

BUSINESS REPORT 2023

MCH GROUP





Business Report 2023
Remuneration Report

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Introduction to the Remuneration Report

The Remuneration Report describes the governance and remuneration system in the Group and informs about the remunerations of the members of the Board of Directors and the Executive Board of MCH Group Ltd. for the business year 2023.

The Remuneration Report is written in accordance with MCH Group's Articles of Association, the Swiss Code of Obligations (Company Law), the standard relating to information on Corporate Governance of the SIX Swiss Exchange, and the principles of the Swiss Code of Best Practice for Corporate Governance by [economiesuisse](https://www.economiesuisse.ch)

The Remuneration Report is submitted to the Annual General Meeting for approval in a non-binding advisory vote. The Annual General Meeting has to approve in binding votes the remunerations of the Board of Directors and of the Executive Board. The MCH Group's Articles of Association (§ 18) stipulate that the Annual General Meeting votes on the following remunerations each year:

- the remuneration of the Board of Directors for the financial year beginning after the Annual General Meeting;
- the fixed remuneration and the grant of the long-term variable remuneration of the Executive Board for the financial year beginning after the Annual General Meeting;
- the short-term variable remuneration of the Executive Board for the completed financial year.

The Articles of Association of MCH Group Ltd. contain further provisions on remuneration:

- the role and responsibilities of the Compensation Committee (§ 33 – 35);
- the principles of remuneration of the members of the Board of Directors (§ 24 and 25);
- the principles of remuneration of the members of the Executive Board (§ 39 – 41);
- the additional remuneration amount of members of the Executive Board appointed after the approval of the maximum aggregate remuneration amount by the Annual General Meeting (§ 42).

The Articles of Association of MCH Group Ltd. are available on the MCH Group website under “Investors” | “Governance”.

Link: <https://www.mch-group.com/en/investoren/governance/>

The minutes or agenda items and explanations of the Annual General Meetings are available on the MCH

Link: <https://www.mch-group.com/en/investors/general-meeting/>

Governance

MCH Group's Board of Directors annually approves the remuneration principles for the employees and determines the remunerations of the members of the Board of Directors and the Executive Board. It submits maximum aggregate remuneration amounts of the members of the Board of Directors and the Executive Board to the Annual General Meeting for approval.

The Board of Directors' resolutions on remunerations are made at the request of the Governance, Nomination and Compensation Committee (GNCC), which performs the duties of a Remuneration Committee and whose members are elected annually by the Annual General Meeting.

On 04.05.2023, the Annual General Meeting elected the following members of the Board of Directors as members of the GNCC for the term of office until the Annual General Meeting 2024:

- Marco Gadola, Chair
- Jeffrey Palker
- Raphael Wyniger
- Andrea Zappia

In the business year 2023, the GNCC treated remuneration topics at seven meetings and conference calls. The Chairman of the GNCC informed the Board of Directors about the work of the GNCC and submitted the GNCC's proposals at the Board meetings following the GNCC meetings. The Board of Directors passed resolutions regarding remuneration at six meetings in the business year 2023.

The Group CEO and the Group CFO attend the meetings of the GNCC in an advisory capacity. They are not present at the discussions and resolutions concerning their own performance and compensation.

In the past two years, the GNCC involved PricewaterhouseCoopers AG (PwC) to provide advice on specific remuneration matters.

Further information on the function of the GNCC may be found in the “Corporate Governance” section of the Annual Report under “Organization & Management” | “Specialist Committees of the Board of Directors”.

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Information on the members of the Board of Directors

Shares held by members of the Board of Directors

Information on the number of shares in MCH Group Ltd. held by members of the Board of Directors as per 31.12.2023:

	Number of shares CHF 1.00 and percentage of voting rights 31.12.2023		Number of shares CHF 1.00 and percentage of voting rights 31.12.2022	
Andrea Zappia, Chairman ¹⁾	130 000	0.42%	86 409	0.28%
Marco Gadola, Vice Chairman	39 807	0.13%	35 000	0.11%
Christoph Brutschin ⁵⁾	-	-	0	0.00%
Markus Breitenmoser ²⁾	26 657	0.09%	26 657	0.09%
Dr. Balz Hösly ⁵⁾	-	-	0	0.00%
Dr. Dagmar Maria Kamber Borens	3 205	0.01%	0	0.00%
Eleni Lionaki ⁵⁾	-	-	0	0.00%
James R. Murdoch ³⁾	0	0.00%	0	0.00%
Jeffrey Palker ³⁾	0	0.00%	0	0.00%
Raphael Wyniger ⁶⁾	3 205	0.01%	-	-
Total	202 874	0.65%	148 066	0.48%
Shares held by related parties				
of James R. Murdoch ¹⁾	11 963 130	38.52%	11 963 130	38.52%

1) Allocation of 9,614 shares as remuneration portion 2023 with value date after 31.12.2023.

2) Allocation of 3,205 shares as remuneration portion 2023 with value date after 31.12.2023.

3) Allocation of 3,205 shares as remuneration portion 2023 with value date after 31.12.2023, held by Lupa Investment Holdings LP

4) Lupa Investment Holdings LP; allocation of 6,410 shares as remuneration portion 2023 of J. Murdoch and J. Palker with value date after 31.12.2023.

5) Member of the BoD until 04.05.2023.

6) Member of the BoD since 04.05.2023.

Activities of the members of the Board of Directors

Activities in other undertakings as per 31.12.2023 pursuant to Art. 734e Code of Obligations:

Andrea Zappia

- EssilorLuxottica | Member of the Board of Directors and Chairman of the Nomination and Compensation Committee (NNC)
- MultiChoice Group | Member of the Board of Directors
- Sky Showtime | Chairman of the Board of Directors
- Sky Group | Executive Vice President and Chief Executive Officer New Markets and Business

Marco Gadola

- DKSH Holding AG | Chairman of the Board of Directors
- Medartis Holding AG | Chairman of the Board of Directors
- WS Audiology Ltd | Chairman of the Board of Directors
- Straumann Group | Member of the Board of Directors, Chair of the Human Resources & Compensation Committee
- Bühler Group | Member of the Board of Directors
- AVAG Anlage und Verwaltungs AG | Member of the Board of Directors
- Endeavour Vision Ltd | Operating Partner

Markus Breitenmoser

- Breitenmoser & Partner GmbH | Shareholder and Partner
- MCBM Beteiligungen AG | Chairman of the Board of Directors
- Novelteak AG | Chairman of the Board of Directors

Dr. Dagmar Maria Kamber Borens

- State Street Bank International GmbH | Member of the Executive Management Board

James R. Murdoch

- LUPA Systems | Founder and Owner
- Tesla | Member of the Board of Directors
- Dia Art Foundation | Member of the Board of Directors

Jeffrey Palker

- Tribeca Enterprises | Member of the Board of Directors
- AWA Studios | Member of the Board of Directors

Raphael Wyniger

- Wyniger Management AG / Wyniger Group | Managing Owner
- KKL Luzern | Member of the Board of Directors

Details of the members of the Board of Directors may be found in the “Corporate Governance” section of the Annual Report under “Board of Directors”.

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Information on the members of the Executive Board

Shares held by members of the Executive Board

Information on the number of shares in MCH Group Ltd. held by members of the Executive Board as per 31.12.2023:

	Number of shares CHF 1.00 and percentage of voting rights 31.12.2023		Number of shares CHF 1.00 and percentage of voting rights 31.12.2022	
Florian Faber	11 844	0.04%	0	0.00%
Michael Hüsler	26 460	0.09%	20 000	0.06%
Total	38 304	0.12%	20 000	0.06%

Activities of the members of the Executive Board

Activities in other undertakings as per 31.12.2023 pursuant to Art. 734e Code of Obligations:

Florian Faber

— None

Michael Hüsler

— None

Details of the members of the Executive Board may be found in the “Corporate Governance” section of the Annual Report under “Executive Board”.

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Remuneration Systems

The MCH Group's remuneration systems are aligned to market and industry standards and promote the joint achievement of ambitious corporate objectives.

MCH Group has fundamentally revised and realigned its remuneration systems in recent years. New variable remuneration components have been implemented for the operational leadership team (Executive Board and Management Team), which reward the achievement of the group's financial targets in the past business year and over a three-year time horizon.

On the basis of the short-term variable remuneration model for the management, a uniform program for variable remuneration was drawn up last year for all employees in the MCH Group, which will be applied in the business year 2024. This does not apply to employees with a sales-related commission.

Remuneration System of the Board of Directors

In 2022, PricewaterhouseCoopers AG (PwC) carried out an in-depth analysis of the remuneration of the Board of Directors in order to determine its competitiveness in terms of structure and quantum. For this purpose, a peer group of 25 listed Swiss companies was selected that are comparable to MCH in terms of turnover and market capitalization. The analysis showed that the remuneration structure was not fully in line with market practice and that the remuneration level of the MCH Group's Board of Directors was significantly lower than those of the peer companies.

The Board of Directors has therefore decided to adjust the remuneration model for the business year 2023 and the following years. As of 01.01.2023, the payment of attendance fees was waived and the compensation for attending meetings was integrated into the basic fee. The Board of Directors also decided to increase the basic fee by 66.7 % by issuing shares with a vesting period of two years. This additional remuneration in the form of shares became effective in the business year 2023 pro rata from May to December and applies to the business years 2024 and 2025.

Due to the reduction in the size of the Board of Directors, the total amount of remuneration for the Board of Directors remains in line with previous business years. A further possible increase in the remuneration of the Board of Directors is being considered for the business year 2026 at the earliest, depending on the development of business results.

The compensation of the Board of Directors is thus composed as follows:

Basic fee

(gross amounts p.a.)

- Chairman of the Board of Directors: CHF 150,000
(CHF 90,000 in cash, CHF 60,000 in shares)
- Vice Chairman of the Board of Directors: CHF 75,000
(CHF 45,000 in cash, CHF 30,000 in shares)
- Member of the Board of Directors: CHF 50,000
(CHF 30,000 in cash, CHF 20,000 in shares)

The basic fee of the Board of Directors is paid quarterly, in the case of new members or leavers or pro rata.

Fee for additional functions

(gross amounts p.a.)

- Chair of a Committee: CHF 15,000 (in cash)
- Member of a Committee: CHF: 10,000 (in cash)

The fee for additional functions is paid quarterly, in the case of new members or leavers or pro rata.

Expenses

All members of the Board of Directors receive a lump-sum expense.

(net amounts p.a.)

- Chairman of the Board of Directors: CHF 5,000
- Vice Chairman of the Board of Directors: CHF 2,000
- Member of the Board of Directors: CHF 1,000

According to § 25 of the Articles of Association of MCH Group Ltd., lump-sum expenses are not deemed remuneration. They shall not be added to the amounts subject to approval by the Annual General Meeting and are not shown individually in the Remuneration Report.

Expenses incurred in connection with meetings or representation functions (travel, accommodation, etc.) are reimbursed in accordance with the effective expenditures.

Details on the remuneration of the Board of Directors 2023 are provided in the section “Remuneration Board of Directors”.

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Remuneration System for the Executive Board

In 2022, the MCH Group implemented a long-term variable remuneration component for the members of the Executive Board (and the management team), which is paid out in the form of shares. This long-term incentive program (LTI) rewards performance over a time horizon of three years.

In the business year 2023, the short-term variable remuneration component – the former bonus – was also redefined and implemented for the Executive Board (and the management team). This short-term incentive program (STI) rewards performance in the previous business year.

The compensation of the Executive Board is thus composed as follows:

Fixed Remuneration and Benefits

The fixed remuneration of the members of the Executive Board comprises the annual basic salary and benefits, including pension insurance and any other payments, such as family allowances, long-service awards and other allowances.

The annual basic salary is determined by the Board of Directors on the basis of the scope of the role, the skills required to perform the role, the external market value for the role and the skills and experience of the individual in the role.

Benefits consist mainly of retirement, insurance, and healthcare plans that are designed to provide a reasonable level of protection for the employees and their dependents in respect of the risk of retirement, disability, death, and illness. The members of the Executive Board participate in the occupation pension plan offered to all employees in Switzerland.

Short-term Incentive (STI)

The new STI program implemented in the business year 2023 for the Executive Board (and the Management Team) rewards the performance of the company over a one-year time horizon. The redesigned STI program helps to improve the link between performance and Remuneration and to ensure the strategic alignment of the entire company.

The STI target component is defined as a percentage of the annual basic salary and is between 35 % and 50 % for the members of the Executive Board. The key performance indicators (KPIs) for determining the STI targets are the Group's operating cash flow (OCF) and EBITDA, each with a weighting of 50 %. An expected performance level is defined for each target. The payout factor can range from 0 % to maximum of 200 %.

Long-term Incentive (LTI)

The LTI program implemented in 2022 for the members of the Executive Board (and the Management Team) rewards for the performance of the Group over a three-year time horizon. The LTI strengthens the alignment with the interests of shareholders, promotes a success-oriented attitude and strengthens loyalty to the company.

In the LTI program, the individual allocation amount is determined as a CHF amount and converted into a certain number of performance share units (PSUs) on the basis of the average volume-weighted share price (VWAP) during the first ten trading days in the month preceding the allocation date. A PSU is a conditional right to a certain number of shares in the company in the future, which is subject to a three-year vesting period (period until payout). At the time of vesting, the final number of PSUs is converted into shares and paid out, subject to the condition that the predefined performance targets are achieved and the employment relationship is not terminated.

The key performance indicators (KPIs) for setting the LTI targets are the Group's operating income (weighting 33 1/3 %) and EBITDA (weighting 66 2/3 %). The basis for the targets are the budget (for the first year) and the annually updated mid-term plan (for the second and third year). The payout factor can range from 0 % to a maximum of 150 %. This means that each PSU can lead to an entitlement of 0 to 1.5 shares.

The LTI program is implemented with staggered vesting periods: For the 2022 allocations (period 2022–2024), one third of the PSUs is subject to a one-year vesting period, one third to a two-year vesting period and one third to a three-year vesting period; for the 2023 allocations (period 2023–2025), two thirds of the PSUs are subject to a two-year vesting period and one third to a three-year vesting period. From the 2024 allocation (period 2024–2026), the full three-year vesting period will apply to all PSU allocations.

Expenses

The members of the Executive Board receive an expenses allowance which varies according to their function and a lump-sum vehicle allowance. These expenses allowances have been approved by the cantonal tax authorities.

According to § 41 of the Articles of Association of MCH Group Ltd., expenses are not deemed remuneration. They shall not be added to the amounts subject to approval by the Annual General Meeting and are not shown individually in the Remuneration Report.

The members of the Executive Board are also members of the Board of Directors of MCH Group companies. No extra remuneration is paid for the exercise of these mandates within the Group.

Details on the remuneration of the Executive Board 2023 are provided in the section “Remuneration Executive Board”:

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Harmonized model for variable remuneration

Up to and including the business year 2023, different bonus models were in force for employees at all levels in the various companies, divisions and/or countries of the MCH Group, with the payment of a bonus being dependent on financial results at group and/or division level and on individual performance.

In recent years, the conditions for the payment of a bonus, which are linked to the financial results at group and/or division level, have not been fulfilled. The payment of variable remuneration was limited to the individual performance assessment component, with employees waiving the bonus portion of this component in 2020 and 2021.

The STI target component is now defined as a percentage of the annual basic salary – between 5 % and 30 %, depending on the employee's hierarchical level, including middle management employees. The key performance indicators (KPIs) for the STI targets are the Group's operating cash flow (OCF) and the EBITDA of the Group or division/business unit and – for employees – the individual performance assessment. An expected performance level is defined for each financial target. The payout factor can range from 0 % to maximum of 200 %.

KPIs and weighting

Corporate Functions / Management

- Group OCF 50 %
- Group EBITDA 50 %

Corporate Functions / Employees

- Group OCF 25 %
- Group EBITDA 25 %
- Individual targets 50 %

Business Functions / Management

- Group OCF 50 %
- Division EBITDA 25 %
- Business Unit EBITDA 25 %

Business Functions / Employees

- Group OCF 25 %
- Division EBITDA 12.5 %
- Business Unit EBITDA 12.5 %
- Individual targets 50 %

Remuneration of the Board of Directors 2023

The remuneration of the Board of Directors was revised in the business year 2023. The remuneration of the Board of Directors now consists of a basic fee, which is paid in cash and in the form of shares, and a fee for work on the committees, which is paid in cash.

The remuneration of the Board of Directors for the 2023 financial year totals CHF 549,561 (including social security contributions). Due to the adjustment of the remuneration of the individual functions closer to the market level, the aggregate remuneration is slightly higher than in the previous year, although the Board of Directors has been reduced from nine to seven members as of the Annual General Meeting 2023.

2023, in CHF, gross (audited)	Basic fee in cash	Basic fee in shares	Fee for additional functions in cash ¹⁾	Total	Social insurance contributions	Overall sum incl. social insurance contributions
Andrea Zappia, Chairman	90 000	40 000	13 333	143 333	0	143 333
Marco Gadola, Vice Chairman	45 000	20 000	16 667	81 667	6 173	87 839
Markus Breitenmoser	30 000	13 333	10 000	53 333	4 029	57 362
Christoph Brutschin ^{2) 4)}	10 000	0	8 333	18 333	1 042	19 376
Dr. Balz Hösly ^{2) 4)}	10 000	0	3 333	13 333	911	14 244
Dr. Dagmar Kamber Borens ²⁾	30 000	13 333	15 000	58 333	4 419	62 752
Eleni Lionaki ^{3) 4)}	10 000	0	0	10 000	0	10 000
James R. Murdoch ³⁾	30 000	13 333	5 000	48 333	0	48 333
Jeffrey Palker ³⁾	30 000	13 333	20 000	63 333	0	63 333
Rapahel Wyniger ²⁾	20 000	13 333	6 667	40 000	2 987	42 987
Total	305 000	126 665	98 333	530 000	19 561	549 561

1) Includes fees for the GNCC, AC and SC.

2) The remuneration for the BoD members appointed by the public authorities are paid to the addresses given by the BoD members.

3) Payment of the fees to Lupa Investment Holdings LP.

4) Member of the BoD until 04.05.2023.

Explanations on Remuneration 2023

As of 01.01.2023, the attendance fees have been integrated into the basic fee. The increase in the basic fee by issuing shares resolved in summer 2023 came into effect in the business year 2023 on a pro rata basis from May to December.

No sign-on bonuses or severance payments were paid to members of the Board of Directors. As in the previous year, no loans or credit were granted to the Board of Directors in the reporting year. There are no such loans or credit outstanding as of 31.12.2023. As in the previous year, no suretyships (sureties, guarantees) were granted to members of the Board of Directors in the reporting year. There are no such suretyships outstanding as of 31.12.2023.

More information on the remuneration model of the Board of Directors are provided in the section “Remuneration Systems”.

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Meetings in business year 2023

- Board of Directors: 9
(Total meeting duration 29 hours)
- Governance, Nomination and Compensation Committee: 7
(Total meeting duration 10 hours)
- Audit Committee: 6
(Total meeting duration 15 hours)

Resolutions and Motions Annual General Meeting

The Annual General Meeting of 23.05.2022 has approved the maximum aggregate amount of CHF 660,000 (gross, including social insurance contributions) as remuneration for the Board of Directors for the business year 2023. The remuneration for the business year 2023 is below this approved maximum aggregate amount.

The Annual General Meeting on 21.05.2024 will be asked to approve the maximum aggregate amount of CHF 660,000 (gross, including social insurance contributions) as remuneration for the Board of Directors for the business year 2025. The maximum aggregate amount will thus remain unchanged for the business years 2022 to 2025.

Remuneration of the Board of Directors 2022

The complete Remuneration Report 2022 of MCH Group Ltd. is available on the MCH Group website under “Investors” | “Reports”:

Link: <https://www.mch-group.com/en/investors/reports/>

2022, in CHF, gross (audited)	Basic fee	Fee for additional functions ¹⁾	Attendance fees	Lump sum expenses allowance	Total	Social insurance contributions	Overall sum incl. social insurance contributions
Andrea Zappia, Chairman	76 000	6 000	23 500	5 000	110 500	0	110 500
Marco Gadola, Vice Chairman	36 000	5 250	19 000	2 000	62 250	9 186	71 436
Markus Breitenmoser	21 000	3 000	16 500	1 000	41 500	6 174	47 674
Christoph Brutschin ²⁾	21 000	8 000	37 000	1 000	67 000	10 062	77 062
Dr. Balz Hösly ²⁾	21 000	4 250	17 000	1 000	43 250	6 441	49 691
Dr. Dagmar Kamber Borens ²⁾	21 000	5 000	15 000	1 000	42 000	6 251	48 251
Eleni Lionaki ³⁾	21 000	6 000	29 000	1 000	57 000	0	57 000
James R. Murdoch ³⁾	21 000	5 000	9 000	1 000	36 000	0	36 000
Jeffrey Palker ³⁾	21 000	3 000	21 500	1 000	46 500	0	46 500
Total	259 000	45 500	187 500	14 000	506 000	38 114	544 114

In 2022, the expense allowance has been disclosed, although it does not deemed remuneration and is not added to the amounts subject to approval by the Annual General Meeting.

1) Includes fees for the GNCC, AC and SC.

2) The remuneration for the BoD members appointed by the public authorities are paid to the addresses given by the BoD members. The payment of family allowances of CHF 12,325 (incl. additional payment for 2021 of CHF 975.00) by the Basel-Stadt compensation office is not included in the table.

3) Payment of the fees to Lupa Investment Holdings LP.

Remuneration of the Executive Board 2023

The remuneration of the Executive Board for the business year 2023 consists of fixed remuneration as well as short-term and long-term variable remuneration.

The remuneration of the Executive Board in the business year 2023 amounts to a total of CHF 1,658,694. This amount comprises the fixed base salary and the short-term variable remuneration (short-term incentive (STI)) for the business year 2023 as well as the grant amount for the long-term variable remuneration (long-term incentive (LTI)) for the business year 2023 (with vesting period 2023–2025) and the corresponding employer contributions to the social insurance and pension fund.

2023, in CHF, gross (audited)	Fixed remuneration ¹⁾	Short-term variable remuneration ²⁾	Long-term variable remuneration ³⁾	Total	Social insurance contributions ⁴⁾	Sum total incl. social insurance contributions
Florian Faber	451 208	225 004	220 000	896 212	76 269	972 481
Other members	353 912	140 005	120 000	613 917	72 297	686 213
Total	805 120	365 009	340 000	1 510 129	148 566	1 658 694

1) Includes basic salary and other remuneration (family allowances, miscellaneous).

2) Short-term Incentive (STI) for the business year 2023

3) Long-term Incentive (LTI), grant amount in the business year 2023.

4) Includes employer's contribution to social security and pension fund. Includes employer's social security contributions for 2023 to the extent that they may result in a potential entitlement. Additional contributions that do not result in an increase of the entitlement are excluded (additional contributions excluded from the amount above in 2023: CHF 50,828 of which CHF 32,976 relate to the highest paid member of the Executive Board).

Total remuneration to former members of the Executive Board who left the Executive Board during the business year 2022 and whose employment contract was terminated during the business year 2023: CHF 616,531 (fixed remuneration CHF 511,086 and social insurance contribution CHF 105,445).

Explanations on Remuneration 2023

The fixed remuneration of the Executive Board members remained unchanged compared to the previous year.

The short-term variable remuneration (short-term incentive (STI)) was introduced in this form in the business year 2023. The STI targets are focused on the operating cash flow (OCF) and EBITDA targets.

The long-term variable remuneration (long-term incentive (LTI)) must be reported in the year of grant. Payouts after the end of the vesting period and according to target achievement do not have to be disclosed; the grant amounts can be found in the remuneration report in the grant year. The LTI grant amount for the business year 2023 (with vesting period 2023–2025) remained unchanged compared to the previous period. The LTI targets are focused on the operating income and EBITDA targets.

The short-term and long-term variable remuneration amounted to 47 % of the Executive Board's total remuneration (excluding social security contributions).

No sign-on bonuses nor severance payments were paid to members of the Executive Board. As in the previous year, no loans or credit were granted to the Executive Board in the reporting year. There are no such loans or credit outstanding as of 31.12.2023. As in the previous year, no suretyships (sureties, guarantees) were awarded to members of the Executive Board in the reporting year. There are no such suretyships outstanding as of 31.12.2023.

No loans or credits were granted to parties related to members of the Executive Board or to former members of the Executive Board at non-market conditions. No such loans or credits have been granted or are outstanding as at the end of the business year 2023.

More information on the remuneration model of the Executive Board are provided in the section “Remuneration Systems”.

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Resolutions and Motions Annual General Meeting

Fixed remuneration

The Annual General Meeting on 23.05.2022 approved the total amount of the fixed remuneration of the Executive Board of a maximum of CHF 3,400,000 (gross, including social insurance contributions) for the financial year 2023. The fixed remuneration for the business year 2023 is within the maximum aggregate amount approved by the Annual General Meeting.

The Annual General Meeting on 21.05.2024 will be asked to approve the maximum aggregate amount of CHF 1,300,000 (gross, including social insurance contributions) as fixed remuneration of the Executive Board for the business year 2025.

Short-term variable remuneration (STI)

The Annual General Meeting on 21.05.2024 will be asked to approve the amount of CHF 365,009 (gross, excluding social insurance contribution) as short-term variable remuneration for the Executive Board for the business year 2023.

Long-term variable remuneration (LTI)

The Annual General Meeting on 23.05.2022 approved the grant amount of CHF 1,100,000 (gross, including social insurance contributions) of the long-term variable remuneration to the Executive Board for the business year 2023 (vesting period 2023–2025). The LTI grant amount in the business year 2023 is within the grant amount approved by the Annual General Meeting.

The Annual General Meeting on 21.05.2024 will be asked to approve the maximum aggregate amount of CHF 400,000 (gross, including social insurance contributions) as grant value of the long-term variable remuneration of the Executive Board for the business year 2025.

Remuneration of the Executive Board 2022

The complete Remuneration Report 2022 of MCH Group Ltd. is available on the MCH Group website under “Investors” | “Reports”.

Link: <https://www.mch-group.com/en/investors/reports/>

2022, in CHF, gross (audited)	Fixed remuneration ¹⁾	Short-term variable remuneration ²⁾	Long-term variable remuneration ³⁾	Total	Social insurance contributions ⁴⁾	Sum total incl. social insurance contributions
Marc Spiegler ⁵⁾	616 294	325 000	0	941 294	101 269	1 042 563
Other members ^{6) 7)}	2 000 524	200 372	340 000	2 540 896	316 832	2 857 728
Total	2 616 818	525 372	340 000	3 482 190	418 101	3 900 291

1) Includes basic salary, retention payments in the business year 2022 (additional amount of CHF 520'000 approved by the AGM on 28.04.2021) and other remuneration (family allowances, miscellaneous).

2) Short-term Incentive (STI) for the business year 2022, excluding social insurance contributions made by the company.

3) Long-term Incentive (LTI), grant amount in the business year 2022 for the period 2022-2024 (additional amount of CHF 700'000 approved by the AGM on 23.05.2022).

4) Includes employer's contribution to social security and pension fund. Includes employer's social security contributions for 2022 to the extent that they may result in a potential entitlement. Additional contributions that do not result in an increase of the entitlement are excluded (additional contributions excluded from the amount above in 2022: CHF 162,638 of which CHF 51,272 relate to the highest paid member of the Executive Board).

5) Member of the Executive Board until 06.11.2022, employed until 31.10.2023.

6) Florian Faber (until 30.06.2022 CEO Live Marketing Solutions, as of 01.07.2022 new employment contract as Group CEO), Michael Hüsler, Andreas Eggimann (member of the Executive Board until 01.08.2022, employed until 31.03.2023), Beat Zwahlen (Group CEO a.i. and member of the Executive Board until 30.06.2022, employed until 31.03.2023).

7) This amount includes a retroactive payment to Bernd Stadlwieser (former CEO) of CHF 100,000 related to the performance year 2020.



Report of the statutory auditor

To the General Meeting of MCH Group Ltd., Basel

Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of MCH Group Ltd. (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 marked "audited" in section "Remuneration of the Board of Directors" and in section "Remuneration of the Executive Board" of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying 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 marked "audited" 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

Claudio Boller
Licensed Audit Expert
Auditor in Charge

Andreas Lövenich
Licensed Audit Expert

Basel, 21 March 2024

KPMG AG, Grosspeteranlage 5, CH-4002 Basel

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Art Basel Miami Beach 2023
Meridians, Gallery Hyundai
(Seung-taek Lee, „Earth Play“)

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The Reports 2023 of
MCH Group are available
in German and English.
The German version is
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