



Remuneration Report

Remuneration Report

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Introduction

The strategy adopted by the Vetropack Group aims to ensure the company's sustainable long-term development, taking account of its stakeholders' interests. Given that Vetropack has strong roots in local markets, specific conditions at individual locations are regarded as highly important. Vetropack's remuneration principles have been drawn up with this in mind; they include a fixed component aligned with local market conditions, and an appropriate variable component related to performance and results.

Principles of the remuneration scheme and its components

The Vetropack Group's remuneration scheme is geared to its employees' levels of responsibility and experience, and also to local conditions. Members of the Board of Directors (BoD) receive a fixed cash benefit with no variable components.

Members of the Management Board (MB) receive basic remuneration reflecting their individual responsibility and experience, as well as a variable performance- and results-related component. They are awarded additional non-cash benefits in the form of supplementary pension contributions and a company car, which is also available for their private use.

All remuneration is paid in cash; there are no option or share plans.

Organisation and authorities for determining remuneration

The BoD determines the principles underlying its own remuneration scheme and the scheme for the MB at the request of the Nomination and Compensation Committee (NCC). It also sets the remuneration for the BoD and the CEO annually at the request of the NCC.

The NCC consists of three members of the BoD who are elected individually by the Annual General Assembly each year. The Annual General Assembly of 20 April 2022 elected Claude R. Cornaz, Richard Fritschi and Rudolf Fischer to the NCC; the BoD designated Rudolf Fischer as Chairman of the NCC. The NCC reports on its discussions and decisions, and proposes any motions, at the next meeting of the entire BoD. The committee met four times during 2022, in February, July, October and November.

The NCC's main task is to review the remuneration schemes for the BoD and MB on a regular basis. The NCC submits remuneration proposals for the members of the BoD and the CEO to the entire BoD so that the latter can pass the relevant resolutions. The NCC takes independent decisions regarding remuneration for the remaining members of the MB at the request of the CEO. The NCC also submits proposals to the BoD regarding the motions on overall remuneration for the BoD and MB that are to be put forward at the Annual General Assembly.

In addition, the NCC prepares the medium- and long-term human resources planning for members of the BoD and the MB, and submits its proposals to the entire BoD so that the latter can pass the relevant resolutions.

The Annual General Assembly of Vetropack Holding Ltd votes separately on remuneration for the Board of Directors and the Management Board as follows:

- Prospectively, on the maximum total amount of remuneration for the Board of Directors for the period until the next Annual General Assembly (cf. article 27 of the company's Articles of Incorporation <https://www.vetropack.com/en/vetropack/investor-relations/corporate-governance/>).
- Prospectively, on the maximum total amount of remuneration for the Management Board for the fiscal year that follows the Annual General Assembly (cf. article 27 of the Articles of Incorporation).

Article 28 of the Articles of Incorporation provides for an additional 40% of the amount approved by the Annual General Assembly for members of the Management Board nominated during the remuneration period.

Description of the remuneration components

Board of Directors (BoD)

Members of the BoD receive fixed remuneration in cash, with the Chairman, Vice-Chairman and ordinary members entitled to different amounts based on a graduated scale. The members of the NCC also receive fixed remuneration in cash for their work on the Committee, with the Chairman and ordinary members likewise entitled to different amounts based on a graduated scale. There are no variable components. Remuneration is paid out in 12 monthly instalments.

Management Board (MB)

Members of the MB receive fixed basic remuneration (fixed basic salary), which is commensurate with the level of responsibility involved in their individual function, their experience, and local conditions.

They also receive a variable cash bonus that consists of two parts:

- An individual bonus, based on the attainment of individually defined performance goals. This bonus component is calculated on the basis of an individually specified percentage of the personal fixed basic salary, multiplied by the goal attainment rate.
- A net result bonus, calculated on the basis of an individually defined per mille rate of the Group's consolidated net profit after tax. If the consolidated net profit is lower than 2% of the net revenue, this net result bonus is zero.

When appraising the attainment of individual performance goals, those elements that cannot be quantified are evaluated at the appraiser's discretion.

The target range for the variable component as a whole, i.e. the individual bonus and net result bonus together, should be between 25% and 50% of the basic salary.

In all cases, however, it is limited to a maximum of 75% of the basic salary and is paid out in April of the following year, after the Annual Report has been approved by the BoD.

Remuneration for the Board of Directors (BoD)

Only cash benefits were paid to members of the BoD in 2022. No shares, options, loans, credits, additional fees or remuneration of any other kind were disbursed either to members of the BoD, former members of the BoD, or persons closely associated with them. Furthermore, there are no outstanding credits or loans.

2022 BoD remuneration

in CHF	BoD	Cash	Social Security Contributions	Total
		NCC		
Claude R. Cornaz, Chairman	315 800	10 000	99 634	425 434
Richard Fritschi, Vice-Chairman	90 000	10 000	7 505	107 505
Sönke Bandixen, Member	65 000	–	4 132	69 132
Pascal Cornaz, Member	65 000	–	4 878	69 878
Rudolf W. Fischer, Member	65 000	15 000	4 048	84 048
Urs Kaufmann, Member	65 000	–	4 878	69 878
Diane Nicklas, Member	43 334	–	8 331	51 665
Jean-Philippe Rochat, Member	65 000	–	4 729	69 729
Total	774 134	35 000	138 135	947 269

2021 BoD Remuneration

in CHF	BoD	Cash	Social Security Contributions	Total
		NCC		
Claude R. Cornaz, Chairman	315 800	10 000	100 286	426 086
Richard Fritschi, Vice-Chairman	90 000	10 000	7 516	107 516
Sönke Bandixen, Member	65 000	–	4 885	69 885
Pascal Cornaz, Member	65 000	–	4 885	69 885
Rudolf W. Fischer, Member	65 000	15 000	4 055	84 055
Urs Kaufmann, Member	65 000	–	4 885	69 885
Jean-Philippe Rochat, Member	65 000	–	4 885	69 885
Total	730 800	35 000	131 397	897 197

Remuneration for the Management Board (MB)

Only cash and non-cash benefits were provided to members of the MB in 2022. No shares, options, loans, credits, additional fees or remuneration of any other kind were disbursed either to members of the MB, former members of the MB, or persons closely associated with them. Furthermore, there are no outstanding credits or loans.

in CHF	Basic Salary	Bonus	Pension/ Social Security Contributions	Non-cash Benefits*	Total
2022 MB Remuneration					
Total MB	2 331 028	925 297	825 024	56 126	4 137 476
Highest level of remuneration **	607 250	329 152	228 344	8 602	1 173 348
2021 MB Remuneration					
Total MB	2 148 091	756 526	757 763	43 105	3 705 485
Highest level of remuneration **	600 000	244 863	229 875	7 285	1 082 023

* Company car for personal use

** Johann Reiter, CEO

Comparison of remuneration disbursed with remuneration approved

Board of Directors

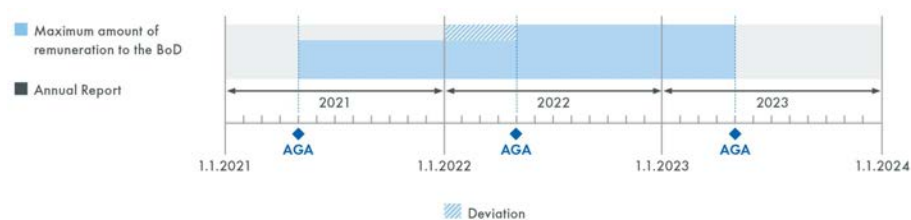
At the Annual General Assembly on 20 April 2022, a vote was held on the total remuneration for the Board of Directors and a maximum amount of CHF 1,000,000.00 was defined.

In accordance with the Articles of Incorporation, remuneration for the Board of Directors is approved prospectively for the period until the next ordinary Annual General Assembly. The table below compares the maximum amount of remuneration for the Board of Directors approved by the Annual General Assembly with the amounts actually disbursed in 2022.

in CHF

Approved total remuneration for the BoD from the 2022 AGA until the 2023 AGA	1 000 000
Remuneration disbursed to the BoD in 2022	947 269

The difference is due to the addition of a new member to the Board of Directors and a comparison of two different time periods.



Management Board

The maximum amount of the Management Board's total remuneration for the 2022 fiscal year (CHF 5,100,000.00) was approved at the Annual General Assembly held on 21 April 2021. At the Annual General Assembly held on 20 April 2022, the maximum amount of the Management Board's total remuneration was increased by CHF 450,000.00 to CHF 5,550,000.00. The table below compares the remuneration approved and disbursed in 2022.

in CHF

	2022
Approved total remuneration for the Management Board for 2022	5 550 000
Remuneration disbursed to the Management Board in 2022	4 137 476

Shareholdings

Information on shares held by members of the Board of Directors and the Management Board can be found [here](#).

Report of the statutory auditor on the remuneration report

To the General Meeting of Vetropack Holding Ltd, Saint-Prex

Zurich, 8 March 2023

Opinion. We have audited the remuneration report of Vetropack Holding Ltd (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14–16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in PDF version: pages 144 to 149 /online version: marked with the label “audited information” of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report complies with Swiss law and Art. 14–16 VegüV.

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 pages 144 to 149 /online version: marked with the label “audited information” 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 on remuneration, loans and advances pursuant to Art. 14–16 VegüV 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 judgment and maintain professional scepticism 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.

Ernst & Young Ltd

Willy Hofstetter
Licensed audit expert
(Auditor in charge)

Marc Hegetschweiler
Licensed audit expert