

# REMUNERATION REPORT

2024



# 4 Remuneration Report

The Remuneration Report describes the governance framework and principles of remuneration of the Board of Directors and Executive Committee of Datwyler. It also provides information on remuneration plans and remuneration paid for the 2024 fiscal year.

The Remuneration Report complies with the Swiss Code of Obligations, in particular the fourth section "Remuneration of companies whose shares are listed on a stock exchange", the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange and the Swiss Code of Best Practice for Corporate Governance of economiesuisse.



## Subchapters

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## 4.1 Remuneration governance framework

### Nomination and Compensation Committee

The Nomination and Compensation Committee generally consists of three members of the Board of Directors who are elected individually each year by the Annual General Meeting. The Nomination and Compensation Committee appoints its chairman.

At the end of 2024, the members of the Nomination and Compensation Committee were: Hanspeter Fässler (Chairman), Jens Breu (public shareholders' representative) and Claude R. Cornaz. In 2024 the Nomination and Compensation Committee met for six meetings.

### Meeting attendance 2024

Hanspeter Fässler	6/6
Jens Breu	6/6
Claude Cornaz	5/6

## Responsibilities of the Nomination and Compensation Committee:

- Basic human resource matters (e.g. talent management, succession planning, etc.) of the Datwyler Group.
- Nominations to the Board of Directors and Executive Committee taking into account the gender guidelines under Swiss law.
- Preparation of the maximum compensation amounts to the Board of Directors and Executive Committee to be submitted to shareholders' vote at the Annual General Meeting.
- Determination of remuneration for members of the Board of Directors within the parameters of the maximum amount approved by the Annual General Meeting and in compliance with Art. 21b of the Articles of Association.
- Employment terms for members of the Executive Committee.
- Determination of performance-based remuneration for members of the Executive Committee within the parameters of the maximum amount approved by the Annual General Meeting and in compliance with Art. 21c of the Articles of Association.
- Monitoring of structure and development of remuneration.
- Oversight of compliance by the members of the Board of Directors and Executive Committee with the provisions of the Articles of Association concerning the number of mandates in top management and supervisory bodies of legal entities outside the Datwyler Group (Art. 14 section 5 and Art. 19 section 3 of the Articles of Association) including any necessary measures.
- Compliance with regulations concerning the disclosure of remuneration of members of the Board of Directors and Executive Committee.
- Preparation of the remuneration report.

The Nomination and Compensation Committee has written terms of reference setting out its responsibilities. The Committee generally prepares the groundwork for proposals and decision-making by the full Board. It has executive authority only within the remuneration framework already approved in principle by the Annual General Meeting or Board of Directors and where expressly provided in the Articles of Association or a policy. It meets upon invitation of its Chairman as often as necessary, but at least once a year. The Chairman and the CEO attend the meetings by invitation and in an advisory capacity, and the HR officer of the Group takes the minutes.

At the agenda points, where his own performance and remuneration are being discussed, the CEO does not attend. The members of the Committee receive documentation before meetings to enable them to prepare for the individual agenda items. At least two members must be present to adopt decisions. The committees pass resolutions by an absolute majority of the votes cast. In the event of a tie, the Chairman casts the deciding vote. The Nomination and Compensation Committee keeps a record of its decisions and recommendations in minutes submitted to the full Board of Directors and reports the results of its activities at the next Board meeting.

## Approval levels

	<b>Proposal</b>	<b>Review</b>	<b>Approval</b>
<b>Remuneration principles (Articles of Association)</b>	Nomination and Compensation Committee	Board of Directors	Annual General Meeting (binding vote)
<b>Remuneration models for the Board of Directors and Executive Committee</b>	Nomination and Compensation Committee		Board of Directors
<b>Remuneration Report</b>	Nomination and Compensation Committee	Board of Directors	Annual General Meeting (consultative vote)
<b>Maximum aggregate amount of remuneration for Board of Directors</b>	Nomination and Compensation Committee	Board of Directors	Annual General Meeting (binding vote)
<b>Individual remuneration of Board of Directors members</b>	Nomination and Compensation Committee		Board of Directors
<b>Maximum aggregate amount of remuneration for Executive Committee</b>	Nomination and Compensation Committee	Board of Directors	Annual General Meeting (binding vote)
<b>Remuneration CEO</b>	Nomination and Compensation Committee		Board of Directors
<b>Individual remuneration other members of Executive Committee</b>	CEO	Nomination and Compensation Committee	Board of Directors

## Determination procedure for the remuneration system

The remuneration system is normally reviewed every three years by the Nomination and Compensation Committee and may be adjusted to reflect the evolving business environment.

The Datwyler Group's remuneration policy is compared against common standards for similar positions at comparable companies. The process for determining the elements and levels of remuneration for the Board of Directors and Executive Committee is based on a periodic benchmarking analysis on the basis of remuneration surveys and of remuneration disclosures published by comparable companies in their annual reports.

Comparable companies are defined as international industrial companies listed on the SIX Swiss Exchange with similar geographic scope, revenue, complexity, capitalisation and employee headcount. They include: ALSO, Belimo, Bucher Industries, DKSH, Dormakaba, Emmi, Forbo, Galenica, Georg Fischer, Idorsia, Landis+Gyr, OC Oerlikon, SFS Group, Sigfried, Sulzer, Tecan and VAT Group.

The Annual General Meeting approves the proposals of the Board of Directors concerning the maximum aggregate amount for remuneration of the Board of Directors each year for the period up to the next ordinary Annual General Meeting pursuant to Art. 21b of the Articles of Association, and of remuneration for the Executive Committee for the following fiscal year pursuant to Art. 21c of the Articles of Association.

The amount of remuneration for members of the Board of Directors is based on service on the individual committees. It is determined annually by the Nomination and Compensation Committee within the parameters of the maximum amount approved by the Annual General Meeting and in compliance with Art. 21b of the Articles of Association. The Board of Directors approves the result. Members of the Board of Directors have a right to be consulted at these meetings of the Board of Directors.

The effective performance-based remuneration of members of the Executive Committee is determined annually by the Nomination and Compensation Committee within the parameters of the maximum amount approved by the Annual General Meeting and in compliance with Art. 21c of the Articles of Association. The Board of Directors approves the result.

Under Art. 21a section 5 of the Articles of Association, the company is authorised to pay an additional amount of up to 50% of the applicable aggregate amount of the applicable maximum total remuneration of the Executive Committee to members of the Executive Committee who join the Executive Committee or assume additional duties during a period for which Executive Committee remuneration has already been approved in the event that the approved maximum aggregate amount of remuneration is insufficient for this period.

The Remuneration Report is submitted to the Annual General Meeting for approval in an consultative vote.

## **Remuneration philosophy and principles**

The remuneration philosophy, as set forth in the Articles of Association, is aligned with the business strategy of sustainable, profitable growth and aims to promote and support the four core values of the Datwyler Group:

- We are entrepreneurs.
- We excel at what we do.
- We bring value to our customers.
- We have respect for others.

The framework for implementing these remuneration principles is set forth in the Articles of Association.

- ① **Pay for performance**  
The variable incentive plan for Executive Committee rewards the collective performance of the company.
- ① **Sustainability performance as a remuneration criterion**  
By considering sustainability performance for the calculation of the variable incentive, Datwyler promotes responsible behavior.
- ① **Reward long-term value creation**  
Part of the remuneration is paid in the form of blocked shares for the Board of Directors and in the form of performance share units for the Executive Committee in order to encourage a long-term view and to create alignment with the interests of the shareholders. Furthermore, the variable incentive plan for Executive Committee has no excessive leverage and therefore does not encourage inappropriate risk-taking.
- ① **Market competitiveness**  
Remuneration levels are in line with competitive market practice and are designed to attract, retain and develop the best talent.
- ① **Fairness and transparency**  
Remuneration programmes are straightforward, transparent and fair.

## 4.2 Remuneration structure of the Board of Directors

The remuneration of members of the Board of Directors is determined based on the responsibility and time requirements of their function and includes a base fee for Board membership and additional fees for special functions such as committee chairmanship and membership. The additional fees are cumulative in the case of multiple functions.

Members of the Board of Directors receive their remuneration in the form of a fixed fee in cash and a grant of bearer shares of Dätwyler Holding Inc., blocked for five years. The number of bearer shares granted is calculated from the fixed amount and the average price on 20 trading days prior to the grant date. In the event of death or disability of a Board member, the shares may be subject to early un-blocking if the participant or their beneficiaries so choose. They remain blocked in all other instances.

## Remuneration model for members of the Board of Directors

	Cash (CHF)	Blocked shares (CHF)
<b>Base fee</b>		
For Board membership	30'000	150'000
<b>Additional fee</b>		
For special functions		
└ Board chairmanship	100'000	180'000
└ Board vice-chairmanship		50'000
└ Committee chairmanship	40'000	
└ Committee membership	20'000	

The elements and levels of remuneration for the Board of Directors is based on benchmarking analysis with a group of comparable international industrial companies listed on the SIX Swiss Exchange with similar geographic scope, revenue, complexity, capitalisation and employee headcount. They include: ALSO, Belimo, Bucher Industries, DKSH, Dormakaba, Emmi, Forbo, Galenica, Georg Fischer, Idorsia, Landis+Gyr, OC Oerlikon, SFS Group, Sigfried, Sulzer, Tecan and VAT Group.

Board members may receive additional compensation for assuming special duties, as well as for participation in meetings of a temporary additional committee (other than the Audit Committee and the Nomination and Compensation Committee). Both the special duty and the additional committee and the corresponding compensation must be determined in advance by the Board of Directors.

Fees are paid and shares allocated in June for the current year of Board service. They are subject to regular social security contributions but are not pensionable. Members of the Board of Directors receive no additional reimbursement of business expenses beyond actual expenditures for business travel.

## 4.3 Remuneration structure of the Executive Committee

The remuneration of Executive Committee members is determined based on the scope and responsibilities of their position and consists of a fixed base salary, a variable incentive, a long-term incentive plan with performance share units and benefits such as retirement pension, insurance and perquisites.

### Remuneration model for the Executive Committee

	<b>Instrument</b>	<b>Purpose</b>
<b>Fixed base salary</b>	Monthly cash payments	To compensate for performance of duties and for qualifications required to perform the role
<b>Variable incentive</b>	Annual cash payment	To reward collective business performance in the reporting year (revenue, profit and sustainability criteria)
<b>Long-term incentive plan</b>	Annual granting of performance share units with a vesting period of three years	To drive sustainable results and create long-term alignment with shareholders' interests
<b>Employer social insurance contributions and perquisites</b>	Retirement pension, insurance and perquisites	To protect against risks and reimburse business expenses

### Fixed base salary

The amount of the fixed base salary depends on the scope of the position, the qualifications and experience required to perform the role together with the market environment. The objective is to pay fixed salaries in line with those offered by comparable companies for similar positions.

# Variable incentive

The variable incentive plan rewards the collective performance of the company over a time horizon of one year. The variable incentive is capped at 150% of the annual fixed base salary for the CEO and individually between 50% to 100% for the other members of the Executive Committee.

In alignment with the overall strategy of sustainable profitable growth, the variable incentive will be measured on the basis of three performance indicators with different weightings:

- Net revenue growth compared to previous year, relative to a peer group of companies (weighting 40%);
- EBIT improvement (earnings before interest and tax) compared to previous year, relative to the same peer group of companies (weighting 40%);
- Sustainability measurement parameters (weighting 20%).

The comparison of the two performance indicators net revenue growth and EBIT improvement with the performance of similar companies is performed by an independent consulting firm. The peer group includes industrial firms that have a comparable base of products, technology, customers, suppliers or investors and thus are exposed to similar market cycles as Datwyler. It is identical for all members of the Executive Committee.

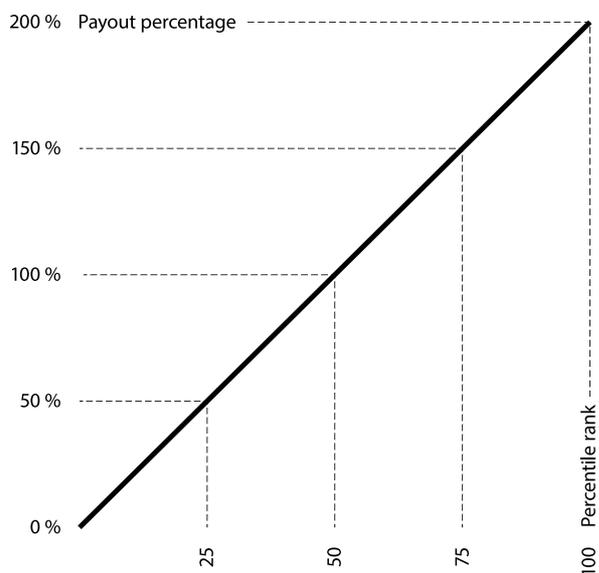
The intention of measuring the performance relatively to peer companies is to neutralise the effect of market cycles and external factors that impact the company's performance but are outside of the control of management. The external market cycles being neutralised, the true performance of the company can be better assessed.

The performance indicators net revenue growth and EBIT improvement together determine 80% of the variable incentive. To achieve the target amount of a 100% payout for these two performance indicators, the median performance of the peer group must be reached for both indicators.

The maximum payout of 200% can only be achieved if Datwyler achieves the best ranking among all peer companies on both net revenue growth and EBIT improvement. Should Datwyler perform below all peer companies on both indicators, there is no payout for these two performance indicators. The payout percentage for any point between the lowest ranking (0% payout), the median (100%) and the best ranking (200%) is determined by linear interpolation.

The sustainability performance indicator determines 20% of the variable incentive. The measurement parameters for the sustainability performance indicator are derived from the 12 focus topics of the sustainability strategy. They can be redefined and weighted by the Board of Directors annually.

For all three parameters, there is a minimum threshold that has to be achieved in order to be taken into consideration and a maximum limit above which the contribution to target achievement no longer increases. The three measurement parameters for the sustainability performance indicator cannot be compared with the companies from the peer group. By taking sustainability measurement parameters into account in the variable incentive for all eligible employees, Datwyler is promoting awareness of the sustainability focus areas.



*Payout curve for the performance indicators net revenue growth and EBIT improvement*

## Overview of the performance indicators and their weighting for calculating the variable incentive

Target values in % of annual fixed base salary	CEO	COO, CFO, CTO, CSO
Net sales growth relative to peers	30 %	10 % – 20 %
EBIT improvement relative to peers	30 %	10 % – 20 %
Sustainability measurement parameters	15 %	5 % – 10 %
Total (at target)	75 %	25 % – 50 %
Total (at maximum)	150 %	50 % – 100 %

## Peer group of companies to measure the collective performance

The Board of Directors may decide to adjust both performance indicators to reflect currency effects, extraordinary effects such as one-time costs or sale of real estate and structural changes such as acquisitions or divestments affecting net sales by more than 10% of the previous year figure. In case of a negative net result, the Board of Directors reserves the right to deviate from the above-mentioned calculation approach.

The model for calculating the variable incentive with three collective performance indicators including sustainability measurement parameters and a uniform peer group applies to all employees of the company who are entitled to a variable incentive. In this way, Datwyler promotes agile collaboration across hierarchical levels and departments and accelerates the implementation of customer requests and development projects. In addition, Datwyler uses the concept of Objectives and Key Results (OKR) to focus the activities of all employees on a clearly defined number of key corporate objectives.

Peer group in the reporting year:

- Aluflexpack
- Amcor
- Amgen
- Amphenol
- Aptargroup (Pharma)
- Aptiv
- Atrion Corp.
- Becton Dickinson & Company (Medical)
- Bridgestone Corporation
- Carlisle (Interconnect Technologies)
- Continental (ContiTech)
- Gerresheimer
- Hexpol AB
- Hirose Electric
- Johnson Control
- Nipro Corporation
- Parker-Hannifin (Diversified Industrial)
- Sanofi
- Schott Pharma
- Stoneridge
- TE Connectivity
- Trelleborg
- Valeo
- Vitesco Technologies
- West Pharmaceutical
- ZF Friedrichshafen

## **Long-term incentive plan**

The long-term incentive plan measures Datwyler's performance relative to comparable peer companies over a three-year period. This is intended to neutralise the effect of market cycles and external factors that impact the company's performance but are outside of the control of management. The external market cycles being neutralised, the true performance of the company can be better assessed.

Share-based remuneration will be awarded under a long-term incentive plan in future in the form of performance share units (PSUs). A PSU is a conditional right to receive shares of the company subject to the fulfilment of certain conditions during a three-year vesting period. The vesting conditions will include both the achievement of predetermined performance objectives (performance conditions) and continuous employment at the end of the vesting period (service condition).

As a basis for the allocation of PSUs, a target amount for the long-term incentive plan was determined for each member of the Executive Committee. This target amount is based on the relevant compensation benchmarks.

At grant date (1 January), the target incentive amount will be converted to a number of PSUs on the basis of the average closing share price during the twenty trading days before the grant date. The PSUs will be subject to a three-year vesting period, conditional on continued service within the company and on the following performance targets being achieved:

- Relative net sales growth, with one-third weight
- Relative ROCE growth, with one-third weight
- Relative total shareholder return (TSR), with one-third weight

Datwyler's performance on all three indicators is compared annually with a peer group of companies. The peer group is a consolidation of the peer companies that are already considered for the calculation of the annual variable incentive.

## **Peer group**

The peer group is confirmed by the Board of Directors prior to the annual grant of PSUs and may be adjusted if required.

The peer group in the reporting year consists of the following companies:

- Aluflexpack
- Amcor
- Amgen
- Amphenol
- Aptargroup
- Aptiv
- Atrion Corp.
- Becton Dickinson & Company
- Bridgestone Corporation
- Carlisle
- Continental
- Gerresheimer
- Hexpol AB
- Hirose
- Johnson Control
- Nipro Corporation
- Parker-Hannifin
- Sanofi
- Schott Pharma
- Stoneridge

- TE Connectivity
- Trelleborg
- Valeo
- Vitesco Technologies
- West Pharmaceutical
- ZF Friedrichshafen

## **Reward for long-term performance**

With the long-term incentive plan, a significant portion of Executive Committee compensation is linked to the company's long-term performance. This strengthens the alignment to shareholders' interests. Datwyler's relative performance will be expressed as a percentile rank, which determines a payout factor between 0% and 200%:

- Ranking < 25% of the peer group (threshold): 0% payout
- Ranking at the median of the peer group: 100% payout
- Ranking > 75% of the peer group (cap): 200% payout
- Linear interpolation between those points

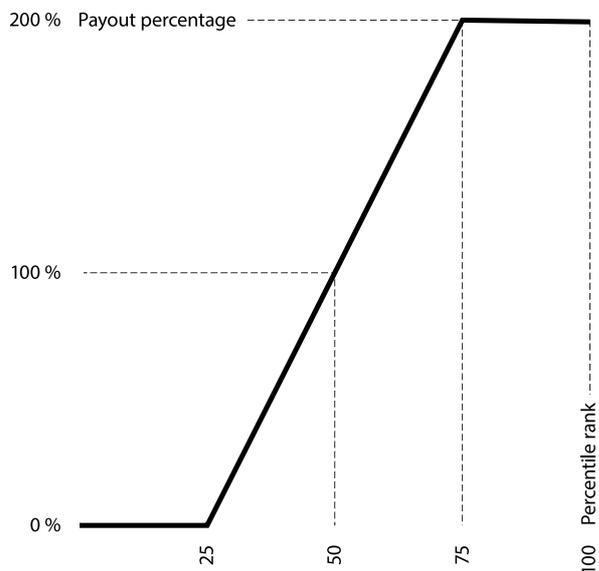
The combined payout factor is a weighted average of the payout factors for relative sales growth (one-third weight), relative ROCE growth (one-third weight) and relative TSR (one-third weight) over the three-year vesting period. An independent external specialist will calculate the level of relative performance achievement and the combined payout factor.

If Datwyler reports a negative profit after tax (i.e. a loss) from continuous operations during the last year of the three-year vesting period, or if the Board of Directors believes that an adequate dividend cannot be paid out to shareholders, the Board of Directors reserves the right to determine whether and to what extent the PSUs for this period should be forfeited, irrespective of the combined payout factor achieved.

In the case of someone leaving, the PSUs are usually forfeited, except in the case of retirement, death, disability or change of control of the company where they are converted into shares for the number of months up to the time of leaving based on the payout factor achieved (pro-rata vesting).

In the event of death, the pro-rata payout is made at the time of leaving (accelerated vesting). It follows the regular vesting schedule in the other cases.

If Datwyler is required to prepare an accounting/financial restatement, clawback and malus provisions will apply to PSUs or shares awarded under the long-term incentive plan. Datwyler shall have the right to forfeit (malus provision) and/or to obtain reimbursement (clawback provision) of any PSU or shares that were granted or allocated to the participant in the case that fraud or misconduct by the participant has led to the booking correction.



*Payout curve for the long-term incentive plan*

The total number of shares transferred to the participant after the vesting period will be calculated as follows:

Number of PSUs originally granted to the participant	×	Combined payout factor (0-200%)	=	Number of shares transferred
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## Employer social insurance contributions

Members of the Executive Committee belong to the regular social security and pension plans of the respective countries in which their employment contracts were concluded. The social and pension benefits are mainly paid into state social insurance plans, pension plans and health and accident insurance plans. The purpose is to provide employees or their dependents with adequate benefits in the event of retirement, disability, death, accident or illness.

Members of the Executive Committee with a Swiss employment contract participate in the regular employee pension plan provided by Datwyler to all employees in Switzerland. The pension plan consists of a basic plan covering annual earnings up to the sixfold of the maximal retirement pension of the Swiss Governmental Old-Age, Survivors' and Disability Insurance (AHV) and a supplementary plan in which earnings in excess of this limit are insured up to a maximum of the tenfold of the upper limiting amount according to the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG). The benefits provided under the pension fund exceed the legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG) and are in line with typical market practice of other industrial companies in Switzerland.

## Perquisites

Members of the Executive Committee do not receive any particular executive benefits. They are entitled to a company car and a fiscally approved entertainment allowance, in accordance with the expense rules applicable to all employees at management levels. Since representation allowance represent a reimbursement of expenses, they are not included in the remuneration tables.

## Employment contracts

Employment contracts with members of the Executive Committee stipulate a notice period of 6 to 12 months and of 12 months for the CEO. They contain neither a severance provision in the event of termination of employment, nor any change of control clauses.

The employment contracts of Executive Committee members contain a clawback clause allowing the company, where necessary under applicable Swiss law and the Articles of Association, to recover remuneration already paid, insofar as and to the extent that such remuneration was paid before approval by the Annual General Meeting and the next Annual General Meeting fails to approve the proposals of the Board of Directors.

## 4.4 Remuneration in the reporting year 2024

The remuneration to current and former members of the Board of Directors and Executive Committee and persons connected with them are presented below. Explanations are available after the tables. Tables 1 to 10 have been audited by the statutory auditors.

## Remuneration Board of Directors in 2024 (term)

Table 1, in CHF

Name	Function	Fixed base salary, gross	Share participation <sup>2</sup> Number	Share participation <sup>2</sup> Fair value	Employer social insurance contributions	Total remuneration
Paul Halg <sup>1</sup>	Chairman	130'000	1'805	330'008	27'382	487'390
Hanspeter Fassler	Vice Chairman	70'000	1'094	200'016	15'452	285'468
Jens Breu	Director	50'000	821	150'103	13'974	214'077
Claude R. Cornaz	Director	50'000	821	150'103	13'974	214'077
Jurg Fedier	Director	70'000	821	150'103	12'582	232'685
Martin Hirzel	Director	50'000	821	150'103	13'974	214'077
Gabi Huber	Director	50'000	821	150'103	11'097	211'200
Dirk Lambrecht	Director	30'000	821	150'103	12'160	192'263
<b>Total for Directors</b>		<b>500'000</b>	<b>7'825</b>	<b>1'430'642</b>	<b>120'596</b>	<b>2'051'238</b>

1. Highest remuneration

2. The shares were granted on 3 June 2024. The reported market value corresponds to the average share price of CHF 182.83 in the time frame from 16 April to 15 May 2024.

## Remuneration Board of Directors in 2023 (term)

Table 2, in CHF

Name	Function	Fixed base salary, gross	Share participation <sup>2</sup> Number	Share participation <sup>2</sup> Fair value	Employer social insurance contributions	Total remuneration
Paul Halg <sup>1</sup>	Chairman	130'000	1'487	330'203	26'543	486'746
Hanspeter Fassler	Vice Chairman	70'000	901	200'076	14'941	285'017
Jens Breu	Director	50'000	676	150'113	13'588	213'701
Claude R. Cornaz	Director	50'000	676	150'113	13'588	213'701
Jurg Fedier	Director	70'000	676	150'113	12'196	232'309
Martin Hirzel	Director	50'000	676	150'113	13'588	213'701
Gabi Huber	Director	50'000	676	150'113	10'711	210'824
Judith van Walsum	Director	50'000	676	150'113	13'588	213'701
<b>Total for Directors</b>		<b>520'000</b>	<b>6'444</b>	<b>1'430'957</b>	<b>118'744</b>	<b>2'069'701</b>

1. Highest remuneration

2. The shares were granted on 1 June 2023. The reported market value corresponds to the average share price of CHF 222.06 in the time frame from 17 April to 15 May 2023.

The fixed base salary of the Board of Directors remained nearly unchanged compared to the previous year. The fixed base salary of the individual Directors depends on their membership in the two committees (see also [Structure of remuneration of the Board of Directors](#)).

The share participation for the members of the Board of Directors for the year 2024 was determined by the Nomination and Compensation Committee and approved by the Board of Directors in accordance with the maximum aggregate amount approved by the Annual General Meeting and Art. 21b of the Articles of Association.

The grant of Datwyler bearer shares as of 3 June 2024 was based on a fixed amount and the average share price of CHF 182.83 in the time frame from 16 April to 15 May 2024. Due to the lower share price compared to the previous year, the number of shares granted increased in the reporting year. The granted shares are blocked for a period of five years.

## Remuneration Executive Committee in 2024

Table 3, in CHF

Name	Function	Fixed base salary, gross	Variable incentive, gross <sup>3</sup>	Performance Share Units <sup>4</sup> Number	Performance Share Units <sup>4</sup> Grant value	Employer social insurance contributions	Perquisites	Total remuneration
Volker Cwielong <sup>1</sup>	CEO	432'000	404'611	1'135	225'164	246'496	22'625	1'330'897
Total for Executive Committee <sup>2</sup>		1'801'213	1'257'593	4'017	796'975	1'037'443	171'671	5'064'896

1. Highest remuneration; for 9 months since 1 April 2024.
2. As at 31 December 2024, the Executive Committee comprised five members. During the reporting year, there were a few months in which two functions were staffed by two people due to two personnel changes.
3. First estimate at the time of publication of the annual report.
4. The performance share units of the long-term incentive plan were granted on 1 January 2024 based on the Datwyler bearer share price of CHF 198.40 (average closing price 20 trading days prior to the grant date).

## Remuneration Executive Committee in 2023

Table 4, in CHF

Name	Function	Fixed base salary, gross	Variable incentive, gross <sup>3</sup>	Performance Share Units <sup>4</sup> Number	Performance Share Units <sup>4</sup> Grant value	Employer social insurance contributions	Perquisites	Total remuneration
Dirk Lambrecht <sup>1</sup>	CEO	655'000	377'299	3'475	650'103	352'664	10'690	2'045'756
Total for Executive Committee <sup>2</sup>		1'760'421	626'587	6'336	1'185'339	927'949	83'922	4'584'217

1. Highest remuneration
2. In the reporting year 2023, the Executive Committee comprised five members.
3. The variable incentives paid to the Executive Management in 2024 reporting year and relating to the 2023 fiscal year were in total CHF 294'934 lower than the estimate published in the 2023 Annual Report, with the degree of target achievement being lower than expected. The social insurance contributions have also been adjusted accordingly.
4. The performance share units of the long-term incentive plan were granted on 1 January 2023 based on the Datwyler bearer share price of CHF 187.08 (average closing price 20 trading days prior to the grant date).

## Remuneration of the Executive Committee

The fixed base salary of the five members of the Executive Committee amounted to CHF 1'801'213 in the year under review. As at 31 December 2024, the Executive Committee comprised five members. During the reporting year, there were a few months in which two functions were staffed by two people due to two personnel changes. The Executive Committee's variable incentive for the 2024 reporting year was calculated according to the model described in detail under Variable incentive.

This involved comparing net revenue growth and EBIT improvement with a peer group of similar companies. Based on the available revenue and earnings figures for the first nine months of the year under review, Datwyler has made best estimates for calculating the variable incentive. The company expects to outperform its peer group by 47.0% in net revenue growth and 63.0% in EBIT improvement for the full year. In the model with a target value of 100% and a maximum payout factor of 200% per performance indicator, these values correspond to a payout factor of 94.0% for net revenue growth and a payout factor of 126.0% for EBIT improvement.

For the sustainability performance indicator, the Board of Directors had defined the following three measurement parameters for the year 2024: Reduction of CO<sub>2</sub> emissions (Scope 1 and 2) in relation to revenue, reduction of accident severity, and employee satisfaction. These measurement parameters cannot be compared with the companies in the peer group. However, they are also estimates based on nine-month figures as at the end of September 2024. In terms of CO<sub>2</sub> emissions, Datwyler is expected to achieve a reduction of 21.3 tons per million revenue compared to the previous year. With a maximum value of -19.5 tons per million revenue, this results in a payout factor of 200% . Acquisition- and currency-adjusted values are used for the calculation.

For the accident severity rate, Datwyler is expected to achieve a value of 0.09. With a defined maximum and minimum value of 0.06 and 0.22 respectively, this results in a payout factor of 162.5%. To evaluate employee commitment, Datwyler will conduct a survey in January and February 2025. The values of this survey are taken into account for the calculation of the variable incentive to be effectively paid out. For the best estimate of the variable incentive in this annual report, the employee commitment from the survey at the beginning of 2023 was used. The employee commitment value at that time was 85 (on a scale from 1 to 100). With a defined maximum value of 90 and a target value of 70 for employee commitment, this results in a payout factor of 175%.

Taking into account the weighting of the three performance indicators (net revenue growth (40%), EBIT improvement (40%) and sustainability (20%)), the aggregate provisional payout factor amounts to 125%. Accordingly, the provisional figure for the Executive Committee's variable incentive amounts to CHF 1'257'593. Due to the higher payout factor and the temporary double staffing due to personnel changes, this figure is significantly higher than in the previous year.

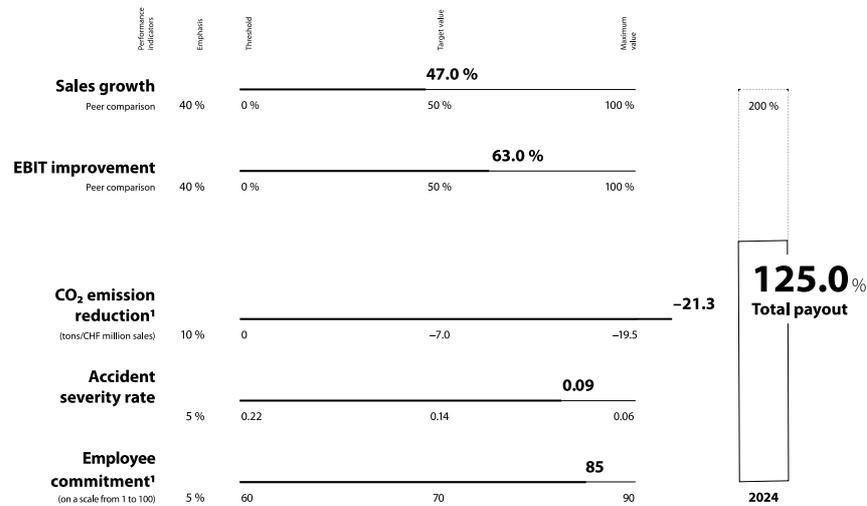
An external, independent specialist calculated the provisional figures for net revenue growth and EBIT improvement relative to peer groups of similar companies.

Based on the annual reports published by peer companies, the same specialist will ascertain the definitive figures in April 2025 before the date on which the variable incentive is paid out. The actual variable incentive paid out will be published in next year's Remuneration Report.

Under the long-term incentive plan, 4'017 performance share units (PSUs) worth CHF 796'975 were granted on 1 January 2024 to the members of the Executive Committee. This was based on the average closing price of the Datwyler bearer share of CHF 198.40 over the 20 trading days prior to the grant date. The two changes in the Executive Committee and the slightly higher share price compared to the previous year resulted in a significantly lower number of PSUs allocated in the reporting year.

The heading "Employer social insurance contributions" includes all employer expenditures for pension plans and social security contributions. Perquisites reflect the employer's contribution to private use of business vehicles, child allowances and, in the reporting year, further one-off allowances due to personnel changes.

The total remuneration of the Board of Directors and the Executive Committee is below the maximum total remuneration figures of CHF 2.35 million and CHF 7.9 million respectively, which the shareholders approved for the 2024 fiscal year at the 2023 and 2024 Annual General Meetings.



1. The scales of the sustainability measurement parameters of CO<sub>2</sub> emission reduction and employee commitment are purposely not linear.

## Long-term incentive plans

Includes members of Executive Committee as of 31 December 2024

Plan	Participants	Grant date PSU	Performance period	Vesting date PSU	Number of PSU granted	Value of PSU at grant date in CHF	Vesting level in % of grant	Number of shares (vesting)	Value of shares at vesting date in CHF
LTIP 2021	(Executive Committee incl. CEO)	01.01.2021	2021–2023	31.12.2023	1'197	295'240	112%	1'341	231'188
LTIP 2022	(Executive Committee incl. CEO)	01.01.2022	2022–2024	31.12.2024	828	320'477	To be determined	To be determined	To be determined
LTIP 2023	(Executive Committee incl. CEO)	01.01.2023	2023–2025	31.12.2025	1'952	365'180	To be determined	To be determined	To be determined
LTIP 2024	(Executive Committee incl. CEO)	01.01.2024	2024–2026	31.12.2026	3'779	749'754	To be determined	To be determined	To be determined

The number of shares awarded in spring 2024 for the long-term incentive plan 2021-2023 was calculated according to the model described in detail under [Long-term incentive plan](#).

In the 2021-2023 performance period, Datwyler achieved the following results for the three performance conditions compared to the peer group:

- Relative net revenue growth: 79.3% of peer group companies outperformed
- Relative ROCE growth: 34.7% of peer group companies outperformed
- Relative total shareholder return: 42.3% of peer group companies outperformed

Based on these results, the payout factor was 112%. The members of the Executive Committee serving as of the end of 2024 were allocated a total of 1'197 performance share units (PSUs) with a value of CHF 295'240 as of 1 January 2021. The payout factor increased the originally granted PSUs to 1'341 shares with a value of CHF 231'188 as of the vesting date of 31 December 2023.

As only the nine-month figures of the companies of the peer group are available at the time of publication of the annual report, the share allocation from the long-term incentive plan is reported in the following year. In this way, estimates can be avoided. The PSUs from the long-term incentive plan are recognised as remuneration and reported in the year in which they were originally allocated.

## **Remuneration of former members of the Board of Directors and Executive Committee**

In the year under review, two former members of the Executive Committee who are now retired or left the company received 3'726 shares worth CHF 642'362 from the long-term incentive plan 2021-2023. No further remuneration was paid to former members of the Board of Directors or the Executive Committee in the year under review, nor was any non-arm's length remuneration paid to persons connected with current or former members of the Board of Directors or Executive Committee.

## **Loans and credits**

No loans and/or credits were granted to current or former members of the Board and Executive Committee or related parties.

## **Shareholdings of the Board of Directors and Executive Committee**

At the end of 2024, the Directors held a total of 111'436 Datwyler bearer shares and the Executive Committee members held 5'284 Datwyler bearer shares. The shareholdings of Directors and Executive Committee are detailed below in accordance with Article 734d of the Swiss Code of Obligations.

# Board of Directors shareholdings 2024

Table 5, as of 31 December 2024

Name	Function	Number of shares	% of voting rights	Of which blocked until				
				2025	2026	2027	2028	2029
Paul Hälgi	Chairman	39'344	0.113711	2'016	1'125	1'092	1'487	1'805
Hanspeter Fässler	Vice Chairman	14'680	0.042428	1'406	682	662	901	1'094
Jens Breu	Director	4'409	0.012743	917	512	497	676	821
Claude R. Cornaz	Director	5'198	0.015023	917	512	497	676	821
Jürg Fedier	Director	8'498	0.024561	917	512	497	676	821
Martin Hirzel	Director	2'506	0.007243	0	512	497	676	821
Gabi Huber	Director	10'867	0.031408	917	512	497	676	821
Dirk Lambrecht	Director	25'934	0.074954	0	0	0	0	821

Share type: Bearer share, nom. CHF 0.05

Voting rights per bearer share: 0.00000289%

## Board of Directors shareholdings 2023

Table 6, as of 31 December 2023

Name	Function	Number of shares	% of voting rights	Of which blocked until				
				2024	2025	2026	2027	2028
Paul Hälgi	Chairman	37'539	0.108494	2'168	2'016	1'125	1'092	1'487
Hanspeter Fässler	Vice Chairman	14'586	0.042156	1'511	1'406	682	662	901
Jens Breu	Director	3'588	0.010370	986	917	512	497	676
Claude R. Cornaz	Director	4'377	0.012650	986	917	512	497	676
Jürg Fedier	Director	7'677	0.022188	986	917	512	497	676
Martin Hirzel	Director	1'685	0.004870	0	0	512	497	676
Gabi Huber	Director	10'046	0.029035	986	917	512	497	676
Judith van Walsum	Director	1'173	0.003390	0	0	0	497	676

Share type: Bearer share, nom. CHF 0.05

Voting rights per bearer share: 0.00000289%

## Executive Committee shareholdings 2024

Table 7, as of 31 December 2024

Name	Function	Number of shares	% of voting rights	Of which blocked until				
				2025	2026	2027	2028	2029
Volker Cwielong	CEO	0	–	0	0	0	0	0
Judith van Walsum	CFO	1'173	0.003390	0	0	497	676	0
Dirk Borghs	COO	2'396	0.006925	0	0	0	0	0
Sabrina Gérard	CSO	0	–	0	0	0	0	0
Frank Schön	CTO	1'715	0.004957	0	0	0	0	0

Share type: Bearer share, nom. CHF 0.05  
Voting rights per bearer share: 0.00000289%

## Executive Committee shareholdings 2023

Table 8, as of 31 December 2023

Name	Function	Number of shares	% of voting rights	Of which blocked until				
				2024	2025	2026	2027	2028
Dirk Lambrecht	CEO	22'160	0.064046	0	0	0	0	0
Walter Scherz	CFO	2'850	0.008237	0	0	0	0	0
Dirk Borghs	COO	1'623	0.004691	0	0	0	0	0
Sabrina Gérard	CSO	0	–	0	0	0	0	0
Frank Schön	CTO	1'147	0.003315	0	0	0	0	0

Share type: Bearer share, nom. CHF 0.05  
Voting rights per bearer share: 0.00000289%

## Functions of the members of Board of Directors in other companies

Table 9. In accordance with Article 734e of the Swiss Code of Obligations. Includes members of the Board of Directors as of 31 December 2024.

			As of 31 December 2023	As of 31 December 2024
<b>Paul Hälg</b>				
└ Director Delegate	Aranos AG		x	x
└ Director	Dätwyler IT Infra AG		x	x
└ Chairman	Sika AG	stock listed	x	
└ Director	Sonceboz Group SA		x	x
<b>Hanspeter Fässler</b>				
└ Director	ANYbotics AG		x (Chairman)	x
└ Vice Chairman	Axpo Holding AG		x	
└ Director	Dätwyler IT Infra AG		x (Chairman)	x
└ Chairman	Drone Harmony AG		x	x
└ Chairman	Gravis Robotics AG		x	x
└ Director	Hatebur Umformmaschinen AG		x	x
└ Director	So Real Digital Twins AG		x	x
<b>Jens Breu</b>				
└ CEO	SFS Group AG	stock listed	x	x
<b>Claude R. Cornaz</b>				
└ Vice Chairman	Cornaz AG-Holding		x	x

↳ Vice Chairman	H. Goessler AG		x	x
↳ Chairman	Vetropack Holding AG	stock listed	x	x

### Jürg Fedier

↳ Director	Ascom Holding AG	stock listed	x	x
↳ Director	OC Oerlikon Corporation AG	stock listed	x	x

### Martin Hirzel

↳ Director	Bucher Industries AG	stock listed	x	x
↳ Director	IPZ Property AG		x	x
↳ Director	Lantal Textiles AG		x	x
↳ Vice Chairman	Ronal AG		x (Director)	x
↳ Chairman	Testex AG		x (Director)	x

### Gabi Huber

↳ Vice Chairwoman	UBS Switzerland AG		x	x
↳ Director	Credit Suisse (Schweiz) AG		x	

### Dirk Lambrecht

↳ Chairman	Dätwyler IT Infra AG		x (Director)	x
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CEO = Chief Executive Officer

## Functions of the members of the Executive Committee in other companies

Table 10. In accordance with Article 734e of the Swiss Code of Obligations. Includes members of Executive Committee as of 31 December 2024.

			As of 31 December 2023	As of 31 December 2024
<b>Volker Cwielong</b>	–	–		
<b>Judith van Walsum</b>	–	–		
<b>Dirk Borghs</b>	Director	Target Foods NV	x	x
<b>Sabrina Gérard</b>	Chairwomen	Mentor Management Consulting BV	x	x
<b>Frank Schön</b>	–	–		

## 4.5 Remuneration outlook

The Board of Directors will propose the following maximum total sums to the 2025 ordinary Annual General Meeting for remuneration of the Board of Directors for their service during the period up to the 2026 ordinary Annual General Meeting and for remuneration of the Executive Committee for the 2026 fiscal year:

- Board of Directors: CHF 2'350'000, of which CHF 650'000 for cash remuneration plus CHF 1'700'000 for granting of Dätwyler Holding Inc. bearer shares.
- Executive Committee: CHF 7'500'000, of which CHF 5'200'000 for cash remuneration (fixed base salary CHF 2'200'000, variable incentive CHF 2'000'000, employer social insurance and perquisites CHF 1'000'000) plus CHF 2'300'000 for the maximum value at grant of the Performance Share Units awarded under the new long-term incentive plan.

For the sustainability performance indicator, which accounts for 20% of the variable salary component, the Board of Directors has defined the following two measurement parameters for the year 2025:

- Reduction in CO<sub>2</sub> emissions (scopes 1 and 2) relative to revenue (10% of variable incentive component)
- Reduction of elastomer waste in tons relative to value of goods manufactured (10% of the variable incentive component)

For the two parameters, there is a minimum threshold that has to be achieved in order to be taken into consideration and a maximum limit above which the contribution to target achievement no longer increases. The two measurement parameters for the sustainability performance indicator cannot be compared with the companies from the peer group. By taking sustainability measurement parameters into account in the variable incentive for all eligible employees, Datwyler is promoting awareness of the sustainability focus areas.

Furthermore, the Board of Directors has decided to adjust the calculation model for the variable incentive of the Executive Committee. From 2025, there will be a fourth performance indicator that measures the improvement in operating cash flow compared to an internal budget figure and determines 20% of the variable incentive. For the operating cash flow performance indicator, there is a minimum threshold that has to be achieved in order to be taken into consideration and a maximum limit above which the contribution to target achievement no longer increases. Accordingly, the weighting of the two existing performance indicators net revenue growth and EBIT improvement compared to the previous year and relative to a peer group of companies will be reduced from 40% each to 30% each of the variable incentive. In addition, separate peer groups of companies for relative performance measurement will be introduced for the two business areas Healthcare Solutions and Industrial Solutions from 2025. For the members of the Executive Committee, the results of the two business areas are weighted according to their share of revenue. This approach also applies to all other employees who are entitled to a variable incentive but cannot be allocated to one of the two business areas.

## 4.6 **Report of the statutory auditor on the Remuneration Report**



# Report of the statutory auditor

To the General Meeting of Dätwyler Holding AG, Altdorf

## Report on the Audit of the Remuneration Report

### Opinion

We have audited the Remuneration Report of Dätwyler Holding AG (the Company) for the year ended 31. December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables 1 to 10 in section «Remuneration in the reporting year 2024» and the sections «Remuneration of former members of the Board of Directors and Executive Committee» and «Loans and credits» of the Remuneration Report.

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

### Basis for Opinion

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

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

### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables 1 to 10 in section «Remuneration in the reporting year 2024» and the sections «Remuneration of former members of the Board of Directors and Executive Committee» and «Loans and credits» in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

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



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

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

#### **Board of Directors' Responsibilities for the Remuneration Report**

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

#### **Auditor's Responsibilities for the Audit of the Remuneration Report**

Our objectives are to obtain reasonable assurance about whether the information pursuant to 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 Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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



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

KPMG AG

A handwritten signature in blue ink, appearing to read 'Toni Wattenhofer'.

Toni Wattenhofer  
Licensed Audit Expert  
Auditor in Charge

A handwritten signature in blue ink, appearing to read 'Melanie Gamma'.

Melanie Gamma  
Licensed Audit Expert

Zurich, 4 February 2025

Enclosure:  
- Remuneration Report