

# Remuneration Report

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# Remuneration Report

The present remuneration report of Medartis Holding AG sets out the guiding basic remuneration principles, the governance rules around compensation decisions, the current compensation architecture and elements, as well as the actual remuneration paid and/ or allocated to the Board of Directors (BOD) and the Executive Management Board (EMB) for the reported year.

It is in compliance with the Swiss Stock Corporation Act, Medartis' Articles of Association and, with respect to compensation disclosure, Article 5 of the appendix to the SIX Exchange Regulation Directive on Corporate Governance (DCG) and section 38 of appendix 1 of the Swiss Code of Best Practice for Corporate Governance.

## 1. BASIC REMUNERATION PRINCIPLES

Medartis' remuneration system underpins the group's commitment to attract, engage and retain the best talents within the industry. The Articles of Association of Medartis Holding AG stipulate the following basic principles:

- BOD (Article 30): The remuneration of the members of the BOD consists of a fixed compensation, which is paid in cash and/or in the form of shares. It may comprise other compensation elements and benefits.
- EMB (Article 31): The remuneration of the EMB consists of fixed remuneration elements (comprising base salary and possibly other remuneration elements and benefits) and variable compensation elements (consisting of short-term and/or long-term compensation components). The variable components may be paid in cash and/or shares, options or other equity-based instruments.
- Approval by the AGM (Article 16): The AGM approves annually, on a binding basis and at the request of the BOD, the aggregate amounts of the fixed remuneration of the BOD for the period up to the next AGM, and of the EMB for the next full financial year following the year of the AGM. The General Meeting further approves annually the total amount of variable remuneration elements (short-term and long-term) for the EMB for the current financial year in a binding and separate manner.
- Additional amount for newly appointed members of the EMB (Article 32): Should new members of the EMB be appointed after the resolution of the AGM, an additional amount of up to 140% of the

latest CEO total compensation in case of a new CEO appointment, and/or up to 140% of the latest average group executive's total compensation in case of appointment of other new members of the EMB, may be granted according to Article 32 of the Articles of Association. In addition, and based on the same Article, buy-out awards in the amount of up to CHF 1'000'000 to a newly appointed CEO and/or up to CHF 500'000 for other newly appointed members of the EMB may be granted in order to compensate the newly appointed executives for the loss of deferred compensation elements with their previous employer. The AGM does not vote on the additional amount used according to Article 32 of the Articles of Association.

- No loans, credits, additional pension benefits (Article 33): Members of the BOD and EMB may not be granted any loans, credits or pension benefits outside the scope of occupational benefits, except for loans up to CHF 250'000 per individual to bridge-finance legal costs.
- Maximum contractual terms (Article 36): Employment contracts with members of the EMB may be concluded for a fixed term of up to 1 year, or for an indefinite term with a notice period of up to 1 year.

## 2. REMUNERATION GOVERNANCE AND PROCESSES

The overall responsibility for the implementation of the statutory remuneration principles lies with the BOD.

### Duties and Responsibilities

According to the HRCC Charter (Article 3) and the Articles of Association of Medartis Holding AG (Article 27), the HRCC assists the full BOD in the following tasks:

#### Annual General Meeting (AGM)

(a) Presenting motions to the BOD in view of the next ordinary Annual General Meeting (AGM) with respect to the aggregate amount of remuneration of the directors and of the members of the executive management of the Company;

(b) Assisting the BOD in the preparation of the remuneration report, to be adopted by the Board and then disclosed to the shareholders of the Company at the next ordinary AGM;

(c) Implementing the resolutions passed by the AGM with respect to the aggregate amount of remuneration of the members of the Board and the members of the executive management of the Company;

#### Remuneration

(d) Reviewing the principles, programs and targets for compensation of the Board, the CEO and the executive management and submitting them to the Board for approval; thereby ensuring that the compensation paid by the Company is based on market and performance-related criteria;

(e) Preparing proposals concerning the compensation of the BOD, the CEO and the executive management, and submitting them to the Board for approval and submission to the next ordinary AGM;

#### Equity Plans

(f) Assisting the BOD in the setting up of the conditions for the granting, the assignment, the blocking, the exercise and the expiry of the remuneration of the members of the Board and of the executive management in the form of equity securities, conversion rights and option rights in accordance with Article 28 and Article 29 of the Articles of Association, as well as assisting and advising the Board in the

review and approval of general compensation and benefit policies including any long-term incentive compensation or equity plans;

#### Human Capital

(g) Conducting an annual review of the organization's Human Resource strategic plan to ensure congruence with the Company's broader strategic plan, which includes a review of:

- recruitment and selection
- talent management
- performance management and
- corporate culture

(h) Annually reviewing the performance of the CEO and the EMB in fulfilling the set strategic objectives;

(i) Conducting forward-looking discussions of how human capital requirements are affected by evolving corporate strategy and external landscape changes (technology, competitors, labour market);

#### Nomination

(j) Regularly reviewing the structure, size and composition (including the skills, knowledge and experience required) of the BOD compared to its current position and submitting recommendations to the BOD with regard to any changes;

(k) Assessing candidates for the CEO role and submitting a proposal to the BOD for approval;

(l) Discussing the CEO's proposals for appointments to the executive management with the CEO and submitting such proposals to the Board for approval;

#### Other

(m) Annually reviewing and pre-approving the schedule of services and fees the Company plans to ask the compensation consultants to render in the upcoming year, as presented to the Committee by management, and ensuring that the independence of the compensation consultants is maintained.

The HRCC is entitled to conduct investigations in all matters of its competence. In well-founded cases, it shall in particular have full access, to the extent required for the accomplishment of its duties, to the Company's EMB, employees, books and records.

To the extent required for the accomplishment of its duties, the HRCC may request the services of independent advisors and experts. Details on the constitution of the BOD and of the HRCC, as well as regarding further details such as, for example, maximum number of external mandates, can be found in Medartis' corporate governance report.

The BOD or the HRCC determine annually the performance values and the variable short- and long-term compensation elements, their amount and attainment, as well as the allocation conditions, vesting conditions and periods, as well as any blocking periods and expiration conditions in accordance with the compensation plan regulations.

The HRCC and the BOD determines, on an annual basis, the amount of the remuneration of the individual members of the BOD, including its Chairman, subject to and within the limits of the maximum total amount approved by the AGM. All decisions are subject to Medartis' conflict of interest policy as put forward in the Organizational Regulations (Article 35).

Remuneration to the CEO is recommended by the HRCC and determined by the BOD on an annual basis, subject to and within the limits of the maximum total amount approved by the AGM. Remuneration to the other members of the Executive Board is recommended by the CEO, reviewed by the HRCC and determined by the BOD, on an annual basis, subject to and within the limits of the maximum total amount approved by the AGM.

The HRCC meets upon calling of its chairman as often as required for the fulfilment of its duties, but at least three times a year as defined in Article 6 para. 1 and 2 as well as Article 9 of the Organizational Regulations. The chairman of the HRCC can invite persons other than committee members to attend all or a portion of a meeting. Invited persons shall not participate in the discussions or deliberations of the HRCC unless invited to do so, and shall not be entitled to vote.

The HRCC reviews the compensation package of the members of the EMB annually and proposes to the BOD any adjustments. As a base for this work the HRCC assesses compensation packages in similar companies. To build the compensation benchmark the following surveys and reference databases were used: Klingler Survey for Executive members for similar companies in the worldwide MedTech industry as well as worldwide players in Health Care with a similar size (in terms of employees and/or revenue).

As per Article 23 para. 1 of the Organizational Regulations, the discussions of the HRCC must be summarized and its decisions recorded in minutes signed by the chairman (or chairing member) thereof

and by the person taking such minutes. Article 13 of the Organizational Regulations shall apply by analogy. Every member of the Board shall receive a copy of the minutes of every meeting of the HRCC.

Decisions of the HRCCs and proposals to the BOD can also be made by way of approval of a written resolution circulated to the members of the HRCC. Article 12 of the Organizational Regulations shall apply by analogy.

On the occasion of every meeting of the BOD, the HRCC shall inform the BOD of its activities. As per Article 23 para. 3 of the Organizational Regulations, circular resolutions must be reflected in the minutes of the next HRCC meeting. In case of emergency, the BOD members shall be informed immediately via the chairman.

As set out above, the AGM approves the total remuneration amounts to the BOD and to the EMB on an annual basis and in a binding manner. The BOD values the dialogue with shareholders and is considerate of their views about executive compensation when reviewing compensation principles. Against this background, the BOD voluntarily submits the compensation report to a consultative vote at the AGM. This vote allows shareholders to express their opinion on the compensation system, compensation disclosure as well as remuneration paid and granted in the past financial year. The remuneration practices are further guided by the basic principles determined in Medartis' Articles of Association, as mentioned above.

### 3. COMPENSATION ARCHITECTURE AND ELEMENTS

#### 3.1 Board of Directors (BOD)

For their non-executive services in the Board, its members receive a fixed basic compensation, which may be paid in cash and/or in the form of shares, based on the responsibilities and time requirement of their functions within the Board or its committees, without any entitlement to performance-related compensation. There are no additional meeting fees for BOD memberships. This ensures that the BOD remains independent while exercising its supervisory duties towards the EMB.

The amount of fees for each function of the BOD is determined annually, considering the market compensation trends and comparisons with other listed life science companies of similar size which operate internationally. Members of the BOD who also serve in an executive capacity receive a separate remuneration for function, which is disclosed accordingly below in the section on the EMB. In 2023, no BOD member held an executive function. The roles and responsibilities of the individual Board members are described below:

<b>Board of Directors</b> (7 members)		
<b>Chairman: Marco Gadola</b> <b>Vice Chairman: Dr. h. c. Thomas Straumann</b> <b>Members: Dr. med. Daniel B. Herren, Willi Miesch, Ciro Römer, Damien Tappy, Nadia Tarolli Schmidt</b>		
<b>Finance &amp; Audit Committee</b>  Chairman: Nadia Tarolli Schmidt Members: Ciro Römer, Damien Tappy	<b>HR &amp; Compensation Committee</b>  Chairman: Damien Tappy Members: Dr. med. Daniel B. Herren	<b>Strategy &amp; Innovation Committee</b>  Chairman: Willi Miesch Members: Dr. med. Daniel B. Herren, Ciro Römer, Dr. h. c. Thomas Straumann
<b>Main activities</b>  – Financial Health – Risk Management – Legal & Compliance – M&A and Alliances (Legal and Agreements)	<b>Main activities</b>  – Nomination – Compensation – Human Capital – Culture	<b>Main activities</b>  – Growth initiatives and growth management – Innovation – Technology – M&A

Board Structure Medartis Holding AG as of AGM 2023

### Main principles of the plan which manages the calculation and allocation of the Medartis Restricted Shares for the members of the BOD

Unless otherwise determined by the Board, the allocation date shall be within 30 days from the AGM at which the compensation to the BOD for the respective period was approved.

Immediately before the allocation date, the equivalent of the Board fees that a member of the BOD elected to receive in the form of shares instead of cash shall be converted into a number of Medartis restricted shares ("RS") as set out below. The remaining part of the Board fees continues being paid out in cash according to the usual processes and timelines.

The equivalent of the Board fee that a member of the BOD elected to receive in the form of shares shall not be paid out in cash, but shall instead be converted into a number of RS, by dividing such amount by a share value that equals 85% of the volume-weighted average price of a Medartis share over a period of 20 trading days ending with the last trading day before the AGM that triggers the allocation date:

$$\frac{\text{selected Board Fee portion}}{85\% * (20\text{-day volume-weighted average Share price)}} = \text{number of RS allocated}$$

The allocated RS under the current Plan are subject to a Restriction Period, the duration of which will be determined by the Board and set out in the Election Form. The Restriction Period starts on the Allocation Date. The RS are allocated during the 30 days after the AGM with a discount of 15% and are subject to a Restriction Period of 2 years. There are no contractual share ownership requirements for BOD members.

Depending on the contractual setup and individual circumstances, the remuneration paid to members of the BOD may be subject to VAT or statutory social security contributions.

## 3.2 Executive Management Board (EMB)

### a. Overview

The remuneration of the EMB (CEO and other members of group management) consists of a fixed base salary, an annual, performance-based short-term incentive (STI), a long-term incentive plan (LTI) in the form of restricted share grants, and other benefits (e.g. company car, car allowance, long-service bonus or family allowance).

There were no relevant changes to the remuneration structure for the EMB in 2023. Details on each compensation component are set out below.

### b. Fixed base salary

The fixed base salary depends on the function, the qualification and the professional experience of the respective individual.

### c. Annual short-term incentive (STI)

The STI scheme focuses on rewarding individuals based on company and regional performance and incentivizes growth and cost discipline. When performance targets are met, the annual STI bonus is paid in cash in the first half of the following year. At target, the annual STI for the CEO is 75% of his (gross) base salary. This is unchanged versus previous year. If the other EMB members meet 100% of their performance criteria, their STI share ranges from 31% to 44% of their individual's annual gross base salary. In 2022, this range was between 27% and 45%. The base salaries as well as the STI target value is determined individually for each member of the EMB and is reviewed in a benchmarking process once per year, considering peer companies and benchmarks.

The performance metrics used for the STI are total company net sales, OPEX, EBITDA, Capital Employed as well as regional net sales. The latter applies to senior executives who have regional sales responsibility. OPEX, EBITDA and Capital Employed are measured relative to actual net sales. These metrics are considered to be the most critical and sustainable value drivers of the company. This means, for example, that higher OPEX expenses than planned in the budget can be offset by higher than planned net sales. The same logic applies in the opposite direction, of course. The weighting of each of those four performance measures varies per person and is determined at the beginning of each year in the annual performance agreements. There are no individual performance targets at this stage.

For each metric, the CEO determines and the BOD approves the annual target and maximum performance levels in advance and in line with the budget process for the subsequent financial year and

with the long-term strategy. Each performance indicator's target achievement, multiplied by its weighting and by the individual's target amount for the short-term incentive, determines the actual payout. The maximum STI payout is capped at 200% of the target.

For the OPEX, EBITDA and Capital Employed performance metrics:

- If 100% of the performance objectives are achieved, 100% of the target amount is paid out.
- For each percentage point that the performance achievement level is above or below the performance targets, the payout is reduced or increased by 20%. This means, for example, that only a target achievement of over 95% will result in a payout. The 95% threshold therefore represents the minimum performance floor. The progression is linear, which explains that each percentage point above this threshold increases the STI by 20%.

For the Net Sales performance metrics:

- A 10% growth threshold compared to the prior year must be achieved for any STI partial amount to be paid out.
- If an 18% growth compared to the prior is achieved, 100% of the corresponding STI partial amount is paid out. This level of growth has been selected in alignment with the upper range of the external guidance that has been communicated.
- Above an 18% growth level, the payout curve is linear and capped at 200%.

#### d. Long-term incentive (LTI)

The amount of this long-term compensation is determined individually for each participant, generally at the discretion of the BOD. It is reviewed once a year and may be subject to fluctuations.

According to the plan, the BOD at its sole discretion may determine the grant amount for members of the EMB, which will be converted into a number of granted Restricted Shares (RS), subject to a 2-year restriction period for Swiss-Residents or a number of Restricted Stock Units (RSUs), subject to a 1-year vesting and an additional 1-year blocking period for non-Swiss residents.

Allocation of RS (for Swiss Tax-Residents) or RSUs (for non-Swiss Tax-Residents) granted for any calendar year will take place within two business days after the AGM of the following calendar year. At the end of the restriction period (2 years for both plans), participants have the right to freely dispose of the shares.

The LTI grant amounts for 2023 will be allocated to EMB members following the AGM of 2024. The LTI compensation amount disclosed in the audited tables in section 4 show the allocated LTI grant amount for 2023.

The number of RS/RSUs is calculated as follows:

$$\frac{\text{Grant Amount}}{75\% * (20\text{-day volume-weighted average Share price})} = \text{number of RS/RSUs allocated}$$

As of 2021, Medartis implemented two Employee Share Purchase Plans (ESPP-S and ESPP-STI) as an additional compensation element:

- Employee Share Purchase Plan for STI (ESPP-STI): EMB members can invest all or part of their STI payout in Medartis shares with a discount of 25% and subject to a 2 year blocking period. The shares are dividend-bearing from the day of acquisition. The BOD is not eligible for this program. The number of shares is calculated by applying the 20-day Volume-Weighted Average Price (VWAP) before the allocation date. One out of the six EMB members have profited from the ESPP-STI in 2023 and acquired a total of 1'189 shares at a price of 67.25 Swiss francs. These shares are blocked until H2 2025.
- Employees from 7 countries (Switzerland, Germany, Austria, Spain, France, UK and USA) who have worked for the company for at least one year can also purchase a limited amount of shares on the same terms. This is another element to promote company affiliation and entrepreneurship.

Shares required under the share based compensation elements may be made available, at the discretion of the BOD, by capital increase, treasury shares or purchase of shares in the market. Further details on conditional capital are set forth in section 2.2 of the Corporate Governance report.

Starting from 2024, a new LTI plan dedicated to EMB members will be introduced. This plan was developed with and approved by the Board of Directors. The aim of this new long-term incentive plan is to support further fostering long-term value creation for the Company and being more aligned with shareholders' interests and market practice. The 2024 LTI plan will consist of an allocation of RSUs representing 75% of the total grant value and PSUs representing the remaining 25%. The PSUs vesting multiple will range between 0% and 200% and will be solely determined by the achievement of the simplified cashflow KPI over a 3 year period. The simplified cashflow is calculated as the difference between the EBITDA and the sum of Accounts receivable increase, set investments, other inventory

increase and total CAPEX. The RSUs will vest on a graded schedule (1/3 each year). Starting from the 2025 allocation, the allocation of RSUs and PSUs will each represent 50% of the total grant value.

**e. Other elements and comments**

Members of the EMB participate in the benefits plan available in the country of their employment contract. Benefits consist mainly of retirement, insurance and health care plans that are designed to provide a reasonable level of protection for the employees and their dependents with respect to retirement, risk of disability, death and illness / accident. Medartis' pension benefits under Swiss contracts exceed the legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) and are in line with what other international industrial companies offer.

Out-of-pocket expenses incurred to executives in connection with their employment services for Medartis and duly reimbursed by Medartis in accordance with the applicable regulations are not considered to be compensation subject to approval and are not further considered for the below compensation tables.

Each EMB member is entitled to the following fringe benefits: a company car (or car allowance), a family allowance (if eligible), seniority gifts and wedding bonus. There are no contractual share ownership requirements for the EMB members, but with the current remuneration system, share ownership is encouraged over time. The actual direct and indirect EMB compensation in the current and previous year is shown in the tables underneath.

## 4. ACTUAL REMUNERATION FOR THE REPORTED YEAR

This section contains:

- (a) the actual compensation paid to the BOD for the period between AGM 2023 and 2024;
- (b) the actual compensation paid to the EMB for 2023;
- (c) other compensation-related information under the OaEC;
- (d) a general pay-for-performance review;
- (e) comments on the alignment between paid and pre-approved amounts;
- (f) information on shareholdings of members of the BOD and of the EMB;
- (g) Information on memberships on other Boards of member of the BOD and EMB.

Subsections (a), (b), (c) and (g) are subject to external audit according to the Swiss Stock Corporation Act requirements.

### a) Remuneration of the BOD

The table shows the compensation paid to members of the BOD for the period between the AGM 2023 and the AGM 2024. The total compensation for the BOD outlined in the table is within the range approved by the AGM 2023.

Comments:

- “Fixed board fee (cash)”: Gross amounts before deduction of employee contributions to social security, occupational pension schemes and other mandatory charges, as far as applicable.
- “Social security contributions”: Company contributions to social security and occupational pension schemes, as far as applicable.
- The valuation of Restricted Shares is determined by the closing share price average of 22 March 2023 – 20 April 2023 in-line with the Restricted Share Plan for the Board.

### BOD compensation in CHF (audited table):

	Fixed board fee (cash)	Social security contributions	Restricted Shares	Restricted share discount <sup>1</sup>	Total
<b>Marco Gadola</b>	375'000	36'114	125'000	31'944	568'058
Chairman of the BOD	<i>375'000</i>	<i>36'541</i>	<i>125'000</i>	<i>8'402</i>	<i>544'943</i>
<b>Thomas Straumann</b>	229'021	62'953	0	0	291'974
Vice-Chairman of the BOD	<i>228'773</i>	<i>63'529</i>	<i>0</i>	<i>0</i>	<i>292'303</i>
<b>Willi Miesch</b>	150'000	11'680	0	0	161'680
Chairman of the SIC	<i>150'000</i>	<i>11'736</i>	<i>0</i>	<i>0</i>	<i>161'736</i>
<b>Nadia Tarolli</b>	112'500	11'974	37'500	9'554	171'527
Chairman of the FAC	<i>112'500</i>	<i>11'601</i>	<i>37'500</i>	<i>2'544</i>	<i>164'145</i>
<b>Ciro Römer</b>	50'000	0	50'000	12'763	112'763
Member of the FAC	<i>50'000</i>	<i>0</i>	<i>50'000</i>	<i>3'315</i>	<i>103'315</i>
Member of the SIC					
<b>Daniel Herren</b>	100'000	7'800	0	0	107'800
Member of the SIC	<i>50'000</i>	<i>7'642</i>	<i>50'000</i>	<i>3'315</i>	<i>110'956</i>
Member of the HRCC					
<b>Damien Tappy</b>	0	0	150'000	38'288	188'288
Chairman of the HRCC	<i>0</i>	<i>0</i>	<i>100'000</i>	<i>6'745</i>	<i>106'745</i>
Member of the FAC					
<b>Total all members</b>	<b>1'016'522</b>	<b>130'520</b>	<b>362'500</b>	<b>92'548</b>	<b>1'602'090</b>
	<i>966'273</i>	<i>131'049</i>	<i>362'500</i>	<i>24'321</i>	<i>1'484'143</i>

<sup>1</sup>The BOD remuneration may be drawn in the form of Medartis shares at a discount of 15% in addition to the share appreciation at allocation date.

Values in italics represent data for the period between the AGM 2022 and the AGM 2023.

The increase of Damien Tappy's compensation is a result of his appointment as the new Chairman of the HRCC at the AGM 2023.

**Former members:** Dominik Ellenrieder stepped down at the AGM 2023. His total compensation for the period between the AGM 2022 and the AGM 2023 was CHF 150'000.

## b) Remuneration of the EMB

The table shows the compensation paid to the CEO and other members of the EMB for 2023 and 2022. End of 2023, the EMB consists of the CEO and five additional EMB members. The total compensation listed underneath is within the range approved by the AGM 2023.

### EMB compensation in CHF (audited table):

	Fixed compensation	Variable compensation (cash)	Variable compensation (equity)	Other compensation	Total
	Base salary	Annual short-term incentive (STI)	Long-term incentive (LTI – Buy-out awards, ESPP)	Social security contributions and fringe benefits	
Christoph Brönnimann CEO	500'000 <i>500'000</i>	558'294 <i>250'026</i>	500'000 <i>790'540</i>	308'643 <i>308'831</i>	1'866'937 <i>1'849'307</i>
Other members of the EMB	1'427'171 <i>1'794'698</i>	705'434 <i>395'581</i>	523'455 <i>648'218</i>	703'545 <i>808'715</i>	3'359'606 <i>3'647'212</i>
<b>Total EMB</b>	<b>1'927'171</b> <i>2'294'698</i>	<b>1'263'728</b> <i>645'607</i>	<b>1'023'455</b> <i>1'438'668</i>	<b>1'012'188</b> <i>1'117'546</i>	<b>5'226'543</b> <i>5'496'519</i>

Values in italic represent data for 2022

### Comments:

- “Fixed base salary”: Gross amounts before deduction of employee contributions to social security, occupational pension schemes and other mandatory charges, as far as applicable.
- “Annual short-term incentive (STI)”: Amounts based on the performance in 2023, payable in 2024. Gross amounts before deduction of employee contributions to social security, occupational pension schemes and other mandatory charges, as far as applicable.

- “Long-term incentive (LTI)”: As further explained in section 3.2 d), the disclosed amounts are LTI grant amounts for 2023 (though not converted into restricted shares yet), plus step-up in value deriving from the use of a 25% reduced conversion price. Gross amounts before deductions of employee contributions to social security, occupational pension schemes and other mandatory charges, as far as applicable. In 2023, the LTI part of the CFO does include the amount related to the 2023 part of his buy-out awards. The mechanism of this buy-out award has been described in the 2021 remuneration report for the CFO. The LTI section does include as well the advantage from the shares acquired at 25% discount by EMB members with the ESPP-STI plan.
- “Social security contributions and fringe benefits”: Company contributions to social security and occupational pension schemes, as far as applicable. This column further includes the value of fringe benefits, consisting of company car (or car allowance), family allowance (if applicable), health insurance (if applicable), seniority gifts (if applicable) or any benefits defined in a severance package.

## c) Other compensation-related information under the OaEC

For the reporting period, no compensation other than listed above in a) and b), respectively, was paid or granted to members of the BOD and EMB. No further compensation was paid or granted to former members of the BOD or EMB apart from the amounts listed above.

No loans or credits were granted to current or former members of the BOD and EMB. No such loans or credits were outstanding at the balance sheet date.

No compensation, loans or credits were paid or granted at non-market conditions to persons closely associated with current or former members of the BOD or EMB. No such loans or credits were outstanding at the balance sheet date.

In accordance with local market practice, a financial severance payment of more than six months was agreed with the former US President who was part of the EMB.

## d) Performance-related compensation: General pay-for-performance review

In 2023, the weightings for the different metrics for the annual short-term incentive of members of the EMB have been:

Weighting of STI performance criteria	Company Net Sales	Company OPEX	Company EBITDA	Company Capital Employed	Regional Net Sales	Regional OPEX	Regional Capital Employed
CEO	50%	30%	20%	n.a.	n.a.	n.a.	n.a.
CFO, CTO, CHRO	50%	30%	20%	n.a.	n.a.	n.a.	n.a.
COO	25%	50%	n.a.	25%	n.a.	n.a.	n.a.
VP EMEA	20%	n.a.	n.a.	n.a.	50%	15%	15%

Consequently and in total, the 2023 STI payout to members of the EMB (excl. CEO) equals CHF 705'434 (previous year CHF 395'581) as stated in the table above. As a percentage of the fixed (base) salary, this represents 49% (previous year: 22%). For the CEO, the STI payout of CHF 558'294 (previous year: CHF 250'026) represents 112% of the base salary (previous year: 50%).

In 2023, the grant value of restricted shares under the LTI was CHF 523'455 (previous year CHF 648'218) for the entire EMB (excl. CEO) and CHF 500'000 for the CEO (previous year: CHF 790'450). Combining the STI and the LTI and excluding the buy-out award and advantages of the ESPP plan of the CEO, his total variable compensation for 2023 amounted to 212% of his base salary (previous year: 150% excluding the buy-out award and 208% including the buy-out award). This is the total pay mix for the regular compensation elements. The aggregate variable compensation (STI and LTI) for 2023 represents 86% (previous year: 51%) of the fixed base salary for the entire EMB (excl. CEO).

The main difference in the EMB remuneration between 2023 and 2022 is the higher STI target achievement. For EMB members and the CEO, this translated into an STI payments ranging from 95% to 149% of the target amount.

## e) Alignment with pre-approved maximum amounts (audited)

At the AGM 2022 and 2023 the Medartis shareholders have determined and approved the following maximum compensation amounts:

Compensation for the BOD for the period from the AGM 2023-2024:	CHF 2'034'016
Fixed base salary to the EMB (incl. CEO) for the business year 2023:	CHF 4'587'145
Variable compensation to the EMB (incl. CEO) for the business year 2023:	CHF 6'095'962

### Board of Directors:

As shown in the remuneration table above, the total compensation (subtotal fixed board fee and social security contributions) of the BODs for their services in the 2023 financial year amounted to CHF 1'602'090 (CHF 1'634'143 in 2022). This is within the amount pre-approved by shareholders at the 2023 AGM CHF 2'034'016).

### Fixed remuneration for the EMB:

The fixed remuneration paid to all EMB members in 2023 amounted to CHF 2'470'598. The shareholders approved in the AGM 2023 a total fix compensation (base salary) of CHF 4'587'145 for the January-December 2023 period. The actual amount is therefore within the approved range.

### Variable compensation for the EMB:

The total variable remuneration in 2023, consisting of STI and LTI, amounted to a total of CHF 2'755'946 (CHF 2'501'255 in 2022). Also this value is well below the maximum amount of CHF 6'095'962 approved by the Medartis shareholders.

## f) Shareholdings of members of the Board of Directors and of the EMB

(audited table)

The following table discloses the number of shares held by the Board of Directors, the Executive Management Board and individuals related to them.

	Shares held by the member	Shares held by related party	Total shares	Total shares
	31 Dec 2023	31 Dec 2023	31 Dec 2023	31 Dec 2022
<b>Board of Directors</b>				
Dr. h.c. Thomas Straumann	5'624'430	4'010	5'628'440	5'628'440
Willi Miesch	617'917	-	617'917	617'917
Damien Tappy <sup>1)</sup>	25'365	778'337	803'702	25'365
Marco Gadola	8'841	-	8'841	12'132
Dr. Med. Daniel B. Herren	1'493	-	1'493	1'493
Nadia Tarolli Schmidt	982	-	982	347
Ciro Roemer	1'309	-	1'309	462
<b>Total</b>	<b>6'280'337</b>	<b>782'347</b>	<b>7'062'684</b>	<b>6'286'156</b>

<sup>1)</sup> 778'337 shares held by Endeavour Medtech Growth

	Shares held by the member	Shares held by related party	Total shares	Total shares
	31 Dec 2023	31 Dec 2023	31 Dec 2023	31 Dec 2022
<b>Executive Management Board</b>				
Christoph Brönnimann	36'500	199	36'699	31'847
Mareike Loch	7'265	-	7'265	4'443
Anthony Durieux-Menage	775	-	775	1'127
Manuel Schär	2'307	-	2'307	962
Dirk Kirsten	3'971	-	3'971	1'477
Mario Della Casa	364	-	364	-
<b>Total</b>	<b>51'182</b>	<b>199</b>	<b>51'381</b>	<b>39'856</b>

## g) Medartis Board of Directors and EMB – memberships on other Boards

(audited table)

No EMB has an external mandate.

The following table includes external mandates of the members of the BOD at other companies with an economic purpose in line with the disclosure requirement under Article 734e OR and in line with requirements under Section 3.2 and Section 4.2 of the Annex to Directive on Information relating to Corporate Governance of SIX.

Board member	Listed companies	Private companies	Not-for-profit organisation	Role or function
<b>Marco Gadola</b>	DKSH Holding AG			Chairman
	MCH Group			Vice Chairman
	Straumann Holding AG			Board member
		Bühler Group		Board member
		AVAG Anlage und Verwaltungs AG		Board member
		WS Audiology Ltd DK		Chairman
			Schweizerische Management Gesellschaft	Advisory Board member
			Swiss American Chamber of Commerce	Advisory Board member
			Basel Chamber of Commerce	Board member
<b>Thomas Straumann</b>	Straumann Holding AG			Board member
		Centervision AG		Chairman
		CHI Classics Basel Ltd		Chairman
<b>Willi Miesch</b>		SCEWO AG		Board member
		MTIP		Advisory Board member
			International Bone Research Association (IBRA)	Board member
<b>Nadia Tarolli Schmidt</b>	Straumann Holding AG			Board member
	Basellandschaftliche Kantonalbank (BKB)			Supervisory Board member
		EKG Eidgenössische Gesundheitskasse		Board member
		Parkresort Rheinfelden Holding AG		Board member
		IKEA Pension Fund		Supervisory Board member
		Genossenschaft Stadion St. Jakob-Park		Board member
		BiomedVC AG		Board member
			Nordic Cultural and Educational Foundation	Supervisory Board member

Board member	Listed companies	Private companies	Not-for-profit organisation	Role or function
Ciro Roemer		Warburg Pincus LLC		Strategic advisor
Dr. med. Daniel B. Herren <sup>1</sup>	-	-	-	-
Damien Tappy		Endeavour Vision		Chairman
		CeQur		Board member
		Polares		Board member
		L'Enfance		Board member
		Hôpital de la Tour		Board member
			Fondation du Domaine de Villette	Member of the Foundation Council

<sup>1</sup>No memberships on other Boards

## Report of the statutory auditor



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To the General Meeting of  
Medartis Holding AG, Basel

Basel, 8 March 2024

### Report of the statutory auditor on the audit of the remuneration report



#### Opinion

We have audited the remuneration report of Medartis Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 107 to 112 of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the remuneration report (pages 107 to 112) complies with Swiss law and the Company's articles of incorporation.



#### Basis for opinion

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

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



#### Other information

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

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

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



#### Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the

preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.



#### Auditor's responsibilities for the audit of the remuneration report

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

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

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

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

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

Ernst & Young Ltd

Kaspar Streiff  
Licensed audit expert  
(Auditor in charge)

Daniel Zaugg  
Licensed audit expert