

# Compensation Report

## Compensation Report

The Compensation Report contains information on the compensation policy, compensation programs and processes for determining the compensation paid to the Board of Directors and Executive Management of the Mikron Group. It also provides detailed information on compensation paid in 2024.

### Compensation policy

Mikron's compensation policy is designed to align the goals of the company and its shareholders with the interests of the Board of Directors, the Executive Management, and all other employees across the whole Group. The compensation policy is intended to enhance Mikron's ability to recruit and retain a talented and high performing workforce. The policy also seeks to motivate Mikron's employees to adopt an entrepreneurial stance; to strive for above-market-average performance, accountability, value creation, and to reward individuals according to predefined targets and objectives.

The table below sets out the key principles of this compensation policy.

<p><b>Fair and transparent</b></p> <p>The compensation models are simple, clearly structured and transparent. They guarantee fair remuneration that reflects responsibilities and competencies.</p>	<p><b>Results- and performance-based</b></p> <p>Part of the remuneration paid is linked directly to the Mikron Group's results and to individual performance.</p>
<p><b>Long-term incentive</b></p> <p>Part of the compensation can be paid in the form of shares subject to a lock-up period. This gives recipients a share in the company's long-term performance and ensures alignment with shareholder interests, including retention of key personnel.</p>	<p><b>Geared to the labor market</b></p> <p>Compensation is geared to the market environment so as to attract and retain talent managers and employees.</p>

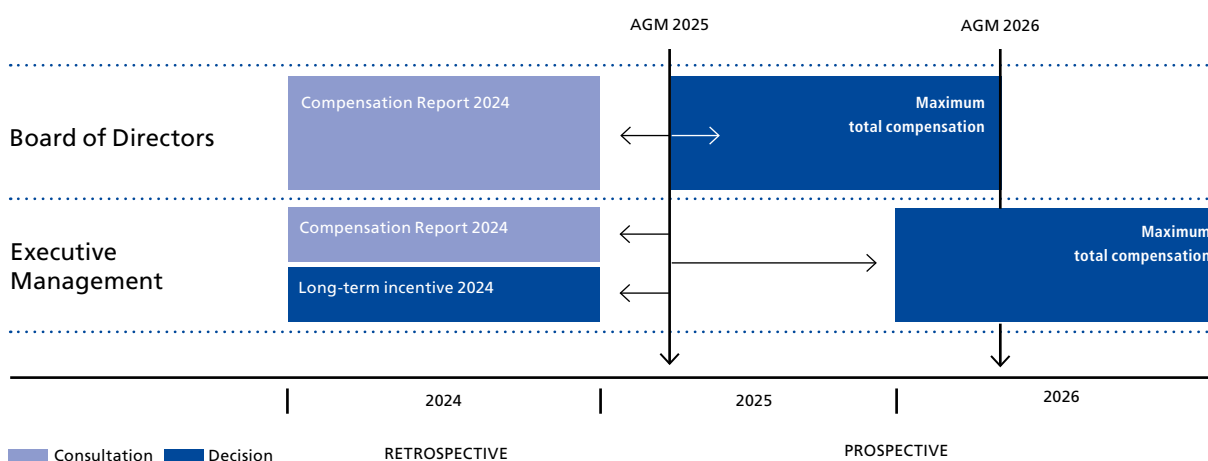
### Compensation reporting standards

Unless otherwise indicated, all information disclosed in this Report refers to the fiscal year ending on December 31, 2024. Management compensation is disclosed by applying the accrual principle. This Report follows articles 734-734f of the Swiss Code of Obligations and the Swiss Code of Best Practice for Corporate Governance published by Economiesuisse. It also complies with the Swiss Exchange's Directive on information relating to Corporate Governance.

## Compensation governance

### Responsibility of the Annual General Meeting of Shareholders

The Annual General Meeting of shareholders (AGM) approves all compensation paid to the members of the Board of Directors as a Group prospectively for the period from the date of the ordinary Annual General Meeting until the next ordinary Annual General Meeting. It furthermore approves the maximum total compensation<sup>1)</sup> paid to the members of the Executive Committee for the calendar year following the date of the ordinary Annual General Meeting.



### Responsibility of the Board of Directors

The Board of Directors is ultimately responsible for the compensation system and the formulation of the proposals to the Annual General Meeting regarding compensation.

### Responsibilities of the Remuneration Committee

Subject to and within the scope of the approved overall compensation by the Annual General Meeting, the Remuneration Committee proposes to the Board of Directors the remuneration of its members and proposes or determines the remuneration of the members of the Executive Management.

The General Meeting elects individually at least two but not more than four members of the Board of Directors as members of the Remuneration Committee. The term of office of the members of the Remuneration Committee is one year and ends at the next Annual General Meeting. Re-election is possible.

The members of the Remuneration Committee in the year under review were the Board members Hans-Christian Schneider (Chairman) and Andreas Casutt.

1) As of the AGM 2025, the shareholders will vote on the maximum total compensation of the Executive Management because the long-term incentive is calculated based on a maximum CHF amount converted to shares. This means the maximum amount is fixed and not dependent on the share price.

## Compensation system

Members of the Board of Directors receive a fixed compensation in cash and a fixed amount converted into a number of Company shares blocked for at least three years. Furthermore, a lump sum is paid out as compensation for expenses in accordance with the regulations, which have been approved by the tax authorities.

Members of the Executive Management receive a fixed cash compensation as well as a short-term incentive bonus based on results compared to annual targets set by the Board of Directors (variable cash compensation). The annual targets consist of financial and individual targets which depend on the role of the individual. The achievement is measured against qualitative and quantitative goals. The pay out starts at an achievement of 80% of the target and is capped at 125% of the target. The distribution of the short-term targets for the year 2024 were as follows:

	<b>M. Desrayaud</b>	<b>P. Wirth</b>	<b>R. Rihs</b>
Sales (Group and/or segment)	30%	30%	30%
EBIT (Group and/or segment)	40%	40%	40%
ESG	10%	10%	10%
Individual targets	20%	20%	20%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In addition, the Executive Management participates in a long-term incentive plan, paid out in the form of Company shares (variable share-based compensation). Its payout is dependent on the achievement of the mid-term targets set by the Board of Directors. The pay out starts at an achievement of 80% of the target and is capped at 150% of the target. The achievement is calculated in Swiss Francs and then converted to an amount of Company shares at the current market price at grant date. The shares are blocked for a period of at least three years .

Furthermore, a lump sum is paid out as compensation for expenses in accordance with the regulations, which have been approved by the tax authorities. Expenses that are not covered by the lump sum compensation for expenses pursuant to the expense regulations of the Company are reimbursed against presentation of the relevant receipts. This additional compensation for expenses actually incurred does not need to be approved by the General Meeting. Payments are made in cash. Furthermore, members of the Executive Management are provided with company cars which may also be used for private travel. Expenditure for pension and social security includes employer contributions to social insurance and to the pension fund and senior management pension fund.

The following table summarizes the compensation system of the Executive Management:

	Instrument	Purpose	Influencing factors	Performance targets
<b>Fixed annual basic salary (fixed cash compensation)</b>	Monthly cash compensation	Remuneration for function	Scope and responsibility, individual qualifications and experience	-
<b>Short-term incentive bonus (variable cash compensation)</b>	Annual cash compensation	Remuneration for performance	Company results, individual performance	Sales, EBIT, ESG, quantitative and qualitative individual targets
<b>Long-term incentive plan (variable share-based compensation)</b>	Locked-up shares (min. 3-year lock-up period)	Share in long-term performance, geared to shareholder interests and retention of key personnel	Contribution to the Group's strategic development	Sales, EBIT, RONA and ESG
<b>Pension and benefits</b>	Pension and social security Other benefits	Protection against risks Expenses covered	Standard market practice and position	-

## Management compensation 2024/2023

The following tables show the compensation for the Board of Directors and the Executive Management in 2024 and 2023:

### Management compensation 2024

Audited CHF 1,000		Fixed cash compensation	Variable cash compensation	Fixed share- based com- pensation	Variable share-based compensation	Pension and benefits	Total compen- sation
<b>Board of Directors</b>							
P. Zumbühl	Chairman	169	-	70	-	20	259
A. Casutt	Vice-Chairman	60	-	29	-	18	107
H.-M. Hauser	Member	46	-	22	-	15	83
A. Bendler	Member	46	-	22	-	15	83
H.-C. Schneider	Member	46	-	22	-	15	83
<b>Total Board of Directors</b>		<b>367</b>	<b>-</b>	<b>165</b>	<b>-</b>	<b>83</b>	<b>615</b>
<b>Executive Management</b>							
M. Desrayaud	CEO	436	87	-	110	163	796
Other members		623	127	-	143	324	1,217
<b>Total Executive Management</b>		<b>1,059</b>	<b>214</b>	<b>-</b>	<b>253</b>	<b>487</b>	<b>2,013</b>

**Management compensation 2023**

<b>Audited CHF 1,000</b>		<b>Fixed cash compensation</b>	<b>Variable cash compensation</b>	<b>Fixed share- based com- pensation</b>	<b>Variable share-based compensation*</b>	<b>Pension and benefits</b>	<b>Total compen- sation</b>
<b>Board of Directors</b>							
P. Zumbühl	Chairman	144	-	66	-	12	222
A. Casutt	Vice-Chairman	54	-	27	-	11	92
H.-M. Hauser	Member	42	-	21	-	9	72
A. Bendler	Member	42	-	21	-	9	72
H.-C. Schneider	Member	42	-	21	-	9	72
<b>Total Board of Directors</b>		<b>324</b>	<b>-</b>	<b>156</b>	<b>-</b>	<b>50</b>	<b>530</b>
<b>Executive Management</b>							
R. Rihs	COO	339	83	-	537	183	1,142
Other members		729	393	-	288	292	1,702
<b>Total Executive Management</b>		<b>1,068</b>	<b>476</b>	<b>-</b>	<b>825</b>	<b>475</b>	<b>2,844</b>

\* The value of the shares transferred in 2024 for the former LTI plan (till 2023) was CHF 143,000 higher than the amount disclosed as a result of the increase in share price between year-end and the date the shares were transferred. The amount disclosed is unchanged from the 2023 Compensation Report.

The increase of the total Board of Directors compensation is the result of a general compensation increase for all its members as approved by the Annual General Meeting in 2024.

The decrease in the compensation from 2023 to 2024 of the total Executive Management relates mainly to the appreciation of the fixed number of shares that were granted under the old long-term incentive plan. This plan is discontinued and the new plan as of 2024 foresees a variable Swiss Franc amount that is then converted to restricted shares at the market value at yearend.

There were no transactions with current or former members of the Board of Directors or the Executive Management (or parties closely linked to them) which relate to their former activities as member of these corporate bodies. No loans, securities, advances, or credits were granted to members of the Board of Directors or the Executive Management (or parties closely linked to them). There are no options issued on Mikron shares on December 31, 2024, in the context of a participation program.

**Management compensation compared to the amounts approved by the Annual General Meetings**

In April 2024, the Annual General Meeting approved a total remuneration payable to the Board of Directors for the period up to the next meeting of a maximum of CHF 700,000. The remuneration disclosed in the table above of CHF 615,000 covers the respective fiscal year and is not equal to the period between the Annual General Meetings. In the period between the Annual General Meetings the total of CHF 700,000 was not exceeded.

In April 2023, the General Meeting approved a total fixed and variable cash compensation plus pension and benefits of a maximum of CHF 2,000,000 which may be paid to Executive Management during the 2024 financial year. The actual remuneration of CHF 1,760,000 is below the approved amount.

In a separate approval the Board of Directors will propose to the next Annual General Meeting to approve an allocation of company shares in the amount of CHF 253,000 for 2024 under the long-term incentive plan.

Going forward the Board of Directors will propose to the Annual General Meeting the total compensation of the Executive Management for the subsequent business year, including the variable share-based compensation under the new revised long-term incentive plan.

## Shares held by members of the Board of Directors and by Executive Management

		31.12.2024		31.12.2023	
Audited		Number of shares	Voting power	Number of shares	Voting power
<b>Board of Directors</b>					
P. Zumbühl	Chairman	100,179	0.60%	76,279	0.46%
A. Casutt	Vice-Chairman	18,757	0.11%	17,169	0.10%
H.-M. Hauser	Member	17,105	0.10%	15,879	0.10%
A. Bendler	Member	8,240	0.05%	7,014	0.04%
H.-C. Schneider	Member	5,740	0.03%	4,514	0.03%
<b>Executive Management</b>					
M. Desrayaud	CEO	42,775	0.26%	42,775	0.26%
R. Rihs	COO	108,668	0.65%	76,553	0.46%
P. Wirth	CFO	3,000	0.02%	0	0.00%

These figures include shares held by related parties of these persons but exclude the shares held by Ammann Group Holding AG which is disclosed separately.

## Functions held by members of the Board of Directors and members of the Executive Management in other companies

### Audited

At December 31, 2024, members of the Board of Directors and members of the Executive Management held the following external mandates:

<b>Paul Zumbühl</b>	<p>Publicly traded companies:</p> <ul style="list-style-type: none"> <li>– Interroll Holding AG, Chairman of the Board of Directors</li> <li>– Schlatter Industries AG, Chairman of the Board of Directors</li> </ul> <p>Privately owned companies:</p> <ul style="list-style-type: none"> <li>– Zumbühl Management AG, member of the Board of Directors</li> </ul>
<b>Andreas Casutt</b>	<p>Publicly traded companies:</p> <ul style="list-style-type: none"> <li>– Siegfried Holding AG, Chairman of the Board of Directors</li> </ul> <p>Privately owned companies:</p> <ul style="list-style-type: none"> <li>– maxon international AG (as well as its sister company maxon motor AG), member of the Board of Directors</li> <li>– Niederer Kraft Frey AG, member of the Board of Directors</li> <li>– Dextra Rechtsschutz AG, member of the Board of Directors</li> <li>– Format A AG, member of the Board of Directors</li> <li>– Vanco Switzerland AG, member of the Board of Directors</li> <li>– Horizon21 AG and its related companies (SO Holding AG, Roymar Corporation SA, Lakeside Services AG, Lakeside Aviation AG, Sole Invest AG, Allwinden Holding AG), various Board mandates</li> <li>– ImmSell AG, member of the Board of Directors</li> <li>– ImmOthmar AG, member of the Board of Directors</li> <li>– TPIO Holding AG, its subsidiary Belleview AG and OPG Online Personals Group AG, Chairman of the Board of Directors</li> <li>– HEROS Helvetic Rolling Stock GmbH and its subsidiary HEROS America Middle-East Asia GmbH, Managing Director</li> </ul>
<b>Hans-Michael Hauser</b>	<p>Publicly traded companies:</p> <ul style="list-style-type: none"> <li>– None</li> </ul> <p>Privately owned companies:</p> <ul style="list-style-type: none"> <li>– ML Insights AG, owner and Managing Director</li> <li>– HMM Investment GmbH, owner and Managing Director</li> </ul>
<b>Alexandra Bendler</b>	<p>Publicly traded companies:</p> <ul style="list-style-type: none"> <li>– Constellium SE, member of the Executive Committee</li> </ul>
<b>Hans-Christian Schneider</b>	<p>Publicly traded companies:</p> <ul style="list-style-type: none"> <li>– None</li> </ul> <p>Privately owned companies:</p> <ul style="list-style-type: none"> <li>– Ammann Group Holding AG, Executive Vice Chairman of the Board of Directors and other board mandates at its direct or indirect subsidiaries</li> <li>– SELFRAG AG, member of the Board of Directors</li> <li>– Futurjns AG, Chairman of the Board of Directors</li> <li>– Hotel Alpenland AG, Chairman of the Board of Directors</li> <li>– Swissmem, member of the Board of Directors</li> </ul>
<b>Marc Desrayaud</b>	None
<b>Rolf Rihs</b>	<p>Privately owned companies:</p> <ul style="list-style-type: none"> <li>– Ceramaret SA, member of the Board of Directors</li> <li>– Rich. Rihs &amp; Co. AG, Chairman of the Board of Directors</li> </ul>
<b>Philippe Wirth</b>	None



# Report of the Statutory Auditor



Phone +41 31 327 17 17  
www.bdo.ch  
bern@bdo.ch

BDO Ltd  
Hodlerstrasse 5  
3001 Bern

## STATUTORY AUDITOR'S REPORT

To the general meeting of Mikron Holding AG, Boudry

### Report on the Audit of the Compensation Report according to Art. 734a-734f CO

#### Opinion

We have audited the Compensation Report of Mikron 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 marked "audited" on pages 94 to 100 of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the Compensation Report (pages 94 to 100) 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 Responsibility for the Audit of the Compensation Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

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

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Board of Directors for the Compensation Report

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



Phone +41 31 327 17 17  
www.bdo.ch  
bern@bdo.ch

BDO Ltd  
Hodlerstrasse 5  
3001 Bern

#### Auditor’s Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

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

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

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

We also provide the board of directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Bern, 6 March 2025

BDO Ltd

Thomas Bigler  
Auditor in Charge  
Licensed Audit Expert

Fabian Mollet  
Licensed Audit Expert