

COMPENSATION REPORT

The compensation report provides information about VZ Group's guiding principles and responsibilities for compensation. In addition, the individual components of the compensation of the Board of Directors and of the Executive Board are described in detail.

Legal standards and best practice

VZ Holding Ltd's remuneration principles are outlined in its articles of association and published in the investor relations/corporate governance section on www.vzch.com. The informations in the report are based on VZ Holding's articles of association and regulations and the legal requirements. The remunerations also comply with the recommendations of SIX's «Corporate Governance Directive» and of Economiesuisse's «Swiss Code of Best Practice». The legal requirements state in particular that severance payments, remuneration in advance or commissions for the acquisition of companies are not permitted. VZ Group's remunerations do not fall into any of these categories.

FINMA Circular 2010/1 «Remuneration systems» applies to banks, investment firms, financial groups and conglomerates that are required to hold at least CHF 10 billion in own funds and to insurers that are required to hold at least CHF 15 billion in own funds. VZ Group does not belong to this category.

Equal pay

The revised Federal Gender Equality Act (GlG) has been in force since 1 July 2020. Companies with 100 or more employees had to analyse by mid-2021 whether they pay men and women equally, then have their analysis reviewed by an independent body and inform employees and shareholders of the results by mid-2023.

The GlG applies to VZ VermögensZentrum Ltd, VZ Depository Bank Ltd and VZ Corporate Services Ltd, each of which employs more than 100 people. In 2020, the management of VZ Group had not only the salaries of these companies analysed, but those of the entire Group. The analysis with the Confederation's standard analysis tool (Logib) did not reveal any significant, inexplicable wage differences. PwC has verified that the equal pay analyses of VZ VermögensZentrum Ltd, VZ Depository Bank Ltd and VZ Corporate Services Ltd was carried out in a formally correct manner and confirms that it «did not come across any facts from which it would have to conclude that the analyses do not comply with the legal requirements in all respects.» PwC's confirmation is included in the 2020 annual report.

In 2021 and 2022, VZ Group analysed wages again using the same methodology and tool. These analyses also showed no significant, inexplicable wage differences between women and men. These additional analyses were not reviewed by PwC because an external review is only required once.

Changes during the year under report

VZ Group's compensation principles remain unchanged. The Remuneration Committee confirms that they are adequate because they support VZ Group's strategy and promote a culture that will ensure its long-term success.

Compensation principles

Compensation policy and goals

For VZ Group to remain successful in the long term, it needs to attract, develop and retain sufficiently qualified and loyal employees. This is the aim of VZ Group's compensation system. Compensation is structured in such a way that it supports the strategy and promotes a culture that safeguards the company's long-term success. All activities of VZ employees focus on client satisfaction. For this reason, employees are assessed based on what they directly and indirectly contribute towards this goal. In addition to monetary remuneration, immaterial aspects are also important. These include an open working atmosphere, honest interactions and the recognition of individual performances.

VZ Group's remuneration is based upon the following four principles:

Objective and fair	Objectivity is the basis of a fair remuneration system and ensures that nobody is discriminated against. For this reason, objective criteria are applied when setting compensation.
Performance-based	At VZ, compensation reflects first and foremost the performance and the function of a person (skills and responsibility). In addition to the individual performance, the work within a team and across departments is also encouraged and recognised. In certain functions, experience or specific know-how are also important components. In addition to the fixed remuneration, compensation may also contain variable components – above all where the individual performance is measurable and contributes directly towards the success of the business.
Competitive	VZ Group needs a competitive compensation system to recruit and retain a sufficient number of employees. For this reason, it is orientated towards the compensation models of companies that compete with VZ for talent.
Long-term	Corporate culture at VZ Group is based on long-term success. This is demonstrated by the services, processes and structures, as well as by the development of the employees in particular. Also the compensation system is designed to support VZ Group's long-term and sustainable development. For this reason, the variable components in particular are structured in such a way that no conflicts with the interests of the company arise. For example, the compensation must not create incentives to take disproportionate risks. Executives draw a part of their variable compensation in the form of locked-up shares. This brings their interests into line with those of VZ and supports their long-term commitment.

Responsibility for compensation

	CEO	CC ¹	BoD	SM
Principles	P	R	A	
Compensation report		P	A	
Compensation BoD and EB				
Maximum compensation BoD		P	R	A
Maximum fixed compensation EB		P	R	A
Variable compensation EB		P	R	A
Individual compensation BoD		P	A	
Individual compensation CEO		P	A	
Individual compensation remaining EB	P	R	A	

P = proposal
R = review
A = approval

1 Board of Directors' Compensation Committee

Compensation Committee

The Compensation Committee helps the Board of Directors develop and monitor VZ Group's compensation system. It reviews the compensation principles proposed by the CEO, and submits these to the Board of Directors for approval. It helps the Board of Directors to set the compensation for the members of VZ Group's Board of Directors and Executive Board, and prepares the compensation report. It moreover conducts regular checks to verify that the shareholders' meeting guidelines and the statutory provisions on compensation are being fulfilled. In conjunction with the compensation of the Board of Directors and Executive Board, the Compensation Committee has the following responsibilities:

- It proposes to the Board of Directors the maximum compensation of the Board of Directors as well as the maximum fixed compensation and the variable compensation of the Executive Board that is to be approved by the shareholders' meeting.
- It reviews the compensation of the members of the Board of Directors, and proposes this to the Board of Directors.
- It reviews the compensation of the CEO and submits this to the Board of Directors for approval.
- It reviews the compensation of the members of the Executive Board, which is proposed by the CEO, and submits this to the Board of Directors for approval.

The Compensation Committee consists of at least two independent members who are individually elected by the shareholders' meeting for one-year periods of office. Fred Kindle and Roland Ledergerber are the current members. The committee shall meet as often as the business requires, although at least twice per year. Two meetings took place in 2022, as in 2021, in which both members took part. If the upcoming matters so require, the Head of the Compensation Committee may invite further persons to attend the meeting in an advisory capacity without voting rights.

The Compensation Committee shall have a quorum if both members are present. Resolutions are passed unanimously, in the event of a tie the entire Board of Directors decides. If the number of members of the Compensation Committee is increased, the committee shall have a quorum if the majority of members is present, a majority of the votes present shall pass resolutions and in the event of a tie the Chairman of the Compensation Committee decides. As in the previous year, no external experts were consulted in the reporting period to determine the compensation.

Board of Directors

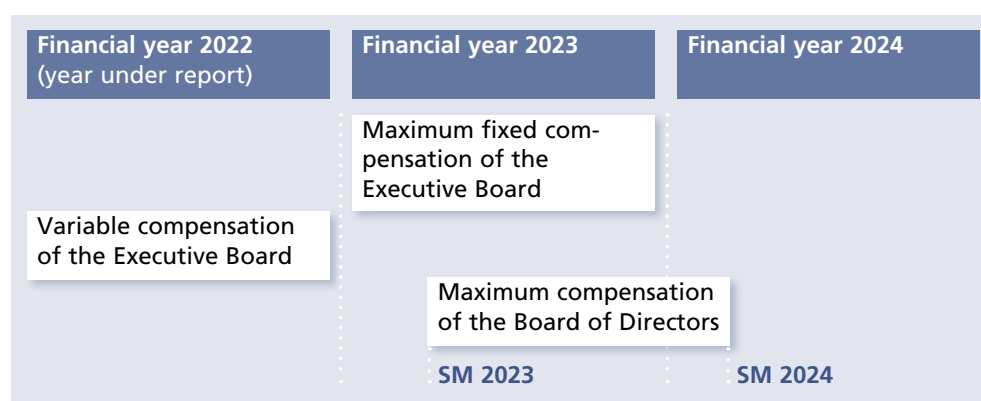
The Board of Directors has the overall responsibility for the duties and powers that it assigns to the Compensation Committee. It approves the compensation principles and the compensation report, checks the compensation of the Board of Directors and Executive Board, and submits the maximum compensation of the Board of Directors, the maximum fixed compensation and the variable compensation of the Executive Board to the shareholders' meeting for approval. In addition, it approves the individual compensation of the members of the Board of Directors, the CEO and the members of the Executive Board.

Shareholders' meeting

The shareholders' meeting approves the overall compensation of the Board of Directors and the Executive Board in a binding vote. Pursuant to VZ Holding's articles of association, the shareholders' meeting shall pass resolutions on the following three motions:

- The maximum compensation of the Board of Directors until the next ordinary shareholders' meeting
- The maximum fixed compensation of the Executive Board for the current financial year
- The variable compensation of the Executive Board for the past financial year

The shareholders' meeting scheduled for 12 April 2023 will address the following three motions:



This means that following publication of the annual results, the shareholders can vote prospectively on the maximum compensation of the Board of Directors and Executive Board, and retrospectively in respect of the variable compensation of the Executive Board. This method ensures high transparency vis-à-vis shareholders.

If the shareholders' meeting rejects one of these motions, the Board of Directors may submit one or more new motions to the same shareholders' meeting. If the Board of Directors decides not to submit any new motions, or if these are not approved, then it may call a new shareholders' meeting within the context of the statutory guidelines and the provisions of the articles of association.

Compensation provisions in the articles of association

The articles contain the following provisions regarding compensation:

Supplement for new members	If the approved total remuneration of the Executive Board is not sufficient because additional members are appointed after the General Meeting, the approved amount may be increased by a maximum of 30 percent.
Performance-related compensation	The performance-related compensation is based upon the qualitative and quantitative objectives defined by the Board of Directors. The bonus may be paid out in cash or in the form of shares, convertible or option rights. The articles of association stipulate that the bonus of a member of the Executive Board must not exceed 150 percent of his or her fixed compensation. The Board of Directors has structured the bonus scheme accordingly. As a result, the current bonus is limited to 63, 80 or 100 percent of a fixed basic salary, depending upon an Executive Board member's managerial level.
Shares, convertible and option rights	<p>The articles of association stipulate that VZ Group may allocate shares, convertible or option rights to members of the Board of Directors and Executive Board. The value of such securities corresponds to the value that they are attributed at the time of allocation, applying generally accepted valuation methods. The Board of Directors may stipulate a lock-up period for the holding of these securities or rights. It shall also stipulate when, to what extent and under which conditions lock-up periods shall be lifted. The management benefit programme is described in the section «Compensation in shares and options (Share-based payments)» on page 81 and in the notes to the consolidated financial statements in the section «Share-based management benefit programme» on pages 127 to 129.</p> <p>If members of the Board of Directors or Executive Board receive convertible rights or options in their capacity as VZ shareholders, on the grounds that the share capital is raised or reduced, then these rights or options shall not be deemed to constitute compensation.</p>
Loans and credits	The conditions for loans and credits granted by VZ Group are the same for all employees and for members of the Board of Directors. The total volume of such loans and credits to members of the Board of Directors and the Executive Board is limited to CHF 100 million, the volume per person to CHF 20 million. The requirements for creditworthiness and credit standing are the same as for outsiders.
Pension benefits	VZ Group uses two collective foundations for the occupational benefits of the members of the Executive Board and the Board of Directors. The mandatory and extra-mandatory benefits are defined in the pension plans and regulations of the basic and supplementary

pension plans. If the members of the Board of Directors carry out their activities in a secondary capacity, they may take out voluntary insurance. In such a case, VZ Group pays the regulatory contributions. If a member of the Executive Board or the Board of Directors is not insured through VZ Group's pension plan, the reimbursement of contributions may not exceed 40 percent of the annual remuneration of the person concerned.

Compensation of the Board of Directors

Determination method

The Compensation Committee shall review the compensation of the Board of Directors (as a rule, every two years) and base its assessment on comparable listed companies and the necessary involvement. In accordance with the Committee's proposal, the Board of Directors shall stipulate the compensation of its members and shall submit the maximum remuneration of the Board of Directors to the shareholders' meeting for approval.

Compensation components

The members of the Board of Directors shall be enabled to exercise their supervisory function independently. For this reason each member of the Board of Directors shall receive a fixed basic compensation. A supplementary fixed sum shall be stipulated for additional tasks, e.g. serving as chair or head of a committee. This remuneration is not linked to specific targets or performance goals. These rules apply for all members of the Board of Directors.

Fixed compensation

100 percent of the fixed compensation is paid in VZ shares, which are locked for three years. The subscription price corresponds to the weighted average price of the shares traded within the defined period in January of the year in which the fee is paid out. The subscription price for the 2022/23 period of office is CHF 73.25, the weighted average price of the shares traded between 3 and 30 January 2023.

Function	Compensation per period ¹	Form ²
Chair of the Board of Directors	CHF 110'000	locked-up shares
Member of the Board of Directors	CHF 60'000	locked-up shares
Head of the Risk & Audit Committee	additional CHF 20'000	locked-up shares
Member of the Risk & Audit Committee	additional CHF 10'000	locked-up shares
Head of the Compensation Committee ³	additional CHF 10'000	locked-up shares
Member of the Compensation Committee	additional CHF 5'000	locked-up shares

¹ Plus contributions to social insurance

² Locked-up for 3 years

³ If the the remuneration committee is not headed by the chairman of the Board of Directors

Information on the functions of all members of the Board of Directors can be found in the Corporate Governance section on pages 23 and 24.

Variable compensation	The members of the Board of Directors shall not receive any variable compensation.
Other compensation	Salary components such as public transport season tickets and private use of company cars are reported under the heading «other compensation». During the year under report, as well as in the previous year, the members of the Board of Directors did not receive any compensation that falls into these categories.
Social insurance contributions	The reported employer contributions to social insurance schemes encompass expenditure on occupational pensions, OASI, DI, ILI, FCO (incl. administrative costs). The contributions of VZ Holding Ltd to the Board of Directors are limited to the statutory minimum.
Loans and credits	On 31 December 2022, there were loans to members of the Board of Directors of totalled CHF 18.5 million (31 December 2021: CHF 13.9 million). The full amount has been granted as loan against securities (Lombard loan) to Fred Kindle, Chairman of the Board of Directors.
Additional fees and remuneration	In 2022 VZ Group paid Blum & Grob Attorneys at Law Ltd legal fees totalling TCHF 9 (2021: TCHF 36). Blum & Grob is represented by Dr. Albrecht Langhart, member of VZ Group's Board of Directors. These services are charged at market rates. VZ Group also acquires further goods and services from companies with which members of the Board of Directors are associated. However, the scope of these services does not impair the independence of the members of the Board of Directors. Additional information is set out in the notes to the consolidated accounts (pages 125 and 126, section «Related party disclosures»).
Former members	VZ Group does not compensate any former members of the Board of Directors.

Compensation of the Board of Directors in 2022

The reported compensation of the Board of Directors during the year under report consists of the deferred share of the compensation of the 2022/23 period of office, i.e. from 13 April 2022 to the end of 2022, as well as the already paid-out share of the 2021/22 period of office (1 January to 12 April 2022).

Last name ¹	First name	Fixed compensation ²		Variable compensation		Other compensation		Employer social insurance contributions		Total	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
CHF '000											
Kindle	Fred	106	100	–	–	–	–	7	7	113	107
Iff	Roland	76	70	–	–	–	–	10	6	86	76
Langhart	Albrecht, Dr.	66	60	–	–	–	–	5	4	71	64
Ledergerber	Roland	61	55	–	–	–	–	4	4	65	59
de Perregaux	Olivier	66	60	–	–	–	–	5	4	71	64
Total Board of Directors		375	345	–	–	–	–	31	25	406	370

1 Functions: Fred Kindle: Chairman, Head of the Compensation Committee, Roland Iff: Vice-Chairman, Head of Risk & Audit Committee, Dr. Albrecht Langhart: member of Risk & Audit Committee, Roland Ledergerber: member of the Compensation Committee, Olivier de Perregaux: member of Risk & Audit Committee

2 Compensation in shares

Compensation of the Board of Directors: Proposal to the 2023 shareholders' meeting

For the 2022/23 term of office (13 April 2022 to 12 April 2023), the shareholders' meeting approved the maximum remuneration of TCHF 470 (incl. employer contributions to social insurance agencies).

CHF '000

	2022/2023 period of office:			2023/2024 period of office:
	Approved at the 2022 shareholders' meeting	Compensation April 2023 ¹	Difference	Proposal to the 2023 shareholders' meeting
Fixed compensation	430	395	35	525
Employer social insurance contribution	40	31	9	45
Total	470	426	44	570

¹ On 2 March 2023 the Board of Directors has approved of the compensations for the 2022/2023 period of office. It will be paid out after the shareholders' meeting held in April 2023.

For the term of office 2023/24, the Board of Directors proposes to the shareholders' meeting on 12 April 2024 to increase the maximum remuneration of the Board of Directors to TCHF 570 (including employer's social security contributions).

The Board of Directors proposes that Matthias Reinhart be newly elected as Chairman of the Board of Directors on 12 April 2023. If his election is confirmed, he will receive the compensation for this position as of 13 April 2023.

Compensation of the Executive Board

Determination method

Each year, the CEO proposes the fixed compensation for each member of the Executive Board to the Board of Directors' Compensation Committee in respect of the current financial year, as well as the variable compensation for the past financial year. The committee reviews these proposals and makes recommendations to the Board of Directors. In addition, the committee submits the proposed fixed compensation for the CEO to the Board of Directors for the current financial year, as well as the variable compensation for the past financial year. The CEO participates in the meeting of the Compensation Committee when the proposed compensation of the members of the Executive Board are discussed. On the basis of the recommendations of the Compensation Committee, the Board of Directors proposes the maximum fixed and variable compensation of the Executive Board and submits this proposal to the shareholders' meeting for approval.

Compensation components

Fixed components

The CEO and the other members of the Executive Board receive a basic salary. The level of the basic salary is based above all on the function (responsibilities and skills) as well as the experience and qualifications of the member of the Executive Board. The compensation is also based on current statistics for executive salaries paid by comparable listed and non-listed Swiss corporations. The salary is paid out monthly in cash.

Variable components The bonus paid to the CEO and the other members of the Executive Board consists of two components, reflecting on the one hand VZ Group's consolidated results and on the other the individual target achievement. The first component depends upon the growth in operating revenues and profit. The Board of Directors defines these targets each year in advance. The individual component is dependent upon the targets for each Executive Board member's management area, defined each year by the CEO.

The variable compensation (bonus) depends on the achievement of the result targets at Group level and the individual targets at divisional level; taking into account the achievement of the quantitatively measurable component of the Group targets and the qualitative assessment of the individual targets. If the targets are not achieved, the bonus component is reduced or suspended. If the targets are exceeded, the bonus increases. The maximum bonus is capped at 63, 80 or 100 percent of the fixed base salary, depending on the management level. The Board of Directors monitors compliance with this regulation and may decide on exceptions if it deems it appropriate.

The Board of Directors proposes a variable remuneration in the amount of TCHF 2798 (2021: TCHF 3383). Regardless of the management level, their variable compensation varies from 48 to 67 percent of their fixed compensation, depending on the individual target achievement.

The variable compensation for the year under report will be paid out once this has been approved by the shareholders' meeting of 12 April 2023. The variable salary components are reported in accordance with the accrual principle, i.e. in the form of a provision in the year under report.

Shares and options (Management Benefit Programme) The Management Benefit Programme stipulates that Executive Board members shall receive 50 percent of their bonus in the form of locked-up shares. They may also draw a larger proportion in the form of shares; the maximum share component amounts to 75 percent. The subscription price corresponds to the weighted average price of the traded shares within the defined period in January in the year following the bonus period. The subscription price for the variable compensation for the financial year 2022 corresponds to the weighted average price of the shares traded between 3 and 30 January 2023, and is CHF 73.25.

Shares from the Management Benefit Programme are subject to a three-year lock-up period. The lock-up period continues even when holders of such shares leave VZ Group – unless they retire, in which case their shares will be exempt from the lock-up. For each share purchased, members of the Executive Board receive at the same time two free options to purchase two additional shares. The exercise price of the option is 110 percent of the subscription price of the underlying security.

The options have a duration of six years and can only be redeemed for shares; cash settlements are excluded. In addition, the options are locked for three years and expire worthless if the Executive Board member leaves VZ Group during this period. Members of the Executive Board have 6 months after termination of their employment to exercise their

free options. If they leave the VZ Group because they retire, all options will be released from the lock-up period. In this case, they must exercise all their options within 6 months of termination of employment.

The parameters taken into account in the option valuation model are set out in the notes to the consolidated financial statements on pages 127 to 129 in the management benefit plan section.

Other components	Other salary components contain public transport season tickets and private shares of company vehicles.
Social insurance contributions	Social insurance and pension benefits are designed to provide employees and their families with reasonable protection if they fall ill or become disabled, retire or die. The benefits correspond to the statutory guidelines, and in some respects exceed these. The reported employer contributions to social insurance schemes encompass expenditure on occupational pensions, for OASI, DI, ILI, FCO (incl. administrative costs) as well as statutory per diem sickness benefit and accident insurance.
Loans and credits	At the end of 2022, there was a credit line for members of the Executive Board of CHF 4.8 million (31.12.2021: CHF 4.4 million). As in the previous year, CHF 2.6 million of this amount was outstanding, of which CHF 2.0 million was attributable to a Lombard loan to Lorenz Heim (31.12.2021: CHF 2.2 million). As in the previous year, no loans or credits were outstanding to persons related to members of the Executive Board.
Former officers	No compensation was paid to members of the Executive Board who left in 2021 or 2022.

Compensation of the Executive Board in the financial year 2022

The compensation of the Executive Board during the year under report consists of all salary components that belong to this period. The shareholders' meeting approves the variable compensation (cf. motions submitted to the shareholders' meeting 2023 on page 52).

CHF '000	Fixed compensation		Variable compensation		Other compensation		Employer social insurance contribution		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total Executive Board	3'637	3'554	2'647	3'188	38	37	859	798	7'181	7'577
<i>thereof cash</i>	<i>3'637</i>	<i>3'554</i>	<i>537</i>	<i>683</i>	<i>38</i>	<i>37</i>	<i>859</i>	<i>798</i>	<i>5'071</i>	<i>5'072</i>
<i>thereof shares</i>	–	–	<i>1'608</i>	<i>2'049</i>	–	–	–	–	<i>1'608</i>	<i>2'049</i>
<i>thereof options</i>	–	–	<i>502</i>	<i>456</i>	–	–	–	–	<i>502</i>	<i>456</i>
thereof Matthias Reinhart¹	525	525	358	409	19	17	108	101	1'010	1'052
<i>thereof cash</i>	<i>525</i>	<i>525</i>	<i>73</i>	<i>88</i>	<i>19</i>	<i>17</i>	<i>108</i>	<i>101</i>	<i>725</i>	<i>731</i>
<i>thereof shares</i>	–	–	<i>217</i>	<i>262</i>	–	–	–	–	<i>217</i>	<i>262</i>
<i>thereof options</i>	–	–	<i>68</i>	<i>59</i>	–	–	–	–	<i>68</i>	<i>59</i>

1 Highest compensation within the Executive Board as CEO of VZ Group.

In the year under review, there were no new Executive Board members, so the additional amount was not used. Standard market conditions apply to compensation paid to persons closely associated with key management personnel.

Executive Board compensation:

Motions submitted to the 2023 shareholders' meeting

In respect of the financial year 2022, the shareholders' meeting approved the maximum fixed compensation of the Executive Board amounting to TCHF 4700 (incl. employer social insurance contributions). In addition, in respect of the financial year 2021, it approved the variable compensation amounting to TCHF 3383. These amounts include the employer's social security contributions.

Fixed compensation

CHF '000

	Financial year 2022: Approved at the 2022 shareholders' meeting			Financial year 2023: Proposal to the 2023 shareholders' meeting
	Compensation 2022	Difference		
Fixed compensation ¹	4'000	3'676	324	4'000
Employer social insurance contribution	700	707	(7)	730
Total	4'700	4'383	317	4'730

¹ Including other salary components.

For the financial year 2023, the Board of Directors is proposing a maximum compensation amounting to TCHF 4730 (incl. employer contributions to social insurance agencies) to the shareholders' meeting of 12 April 2023.

For the financial year 2022, the Board of Directors proposes a variable compensation of TCHF 2798 (including employer contributions to social security).

Variable compensation

CHF '000

	Bonus Financial year 2021: Approved at the 2022 shareholders' meeting	Bonus financial year 2022: Proposal to the 2023 shareholders' meeting
Variable compensation	3'188	2'647
Employer social insurance contribution	195	151
Total	3'383	2'798

Share ownership

Share portfolio of Board of Directors, including related parties

Last name	First name	Number of shares per 31.12.2022	Number of shares per 31.12.2021
Kindle	Fred	500'775	499'733
Iff	Roland	34'733	34'004
Langhart	Albrecht, Dr.	40'355	34'420
Ledergerber	Roland	13'780	13'207
de Perregaux	Olivier	6'462	5'837

Share portfolio of Executive Board, including related parties

Last name	First name	Number of shares per 31.12.2022	Number of shares per 31.12.2021
Reinhart	Matthias	24'441'789 ¹	24'428'777 ¹
Vitarelli	Giulio	129'335	126'025
Schönbucher	Thomas	20'000	17'500
Heer	Philipp	12'429	10'363
Friess	Tom	223'615	221'808
Weber	Marc	82'028	78'863
Rütsche	Manuel	6'397	4'745
Heim	Lorenz	272'104	270'658
Tellenbach	Simon	8'532	6'549
Pfaffen	Rafael	21'727	17'606

1 22'039'870 of the shares are held through Madarex Ltd, Zug, of which Matthias Reinhart is the sole shareholder.

Options portfolio of Executive Board, including related parties as at 31.12.2022

Last name	First name	Year of allocation				
		2022	2021	2020	2019	2018
Reinhart	Matthias	5'784	4'040	4'660	0	4'090
Vitarelli	Giulio	6'610	5'388	5'460	6'720	5'110
Schönbucher	Thomas	3'966	3'270	3'730	4'200	3'400
Heer	Philipp	4'132	2'886	3'150	3'220	1'810
Friess	Tom	3'614	3'116	3'640	4'580	3'870
Weber	Marc	6'330	5'136	5'860	6'500	5'140
Rütsche	Manuel	3'304	2'790	2'020	1'490	810
Heim	Lorenz	2'892	2'886	3'260	3'640	2'950
Tellenbach	Simon	3'966	3'078	2'420	1'340	0
Pfaffen	Rafael	4'462	3'462	3'500	3'640	1'810
Exercised options		0	0	0	5'320	0
Exercise price in CHF		99.80	85.75	70.65	66.90	82.5
Maturity		11.4.2028	11.4.2027	7.4.2026	8.4.2025	9.4.2024

11'395 options allocated in 2017 (exercise price CHF 75.25, maturity 23.2.2023 or 5.4.2023) have not yet been exercised.

Report of the statutory auditor

to the General Meeting of VZ Holding Ltd

Zug

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of VZ Holding Ltd (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report (pages 42 to 53) complies with Swiss law and article 14 to 16 of the Ordinance.

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 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.

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

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Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to article 14 to 16 of the Ordinance is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

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

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

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

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



Beat Rütsche
Licensed audit expert
Auditor in charge



Patrick Wiech
Licensed audit expert

Zurich, 28 February 2023

