Director.

²⁾ Shares with remaining lock-in periods of up to ten years

³⁾ Shares in % of shares entitled to a dividend

In addition to serving on the Board of Directors of HUBER+SUHNER the members hold the following mandates as of 31 December 2023:

Urs Kaufmann

- Vice-Chairman of the Board of Directors of SFS Group AG, Heerbrugg (CH)
- Member of the Board of Directors of Bucher Industries AG, Niederweningen (CH)
- Member of the Board of Directors of Vetropack Holding AG, Bülach (CH) (until 25 April 2024)
- Member of the Board of Directors of Müller Martini Holding AG, Hergiswil (CH)

Dr. Beat Kälin

- Chairman of the Board of Directors of Komax Group, Dierikon (CH)
- Member of the Board of Directors of CabTec Holding AG, Rotkreuz (CH)

Marina Bill

- Member of the Board of Directors of Piab AB, Danderyd (SE)
- President of IFR (International Federation of Robotics), Frankfurt am Main (D)

Prof. Dr. Monika Bütler

- Vice Chair of the Board of Directors of AC Immune SA, Lausanne (CH)
- Member of the Board of Directors of Schindler Holding Ltd., Hergiswil (CH)
- Member of the Board of Directors of Swiss Life Holding, Zurich (CH) and Member of the Board of Directors of Swiss Life AG, Zurich (CH)
- Vice President of the Foundation Board, Gebert Rüt Stiftung, Zurich (CH)
- Member of the Board of Trustees of Max Schmidheiny-Stiftung at the University St. Gallen, St. Gallen (CH)
- Member of the Executive Board of SMG, Swiss Management Association, Zurich (CH)

Kerstin Günther

- None

Rolf Seiffert

- CEO of AlpRail GmbH, Gais (CH)

Dr. Franz Studer

- Investment Director and member of the Executive Committee, EGS Beteiligungen AG*, Zurich (CH)
- Chairman of the Board of Directors of Kantonsspital Winterthur, Winterthur (CH)
- Chairman of the Board of Directors of FAES AG, Wollerau (CH)
- Member of the Board of Directors of Roth Gerüste AG, Gerlafingen (CH)
- Member of the Board of Directors of Sensirion AG, Stäfa (CH)
- Member of the Board of Directors of DV Bern AG, Bern (CH)

*Significant shareholder at HUBER+SUHNER AG

Jörg Walther

- Partner at Schärer Attorneys at Law, Aarau (CH)
- Vice-Chairman of the Board of Directors of Zehnder Group AG, Gränichen (CH)
- Vice-Chairman of the Board of Directors of AEW Energie AG, Aarau (CH)
- Member of the Board of Directors of SFS Group AG, Heerbrugg (CH)
- Member of the Board of Directors of Kraftwerk Augst AG, Augst (CH)
- Member of the Board of Directors of Immobilien AEW AG, Aarau (CH)
- Member of the Board of Directors of Apotheke im Stadtspital Zurich AG, Zurich (CH)
- Member of the Board of Directors of Aare-Apotheke Rombach AG, Rombach (CH)
- Member of the Executive Board of swissVR, Rotkreuz (CH)

Executive Group Management compensation 2023

The Executive Group Management members received fixed compensation in cash of TCHF 2559 for the year under review (previous year: TCHF 2550). Subject to approval by the Annual General Meeting, Executive Group Management was awarded variable compensation of TCHF 1467 (previous year: TCHF 2055). This comprises a cash bonus and a share based compensation. The factors for the variable cash component which is determined individually and depends on the achievement of the Group's financial targets and the individual objectives, range from 54 to 86 %.

The share-based compensation at the market value of the shares amounts to 11 800 shares (previous year: 11 800 shares) at a share price of CHF 68.00 on 31 December 2023 (previous year: CHF 86.30). The Board of Directors determined the share factor for 2023 in its February 2024 meeting. The assessment was based on the criteria as defined under [chapter 3, section b\)](#) of this document.

Long-term incentive (in the form of shares)

	2023	2022
Market environment	0	+
Strategy implementation	0	0
Financial situation	0	0
Sharefactor*	1.00	1.00

* Calculation of sharefactor:

++ = 150%, + = 125%, 0 = 100%, - = 50%, -- = 0%

The calculation serves as a guiding principle. However, the achievement level for each person will be determined individually and considered from the displayed sharefactor above.

Based on the above assessment, the share factor was set at 1.00. No compensation was paid to former Executive Group Management members.

Total compensation for the Executive Group Management for the year under review was TCHF 4026 (previous year: TCHF 4605). In 2023 the total compensation overall decreased by 12.6 %. In order to compare total compensation for the Executive Group Management of the reporting period with 2022, one has to consider:

- The year-end share price was CHF 68.00 (previous year: CHF 86.30).
- The variable compensation was lower than in the previous year (as shown in the table below) due to the lower target achievement levels.

Compensation for Executive Group Management

	Highest individual compensation ¹⁾		Total Executive Group Management ²⁾	
	2023	2022	2023	2022
Basic salary ³⁾	558	550	2 011	2 001
Contributions to social security and pension funds on fixed compensation	161	161	548	549
Total fixed compensation	719	711	2 559	2 550
Variable compensation in cash	212	324	573	911
Share-based compensation ⁴⁾	272	345	802	1 018
Contributions to social security on variable compensation	37	50	92	126
Total variable compensation	521	719	1 467	2 055
Total compensation	1 240	1 430	4 026	4 605
Number of allotted shares	4 000	4 000	11 800	11 800

¹⁾ Urs Ryffel, CEO

²⁾ The Executive Group Management consists of 6 members

³⁾ Including allowances

⁴⁾ Based on the year-end share price of CHF 68.00 (previous year: CHF 86.30). Shares are transferred in the following financial year, subject to approval by the Annual General Meeting.

No loans or credits have been granted to current or former Executive Group Management members. In addition, no compensation or loans have been granted to related parties of the Executive Group Management.

In accordance with Article 734d of the Swiss Code of Obligations (OR), shareholdings in the company by members of Executive Group Management are as follows:

Shareholdings of Executive Group Management

(Number of shares at 31 December 2023)		Own shares	Shares of close family members	Total shares	Of which non-restricted shares	Of which restricted shares ¹⁾	Total share of votes ²⁾
Urs Ryffel	CEO	43 100	–	43 100	29 100	14 000	0.23%
Reto Bolt	Member	15 680	–	15 680	3 680	12 000	< 0.10%
Drew Nixon	Member	13 930	–	13 930	8 330	5 600	< 0.10%
Patricia Stolz	Member	8 120	–	8 120	3 220	4 900	< 0.10%
Jürgen Walter	Member	2 000	–	2 000	–	2 000	< 0.10%
Ivo Wechsler	Member	19 200	–	19 200	10 000	9 200	0.10%
Total shareholdings EGM 2023		102 030	–	102 030	54 330	47 700	0.55%

Shareholdings of Executive Group Management

(Number of shares at 31 December 2022)		Own shares	Shares of close family members	Total shares	Of which non-restricted shares	Of which restricted shares ¹⁾	Total share of votes ²⁾
Urs Ryffel	CEO	39 100	–	39 100	25 100	14 000	0.21%
Reto Bolt	Member	14 080	–	14 080	80	14 000	< 0.10%
Drew Nixon	Member	12 330	–	12 330	5 130	7 200	< 0.10%
Patricia Stolz	Member	6 720	–	6 720	1 820	4 900	< 0.10%
Jürgen Walter	Member	400	–	400	–	400	< 0.10%
Ivo Wechsler	Member	17 600	–	17 600	6 000	11 600	< 0.10%
Total shareholdings EGM 2022		90 230	–	90 230	38 130	52 100	0.49%

¹⁾ Shares with remaining lock-in periods of up to ten years

²⁾ Shares in % of shares entitled to a dividend

In addition to serving on the Executive Group Management of HUBER+SUHNER the members hold the following mandates:

Urs Ryffel

- Member of the Board of Directors of Bergbahnen Scuol AG, Scuol (CH)
- Member of the Board of Swissmem, Zurich (CH)

Reto Bolt

- Member of the Board of Directors of Mosmatic AG and Midas AG, Neckertal (CH)

Drew Nixon

- None

Patricia Stolz

- Member of the Board focus50+, Zurich (CH)

Jürgen Walter

- None

Ivo Wechsler

- Member of the Board of Directors of Zehnder Group AG, Gränichen (CH)

6 Management compensation compared to amounts approved by the Annual General Meetings 2022 and 2023

The below tables provide a comparison of the actual amounts in the reporting year to the respective amounts approved by the Annual General Meeting.

Board of Directors

	Cash based compensation Board of Directors April 1, 2022 - March 31, 2023 ¹⁾		Share based compensation Board of Directors April 1, 2022 - March 31, 2023 ²⁾		
	Approved Maximum as applied for	Actual	Approved Maximum as applied for	Approved Maximum based on share price as of allotment date	Actual
Cash, in CHF 1 000	650	650	0	0	0
Number of shares	0	0	6 400	6 400	6 400
Share-based compensation in CHF 1 000 ³⁾	0	0	552	501	501
Social security and pension in CHF 1 000	90	84	98	42	42
Total	740	734	650	543	543

Executive Group Management

	Fixed compensation EGM July 1, 2022 - June 30, 2023 ¹⁾		Variable compensation EGM January 1, 2022 - December 31, 2022 ²⁾		
	Approved Maximum as applied for	Actual	Approved Maximum as applied for	Approved Maximum based on share price as of allotment date	Actual
Cash, in CHF 1 000	2 074	2 018	910	910	910
Number of shares	0	0	11 800	11 800	11 800
Share-based compensation in CHF 1 000 ³⁾	0	0	1 017	924	924
Social security and pension in CHF 1 000	726	551	173	118	118
Total	2 800	2 569	2 100	1 952	1 952

¹⁾ According to AGM Agenda 2022

²⁾ According to AGM Agenda 2023

³⁾ Share price 86.20 (average 5 days before last board meeting as of February 21, 2023) compared to share price 78.30 as of March 29, 2023 (allotment date)



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To the General Meeting of
Huber+Suhner AG, Herisau

Basle, 28 February 2024

Report of the statutory auditor on the audit of the compensation report



Opinion

We have audited the compensation report of HUBER+SUHNER AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables on page 59 to 65 of the compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the compensation report complies with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the compensation report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables on page 59 to 65 in the compensation report, the HUBER+SUHNER Group Financial Statements, the Financial Statements of HUBER+SUHNER AG 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 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 pursuant to Art. 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 judgment and maintain professional skepticism 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 to 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.



Ernst & Young Ltd

Iwan Zimmermann
(Qualified Signature)

Licensed audit expert
(Auditor in charge)



Erik Zeller
(Qualified Signature)

Licensed audit expert