

# COMPENSATION REPORT

This Report describes the principles, policies, and practices as well as the governance and architectural framework of the compensation system for all employees and the members of the Board of Directors of Gurit. This Report discloses information regarding variable, performance-based compensation and fixed, performance-independent compensation.

It also includes the share participation schemes of the members of the Executive Committee and the members of the Board of Directors.

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- GRI 2-19 Remuneration policies
  - GRI 2-20 Process for determining remuneration
  - GRI 2-21 Annual total compensation ratio

# 1. COMPENSATION PHILOSOPHY

Gurit's compensation system is designed to align the interests of the Board of Directors, the Executive Committee, additional key managers and all other employees across the whole Group with the goals of the company and its shareholders. Gurit is a globally operating industrial Group in a competitive marketplace. The compensation system is therefore intended to enhance Gurit's ability to recruit and retain a talented and high performing workforce. The system also seeks to motivate Gurit employees at all levels to adopt an entrepreneurial stance; to strive for above-market-average performance, accountability, value creation, and to reward individuals according to pre-defined targets and objectives.

Gurit maintains a compensation system in accordance with the employment practices relevant in the various countries in which the company operates. In the context of Gurit's compensation system, the total compensation for an individual employee generally reflects the required qualifications, the scope and complexity of a person's role, national legal requirements and employment conditions in the relevant countries, the overall business performance, and the person's individual performance.

Gurit is convinced that a well-balanced compensation system, which includes a sound mix of fixed elements as well as performance-related compensation, supports a sustainable business, employee loyalty and entrepreneurship.

# 2. COMPENSATION REPORTING STANDARDS

Unless otherwise indicated, all information disclosed in this Report refers to the fiscal year ending on December 31, 2023. 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 chapter 5 of the Annex to SIX Swiss Exchange's Directive on information relating to Corporate Governance and the Swiss Code of Obligations. In addition, the compensation system is coherent with Gurit's Code of Conduct, which establishes comprehensive guidance of business principles applicable throughout the Group.

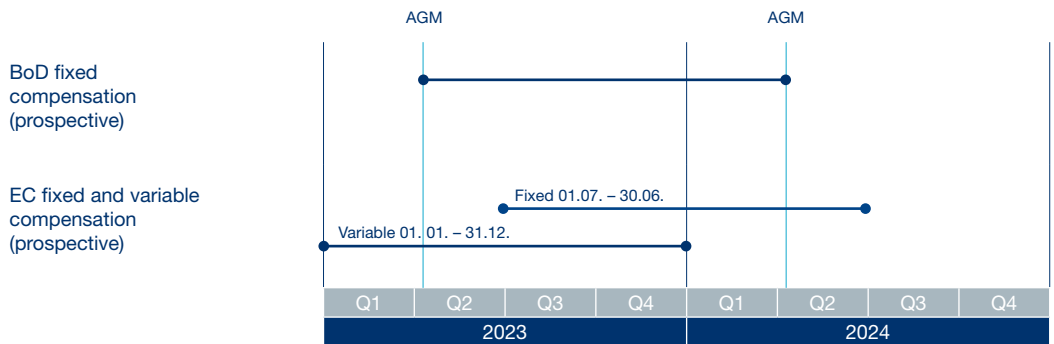
### 3. COMPENSATION GOVERNANCE

#### RESPONSIBILITIES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting 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 fixed compensation paid to the members of the Executive Committee for the period from July 1 following the date of the ordinary Annual General Meeting to June 30 the year after, as well as the maximum variable compensation paid to the same employees for the period from January 1 to December 31 of the year in which the Annual General Meeting takes place (see graphic "Compensation Vote at the AGM").

#### COMPENSATION VOTE AT THE AGM



#### RESPONSIBILITIES 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 NOMINATION AND COMPENSATION COMMITTEE**

The Nomination and Compensation Committee (NCC) is responsible for the design and maintenance of the compensation systems for members of the Board of Directors, the Executive Committee, and all other Gurit employees.

The Nomination and Compensation Committee proposes the fixed compensation (in cash, benefits, and shares) for members of the Board of Directors, the CEO and the other members of the Executive Committee to the Board of Directors and the ordinary Annual General Meeting of Shareholders.

The Nomination and Compensation Committee reviews the allocation of shares to Gurit employees under the Share Participation Plan for Management.

The Nomination and Compensation Committee furthermore reviews the Executive Committee's proposals regarding Group- or Business Unit-related performance objectives for the Group-wide bonus plan. It also reviews the resulting bonus payments within the limits approved by the ordinary Annual General Meeting of Shareholders, based on target achievement ratios as calculated by the CFO.

The Committee reserves the right to propose amendments to the Group or Business Unit performance targets and the required achievement levels to take major changes in the economic environment into consideration.

Furthermore, the Articles of Association define the additional responsibilities of the Nomination and Compensation Committee.

## **RESPONSIBILITIES OF THE CEO**

The CEO proposes the compensation for the members of the Executive Committee to the Nomination and Compensation Committee.

## **RESPONSIBILITIES OF THE EXECUTIVE COMPENSATION COMMITTEE**

The Business Unit managers and the CEO approve the objectives of the Performance Incentive Schemes for production and sales employees and the evaluation of the achievement of these objectives.

Furthermore, the Executive Compensation Committee (ECC) is composed of CEO, CFO and Head of Group HR and proposes the Group or Business Unit performance-related objectives for the Performance Incentive Scheme for other employees to the Nomination and Compensation Committee. The compensation governance can be summarized as shown in the table "Overview Compensation Governance".

## OVERVIEW COMPENSATION GOVERNANCE

RECIPIENT	COMPENSATION SYSTEM DESIGN	BONUS PLAN OBJECTIVES	COMPENSATION PROPOSAL
Production employees	NCC BoD	Line Mgr BU Mgr and CEO	Line Mgr BU Mgr and CEO
Sales employees	NCC BoD	Line Mgr BU Mgr and CEO	Line Mgr BU Mgr ECC
Share Plan Participants	NCC BoD	NCC BoD	ECC ECC NCC and BoD AGM for EC
Senior Management and other employees	NCC BoD	ECC NCC BoD	Line Mgr BU Mgr ECC
Members of the Executive Committee	NCC BoD	CEO NCC BoD	CEO NCC and BoD AGM
CEO	NCC BoD	NCC BoD	NCC BoD AGM
BoD members	NCC BoD	n.a.	NCC BoD AGM

Body which recommends

Body which decides (reviews EC relevant governance elements)

Body which approves

NCC = Nomination and Compensation Committee; BoD = Board of Directors; AGM = Annual General Meeting; EC = Executive Committee;

ECC = Executive Compensation Committee (CEO, CFO and Group HR); Mgr = Managers

To ensure market competitive compensation, Gurit benchmarks the Board of Directors and the Executive Management compensation with 12 comparable Swiss-based industry companies also listed on the SIX Swiss Exchange's Swiss Performance Index (SPI).

Some of the companies included in the benchmark are: Rieter Holding AG, Burckhardt Compression AG; Feintool International Holding AG, Interroll Holding AG, Huber & Suhner AG, Belimo Holding AG, Bossard Holding AG, CPH Chemie + Papier Holding AG, Kardex Holding AG, Komax Holding AG, Phoenix Mecano AG, Schweizer Technologies AG.

In addition, Gurit collaborates with an international consultancy firm which supports Gurit in benchmarking the compensation system and salary levels in comparison to industry standards relative to the respective countries, regions, and skill levels. This collaboration aims to increase transparency, to ensure appropriateness of Senior Management compensation and to further improve the company's career development paths.

## 4. COMPENSATION POLICY AND KEY ELEMENTS

The total compensation for most Gurit employees consists of a fixed salary component and a variable, performance-related bonus element. These two elements together form the target market salary for a given position.

### 4.1 FIXED SALARY COMPONENTS

The fixed compensation elements at Gurit consist of the following elements:

- Fixed cash compensation (base salary).
- Pension plans and social security cost according to the applicable jurisdiction of the respective employee.
- Fringe benefits such as company car and parking allowances for certain employees.
- A share-based compensation for the members of the Board of Directors. These shares are subject to a blocking period of three years from the date of the grant. During the blocking period the members of the Board of Directors cannot sell the shares. The shares are considered at the value of the date they are granted.

The fixed cash compensation is reviewed annually, considering inflation and the situation of the employment markets in the countries where the respective employees are employed, as well as individual performance and changes in responsibilities.

	BOARD OF DIRECTORS	EXECUTIVE COMMITTEE	SENIOR MANAGERS	OTHER EMPLOYEES	SALES	PRODUCTION EMPLOYEES
Variable performance related salary components		Gurit Share Participation Plan (6)				
		Gurit Performance Incentive Scheme (5.3)			Gurit Sales Incentive Scheme (5.2)	Shop Floor Bonus (5.1)
Fixed salary components	Fixed granted shares					
	Fixed cash	Fixed cash (base salary)				

## 4.2 PERFORMANCE-RELATED VARIABLE SALARY COMPONENTS

The variable compensation elements of Gurit's compensation system consist of the following:

- Cash payments as defined by Gurit's Remuneration Policy.
- Gurit's Share Participation Plan for Management (SPPM).
- In exceptional cases: an extraordinary bonus (not for the CEO or members of the Executive Committee).

## 5. CASH-BASED PERFORMANCE INCENTIVE SCHEMES

Gurit's cash-based Performance Incentive Scheme defines performance-related payments and covers all Gurit employees. It is essentially made up of the following three elements:

### 5.1 PERFORMANCE INCENTIVE SCHEME FOR PRODUCTION EMPLOYEES

As defined by the Performance Incentive Scheme, for those sites participating on the Gurit Shop Floor program for production employees (Shop Floor Bonus), the cash bonus of production staff can range from 0% to 5% of a person's fixed annual salary at target goal achievement. If the target is outperformed, it can reach a maximum of 8%. The objectives for this bonus are defined at site level by the site management and approved by the respective Business Unit manager and the CEO. The key performance indicators (KPI's) include objectives for health and safety, quality, productivity, and individual attendance. The achievement of these objectives is assessed with all operations employees four times per year, or in certain cases monthly, and the bonus is generally paid on a quarterly basis, reflecting the need for operational flexibility. The bonus payments are calculated by the local site management and approved by the respective Business Unit manager and the CEO.

### 5.2 PERFORMANCE INCENTIVE SCHEME FOR SALES EMPLOYEES

As defined by the Performance Incentive Scheme for sales employees (Sales Incentive Scheme), the cash bonus of sales employees can range up to 50% of a person's fixed salary of which 70% are linked to the achievement of the sales budget and 30% to the achievement of individual quantitative objectives (account receivable overdue). The sales targets are defined in the context of the Group's budgeting process and are approved in their entirety as part of the Group's budget by the Executive Committee and the Board of Directors. The individual targets are set and evaluated by the line manager of the respective sales employee and approved by the Business Unit manager.

## 5.3 PERFORMANCE INCENTIVE SCHEME FOR OTHER EMPLOYEES

As defined by the Performance Incentive Scheme for those employees participating on the Gurit Performance Incentive Scheme, the cash bonus for all other employees consists of a general performance element related to the relevant Business Unit, Sub-Unit or the total Group.

The total bonus achievable for an employee under this scheme may vary between a maximum of 8% and a maximum of 90% of the respective fixed salary, depending on the employee's level of responsibility:

- CEO: up to 90% of the annual base salary
- Executive Committee members: up to 50% of the annual base salary
- Managers or senior staff members: up to 15% or 30% of the annual base salary, depending on the management level
- Other employees: up to 8% of the base salary

In the Structural Profiles Business Unit (part of segment composite materials), the achievable bonus for the Business Unit manager is up to 75% of the respective fixed salary. For employees who participate in the bonus program at Structural Profiles, the bonus can amount to up to 2 months' salary, provided that the financial targets are achieved.

### 5.3.1 BUSINESS UNIT, SUB-UNIT, AND GROUP GENERAL PERFORMANCE BONUS COMPONENT

The Business Unit, Sub-Unit, and Group general performance bonus goals are defined annually typically considering all the following KPI's or the Operation profit only: 1) Net sales (30% weight), 2) Operating profit (30% weight) and 3) Free cash flow (40% weight) per Business Unit / Sub-Unit or Group. The KPI's for the manufacturing sites are 70% based on the days sales of inventory (DSI) and 30% on Safety (Lost Time Accident Ratio).

The respective minimum objective levels, target levels and cap levels are proposed by the ECC, reviewed by the Nomination and Compensation Committee, and approved by the Board of Directors.

At the end of the fiscal year, the Business Unit, Sub-Unit, and Group general performance bonus achievements are calculated by the CFO and proposed by the Nomination and Compensation Committee for approval to the Board of Directors. Bonus payment starts with the achievement of the minimum objective level, increases linearly to a 66.7% payout (of the maximum bonus) at achievement of the target level and then rises again linearly up to the maximum payout at achievement of the cap level. During the year 2023, the minimum levels of objectives achievement were in general between 8% and 30% below the target levels, and the cap levels exceeded the target levels of objectives achievement in general by between 8% and 30%. No bonus is paid if the minimum objective level has not been achieved.



With effect as of 2024 financial year, to strengthen the Group's focus on the importance of sustainability, the Board of Directors has amended the Short Term Incentive program (STI) by adding the following Environmental Social Governance (ESG) target criteria:

- Environmental KPI: related to scope 1 tCo2/MCHF sales intensity (direct greenhouse gas emissions from operations) and scope 2 tCo2/MCHF sales intensity (greenhouse gas emissions from purchased electricity, excluding renewable electricity).
- Health and safety KPI: related to lost time accident rate (LTAR).

The ESG targets apply to the remuneration of all Gurit employees subject to STI program worldwide, and are weighted between 10% at Group and Business Unit level (5%LTAR/5%Environmental) and 30% at Site level (20% LTAR/10% Environmental).

### 5.3.2 INDIVIDUAL BONUS COMPONENT

The fulfillment level of the factory-related objectives is assessed on an annual basis by the line manager, based on objectives and targets defined in the first quarter of each business year. The site bonus element represents 40% of the total maximum bonus as shown in the table "Summary Bonus Components".

Bonuses under the Performance Incentive Scheme are paid out, directly after publication of the annual results.

### 5.3.3 LIMITED INDIVIDUAL BONUS FOR SPECIAL ACHIEVEMENTS

In exceptional cases some limited, individual bonuses for special achievements may be granted. Upon proposal by the respective superior, the ECC may approve the granting of such special bonuses. Such limited, individual bonuses may not be granted to the CEO and the other members of the Executive Committee.

### BONUS CATEGORIES

RECIPIENT	GROUP FINANCIAL GOALS	BUSINESS UNIT OR SUB-UNIT FINANCIAL GOALS	SUBTOTAL OF FINANCIAL GOALS	SITE OBJECTIVES	TOTAL BONUS
CEO	100%	–	100%	–	100%
Business Unit* / Sub-Unit manager	30%	70%	100%	–	100%
CFO & Corporate Functions	100%	–	100%	–	100%
Business Unit Functions	20%	40%	60%	40%	100%

\* In the BU Structural Profiles (part of segment composite materials), the bonus category for the Business Unit manager is measured as follows: 60% related to BU financial goals and operational quantitative business targets.

## 6. SHARE-BASED COMPENSATION FOR SELECTED CATEGORIES OF MANAGEMENT

The Group's Share Participation Plan for Management (SPPM) aims at providing to the Executive Committee and the next level of management a part of their performance-related compensation in the form of Gurit bearer shares, to build their long-term commitment to Gurit and to align their interests with the interests of Gurit shareholders. The share-based compensation amount of the various management levels is determined every year by the Nomination and Compensation Committee and approved by the Board of Directors. It does not form part of the employment contract. The shares granted under this plan are blocked for a period of three years, during which the employee cannot sell the shares.

Shares granted under this plan form part of the variable compensation, as the number of shares granted is subject to the achievement of the following main performance criteria:

- a) Market environment, includes:
  - Market demand development
  - Competitive situation
  - Main cost factor impacts
  - Statutory environment
  - Currency swings
- b) Strategy deployment, includes:
  - Group strategy deployment and achievement
- c) Prospective cash development and financial results relative to competition:
  - Prospective cash development
  - Results in perspective to competition

The level to which these criteria are achieved is assessed early in the year following the year under review by the Nomination and Compensation Committee. Depending on the level of achievement, the number of shares granted varies between 0% and 150% of the target number of shares fixed for each level of management as follows:

Share-based compensation at 100% target achievement:

- CEO: 2 000 shares
- Executive Committee members: 500 shares
- Managers or senior staff members: between 100 and 300 shares, depending on the management level

The shares are blocked for a period of three years and are transferred to the participant's share plan some 15-20 days after the Annual Result media release. Therefore, the closing price on the day on which the shares are actually transferred might vary from the closing price on the day (allocation day) on which the total number of shares was determined and allocated by the Nomination and Compensation Committee and approved by the Board of Directors. This might deviate from the maximum amount of share-based compensation if the share price has increased in the period between these dates.

## 6.1 TREATMENT OF JOINERS AND LEAVERS

If a participant joins or leaves the LTI plan during the course of a bonus period, the LTI shares to be effectively allocated to such participant will be calculated on a pro rata basis unless the Board of Directors decides otherwise.

In the event that the participant is dismissed for cause or poor performance, the company has the right to reduce or withdraw any LTI share granted with respects to such participants.

# 7. COMPENSATION FOR MEMBERS OF THE EXECUTIVE COMMITTEE AND THE BOARD OF DIRECTORS

## 7.1 CEO

The fixed compensation for the CEO (base salary) is based on what the Nomination and Compensation Committee assessed and benchmarked as the industry standard for comparable, listed Swiss industrial companies of a similar size in terms of net sales (around CHF 500 million) and complexity, based on the Nomination and Compensation Committee's members' experience as well as on collaboration with an international consultancy company which supports Gurit in benchmark compensation and salary levels (as indicated on page 44).

The CEO benefits from a pension scheme of which half of the premiums are financed by him. The part financed by Gurit is disclosed as part of the other compensation in article 8 of this Report.

The CEO is entitled to performance-related cash compensation according to the Performance Incentive Scheme described above. He/she is entitled to a performance-related cash bonus payment of a maximum of 90% of her/his base salary. 100% of the performance-related bonus depends on the achievement of the general Group Performance Bonus components, set by the Nomination and Compensation Committee and approved by the Board of Directors. These targets include an ESG (sustainability) component.

The CEO is entitled to receive shares as part of the Group's Share Participation Plan for Management (SPPM). The amount of shares granted will vary between 0 and 3 000 shares per annum. The total variable compensation (shares and cash bonus) is capped and is not to exceed 65% of the CEO's total compensation.

## **7.2 OTHER MEMBERS OF THE EXECUTIVE COMMITTEE**

The fixed compensation for the other members of the Executive Committee (base salary) is based on the market and employment conditions in the relevant country as gathered from various sources; it also reflects the individual qualifications and requirements needed for the specific position.

A supplementary pension scheme exists for certain members of the Executive Committee according to the practices of the countries in which the person is employed. Half of the pension premiums are financed by the members themselves. The part financed by Gurit is disclosed as part of the other compensation in article 8 of this Report.

The other members of the Executive Committee are also entitled to shares granted according to the Group's Share Participation Plan for Management (SPPM). The granting of such shares is subject to certain performance criteria as described above under article 6 and is considered part of the variable compensation.

The other members of the Executive Committee are furthermore entitled to a performance-related cash compensation based on the Performance Incentive Scheme described above. As such, they are entitled to a performance-related cash bonus of a maximum of 50% of their base salary. 20% to 30% of their bonus depends on the achievement of the Group financial KPI's, reviewed by the Nomination and Compensation Committee and approved by the Board of Directors. The remaining 40% to 70% depend on the achievement of the Business Unit and Group bonus components. The total variable compensation for other members of the Executive Committee (shares and cash bonus) is capped at 65% of the total compensation.

ESG targets as described in chapter 5.3.1 and applicable from 2024 are also directly included as part of the STI for all Executive Committee members.

## **7.3 MEMBERS OF THE BOARD OF DIRECTORS**

The fixed compensation for the members of the Board of Directors is based on what has been assessed by the Nomination and Compensation Committee as the industry standard for comparable, listed Swiss industrial companies of a similar size in terms of net sales (around CHF 500 million) and complexity, based on the Nomination and Compensation Committee's members' experience. It includes an element of fixed cash compensation and an element of fixed share-based compensation (as indicated on pp. 45).

A performance-based incentive scheme does not exist for the members of the Board of Directors.

## 7.4 BOARD AND EXECUTIVE SHAREHOLDINGS

IN NUMBER OF SHARES	AUDITED	2023
	REGISTERED SHARES HELD AT YEAR-END	REGISTERED SHARES ALLOCATED DURING THE YEAR
Philippe Royer (Chairman since August 16, 2023, member before)	750	
Rudolf Hadorn (Chairman until August 15, 2023, member)	4 000	
Stefan Breitenstein (member)	2 660	
Andreas Evertz (member)	–	
Bettina Gerharz-Kalte (member)	750	
Nick Huber (member)	5 260	
<b>TOTAL BOARD OF DIRECTORS</b>	<b>13 420</b>	
Mitja Schulz (CEO)	2 400	
Bing Chen (member)	2 160	
Daniel Dahlqvist (member)	–	
Lars Fuglsang (member)	–	
Hannes Haueis (member until November 30, 2023)	1 500	
Lance Hill (member)	460	
Philippe Wirth (member)	1 000	
<b>TOTAL EXECUTIVE COMMITTEE</b>	<b>7 520</b>	
<b>TOTAL MANAGEMENT PARTICIPATION</b>	<b>20 940</b>	

## 8. MANAGEMENT COMPENSATION 2023/2022

The following tables show the compensation for the Board of Directors and the Executive Committee in 2023 and 2022. Fixed other compensation includes pension contributions and social benefits relating to the fixed compensation. Variable compensation contains the accrued variable compensation (including related accrued social benefits), which are paid out in the calendar year following the calendar year under review.

### MANAGEMENT COMPENSATION 2023

IN CHF 1000	AUDITED					2023
	FIXED CASH COM- PENSATION	FIXED SHARE-BASED COM- PENSATION	FIXED OTHER COM- PENSATION	VARIABLE CASH COM- PENSATION	VARIABLE SHARE-BASED COM- PENSATION	TOTAL COM- PENSATION
<b>Board of Directors</b>						
Philippe Royer (Chairman since August 16, 2023)	144	26	27	–	–	197
Rudolf Hadorn (Chairman until August 15, 2023)	156	24	22	–	–	202
Stefan Breitenstein (member)	80	19	15	–	–	114
Andreas Evertz (member)	80	19	–	–	–	99
Bettina Gerharz-Kalte (member)	80	19	–	–	–	99
Nick Huber (member)	80	19	15	–	–	114
<b>Total Board of Directors</b>	<b>620</b>	<b>126</b>	<b>79</b>	<b>–</b>	<b>–</b>	<b>825</b>
	75%	15%	10%	–	–	100%
<b>Executive Committee*</b>						
Mitja Schulz (CEO)	500	–	95	400	151	1 146
Other members	1 894	–	312	643	156	3 005
<b>Total Executive Committee</b>	<b>2 394</b>	<b>–</b>	<b>407</b>	<b>1 043</b>	<b>307</b>	<b>4 151</b>
	58%	–	10%	25%	7%	100%
<b>Total Management compensation</b>	<b>3 014</b>	<b>–</b>	<b>486</b>	<b>1 043</b>	<b>307</b>	<b>4 976</b>
Percentage of total compensation	61%	–	10%	21%	6%	100%

\* The annual average number of Executive Committee members in 2023 was 7,3

\*\* For one member who stepped down from the Executive Committee in 2022, his pro-rata compensation is included from the date he stepped down from the Executive Committee to 31 May 2023

The amount of the share-based compensation for 2023 was calculated based on a share price of CHF 76 per share. This corresponds to the average closing share price in January 2024. Due to the share price fluctuation, the effective settlement value may be higher or lower on the settlement date in March 2024. In 2022, the share-based compensation was calculated based on a share price of CHF 100 (this share price corresponds to the single registered share structure introduced at the the Ordinary Annual General Meeting of Shareholders in April 2023), based on the average closing share price in January 2023.

**MANAGEMENT COMPENSATION 2022**

IN CHF 1000	AUDITED					2022
	FIXED CASH COM- PENSATION	FIXED SHARE-BASED COM- PENSATION	FIXED OTHER COM- PENSATION	VARIABLE CASH COM- PENSATION	VARIABLE SHARE-BASED COM- PENSATION	TOTAL COM- PENSATION
<b>Board of Directors</b>						
Rudolf Hadorn (Chairman)	250	–	33	–	–	283
Stefan Breitenstein (member)	80	–	11	–	–	91
Andreas Evertz (member)	80	–	–	–	–	80
Bettina Gerharz-Kalte (member)	80	–	–	–	–	80
Nick Huber (member)	80	–	11	–	–	91
Philippe Royer (member)	80	–	11	–	–	91
<b>Total Board of Directors</b>	<b>650</b>	<b>–</b>	<b>66</b>	<b>–</b>	<b>–</b>	<b>716</b>
	91%	–	9%	–	–	100%
<b>Executive Committee*</b>						
Mitja Schulz (CEO)	500	–	97	89	–	686
Other members	1 845	–	344	361	–	2 550
<b>Total Executive Committee</b>	<b>2 345</b>	<b>–</b>	<b>441</b>	<b>450</b>	<b>–</b>	<b>3 236</b>
	72%	–	14%	14%	–	100%
<b>Total Management compensation</b>	<b>2 995</b>	<b>–</b>	<b>507</b>	<b>450</b>	<b>–</b>	<b>3 952</b>
Percentage of total compensation	76%	–	13%	11%	–	100%

\* The annual average number of Executive Committee members in 2022 was 7.5

The Total Management Compensation 2023 is 25% higher than 2022. This is mainly related to the achievement of the Group performance targets and the decision to award the Group's Share Participation Plan for Management (SPPM) in 2023. Details are disclosed on page 53.

In 2023 the Group was able to achieve or even exceed its budgeted targets, defined as per prevailing market conditions. As a result, bonus has been paid out for all bonus criteria, which was not the case in the previous year.

The variable cash compensation (financial achievement combined) was higher by 125% in 2023 as compared to 2022.

In 2023, the total performance-related compensation for the members of the Executive Committee varied from 0% to 136% (2022: 0% to 30%) of the individual total compensation.

On August 25, 2023, Gurit entered into a consultancy agreement with Rudolf Hadorn, a former Director of the company, to provide consulting services. During the year 2023, so far no services were taken and therefore there was no charge.

There were no other transactions with current or former members of the Board of Directors or the Executive Committee (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 Committee (or parties closely linked to them). There are no options issued on Gurit bearer shares on December 31, 2023, in the context of a participation program.

## 9. MANAGEMENT COMPENSATION COMPARED TO AMOUNTS APPROVED BY THE ANNUAL GENERAL MEETING

The below table provides a comparison of the actual compensation amounts in the reporting year to the respective amounts approved by the Annual General Meeting.

AUDITED	FIXED COMPENSATION BOARD OF DIRECTORS APRIL 19, 2023 - APRIL 18, 2024		FIXED COMPENSATION EXECUTIVE COMMITTEE JULY 1, 2022 - JUNE 30, 2023		VARIABLE COMPENSATION EXECUTIVE COMMITTEE JANUARY 1, 2023 - DECEMBER 31, 2023	
	APPROVED MAXIMUM	ACTUAL	APPROVED MAXIMUM	ACTUAL	APPROVED MAXIMUM	ACTUAL
Cash, in CHF 1 000	650	620	2 600	2 326	1 437	965
Number of shares	1 750	1 657	–	–	6 750	3 720
Shares value at current price in CHF 1 000	175	126	–	–	675	372
Social security and pension in CHF 1 000	95	79	650	422	199	103
<b>TOTAL</b>	<b>920</b>	<b>825</b>	<b>3 250</b>	<b>2 748</b>	<b>2 311</b>	<b>1 440</b>



## 10. FUNCTIONS HELD BY MEMBERS OF THE BoD AND MEMBERS OF THE EC IN OTHER COMPANIES

In accordance with Art. 734e of the Swiss Code of Obligations, the table below lists the mandates as Board members or managers in other companies of the Board and EC members.

NAME	INTERESTS AND MANDATES	AUDITED
<b>BOARD OF DIRECTORS</b>		
<b>STEFAN BREITENSTEIN</b>		
<p>Other important activities and vested interests</p>	<p>EPIC Suisse AG, Zürich, Chairman of the Nomination and Remuneration Committee            Brink's International Holdings AG, Zug, Vice-Chairman of the Board            Brink's Schweiz AG, Kloten, Board Member            MAN Truck &amp; Bus Schweiz AG, Otelfingen, Board Member            Kar-Tess Holding Sàrl, Luxembourg, Board Member            The A.G. Leventis Foundation, Vaduz, Liechtenstein, Foundation Board Member            Vorwerk International AG, Wollerau, Chairman of the Board            Julius Bar Family Office &amp; Trust AG, Zurich, Chairman of the Board            Alpheus Administration Services AG, Zurich, Chairman of the Board            Bata Schuh Stiftung, St. Moritz, Foundation Board Member            Bata Stiftung, Vaduz, Liechtenstein, Foundation Board Member            Pariter Services AG, Zurich, Chairman of the Board            Schroder Stiftung, Zurich, Chairman of the Foundation Board            Tegro AG, Schwerzenbach, Board Member            Truad Verwaltungs AG, Zurich, Chairman of the Board</p>	
<p>As part of his legal and trust practice, Mr Breitenstein holds the following additional board functions:</p>	<p>L&amp;S Trust Services SA, Geneva, Zurich, Vice Chairman of the Board            Anderson &amp; Sheppard Holdings Limited, Isle of Man, Board Member            Coleen Trust Services Ltd., St. Vincent, Chairman of the Board            Compass Holdco Limited, Bermuda, Board Member            Dena Capital Holdings Inc., BVI, Board Member            Halliburton Anstalt, Vaduz, Liechtenstein, Board Member            Halliburton Industries AG, Vaduz, Liechtenstein, Board Member            Honor Trustees Limited, Guernsey, Board Member            Ildesheim Family Foundation, Vaduz, Liechtenstein, Foundation Board Member            Redan Capital Ltd., BVI, Board Member            SAGEN (BVI) Ltd., BVI, Board Member            Sagen International Ltd., BVI, Board Member            Sarsura Directors Limited, Guernsey, Board Member            Shuttlecock Holdings Ltd., BVI, Board Member            Stamag Trustee Company Ltd., UK, Board Member            Sunciera Holdings Corp., Panama, Board Member            Tzohar Foundation, Vaduz, Liechtenstein, Foundation Board Member</p>	

NAME	INTERESTS AND MANDATES	AUDITED
<b>PHILIPPE ROYER</b>		
Other important activities and vested interests	Philippe Royer Consulting Services, Genolier, Switzerland, Owner	
<b>ANDREAS EVERTZ</b>		
Other important activities and vested interests	ProXES GmbH, Board Member VDMA Power Transmission Engineering Association, Board Member Hannover Messe, Member of the Exhibitor Advisory Board	
<b>NICK HUBER</b>		
Other important activities and vested interests	COLTENE Holding AG, Altstätten, Switzerland, Chairman of the Board of Directors, SFS Group AG, Heerbrugg, Switzerland, Member of the Board of Directors Huwa Finanz- und Beteiligungs AG, Heerbrugg, Switzerland, Member of the Board of Directors DGS Druckguss Systeme AG, St. Gallen, Switzerland, Member of the Board of Directors stürmsfs ag, Goldach, Switzerland, Member of the Board of Directors Inventx AG, Chur, Switzerland, Member of the Board of Directors Inhaus Handels GmbH, Hohenems, Austria, Member of the Board of Directors Rauch Schweiz AG und Rauch Trading AG, Widnau, Switzerland, Member of the Board of Directors Mettler Entwickler AG, St. Gallen, Switzerland, Member of the Board of Directors	
<b>RUDOLF HADORN</b>		
Other important activities and vested interests	Owner of Hadorn Industries AG, Kilchberg, Switzerland Chairman and co-owner of Helvetika Industriebeteiligungen AG, Thalwil, Switzerland	
<b>EXECUTIVE COMMITTEE</b>		
<b>LARS FUGLSANG</b>		
Other important activities and vested interests	East Metal Holding A/S, Kolding, Denmark, Board Member East Metal Trade A/S Kolding, Denmark, Board Member	

# REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF GURIT HOLDING AG WATTWIL

## REPORT ON THE AUDIT OF THE COMPENSATION REPORT

### OPINION

We have audited the Compensation Report of Gurit Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'audited' on pages 52 to 57 of the Compensation Report.

In our opinion, the information pursuant to article 734a-734f CO in the Compensation Report (pages 41 to 57) complies with Swiss law and the Company's articles of incorporation.

### BASIS FOR OPINION

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

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

### OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the tables marked 'audited' in the Compensation Report, the consolidated financial statements, the 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.

### BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE COMPENSATION REPORT

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE COMPENSATION REPORT

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

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism 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 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.

PricewaterhouseCoopers AG

Thomas Wallmer  
Licensed audit expert  
Auditor in charge

Corinne Lüthy  
Licensed audit expert



Zurich, February 29, 2024