



medmix Beauty: pureIDENTITY micro bristle applicator

# COMPENSATION REPORT

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# Overview of 2023

2023 represented a year of progress and innovation, marked by our market segments' resilience and growth during 2023. At a group level we grew our revenues despite a persisting volatile environment. We are proud of the performance of our teams in reaching the critical milestones for the year, moving us forward towards our mission, to provide innovative solutions that help millions of people live healthier and more confident lives.

## Building for the future

We successfully launched and finalized the creation of our new European production hub for the Industry segment in Valencia, Spain. Working round the clock and within the time frame of less than a year, our teams have delivered this crucial project in record time. The facility with a size of over 14,000m<sup>2</sup> and more than 200 employees is now fully geared to deliver high-quality products for the Adhesives & Sealant Industries. During the year we also commenced the buildup of our new manufacturing facility for Healthcare business area near Atlanta, USA. We aim to start serving our Surgery customers from this new facility from mid-2024, strengthening our presence in the world's largest Healthcare market.

## Making strides in inorganic growth

Reflecting our strong M&A track record, 2023 also witnessed our successful integration of the majority stake in Qiaoyi, a Chinese beauty manufacturing business, bringing to life our local-for-local strategy for this key market. With nearly 400 new employees joining the medmix team from this integration, we continue to strengthen our workforce.

Furthermore, our Drug Delivery market segment entered a strategic alliance with AARDEX, the leading global player in digital medication adherence in clinical trials, by acquiring a minority stake in the company. With medication adherence monitoring fast becoming a priority for Pharma and Biotech, this investment partnership gives us the advantage of increased proximity to pharma customers from an early stage.

In another positive development, we successfully sold our legal entity in Wroclaw, Poland, and have been removed from the Polish list of sanctioned entities.

## Changes to Board of Directors and Executive Committee

Further strengthening our management team, Xavier Schops was appointed to the Executive Committee in November. At the Annual General Meeting in April, Rob ten Hoedt was appointed Chairman of medmix' Board of Directors, taking over from Greg Poux-Guillaume. In addition, David Metzger became a new member of the Nomination & Remuneration Committee. With these changes, the Board of Directors continues to be well prepared for the future.

We are confident that planned operational measures, combined with the dedication of our Executive Committee, the Board of Directors as well as our employees will position us for sustained growth and success in the long term.

Ongoing support of shareholders is invaluable to us and as always, we are committed to transparency and open communication with our stakeholders. As to this, in the following you will find our Compensation Report for financial year 2023.

# Compensation governance

## Nomination and Remuneration Committee

The Articles of Association, the Organizational Regulations of the Board of Directors and the Nomination and Remuneration Committee Regulations (on [medmix.swiss/Investors/Governance](https://medmix.swiss/Investors/Governance); under Downloads) define the functions of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee supports the Board of Directors in nominating and assessing candidates for the Board of Directors and Executive Committee positions, establishing and reviewing the compensation strategy and principles, and preparing the respective proposals to the Shareholders' Meeting regarding the compensation of the members of the Board of Directors and of the Executive Committee.

The Nomination and Remuneration Committee is responsible for the following activities and submits all proposals concerning these activities to the Board of Directors, which has the final decision authority:

- Periodic assessment of the membership structure of the Board of Directors, determination of selection principles, and identification of potential candidates for the Board of Directors
- Succession planning for the CEO and other Executive Committee positions
- Periodic assessment of the compensation policy and programs
- Determination of performance targets for the CEO and the other Executive Committee positions for the purpose of the incentive plans
- Preparation of the respective proposals to the Shareholders' Meeting on the maximum aggregate amounts of compensation for the Board of Directors and for the Executive Committee
- Determination of the target compensation for the CEO and for the other Executive Committee positions
- Preparation of the compensation report

The table below describes the levels of authority:

### Compensation Governance: Levels of authority

	CEO	Nomination & Remuneration Committee	Board of Directors	Shareholders' Meeting
Selection criteria and succession planning for the Board of Directors		proposes	approves	
Selection criteria and succession planning for the Executive Committee	proposes	reviews	approves	
Compensation policy and programs		proposes	approves	
Aggregate maximum compensation amounts for the Executive Committee and for the Board of Directors to be submitted to vote at the AGM		proposes	reviews	approves (binding vote)
Remuneration system and Board member fees		proposes	approves	
Compensation of the CEO		proposes	approves	
Individual compensation of the members of the Executive Committee	proposes	reviews	approves	
Performance objectives and assessment of the CEO		proposes	approves	
Performance objectives and assessment of the Executive Committee	proposes	reviews	approves	
Compensation report		proposes	approves	consultative vote

The Nomination and Remuneration Committee consists of a maximum of three non-executive and independent board members. The members of the Nomination and Remuneration Committee are elected individually and annually by the Shareholders' Meeting for the period of office until the following ordinary AGM.

On April 28, 2023, David Metzger was elected for the first time and Rob ten Hoedt (Chairman) and Barbara Angehrn were re-elected as members of the Nomination and Remuneration Committee. Grégoire Poux-Guillaume did not stand for re-election.

The Nomination and Remuneration Committee meets as often as the business requires, but at least twice a year. In 2023, the Nomination and Remuneration Committee held four meetings and information on attendance is available in the Corporate Governance section of this report.

The Chairman of the Nomination and Remuneration Committee reports to the next meeting of the full Board of Directors on the activities of the Nomination and Remuneration Committee and the matters discussed. The Chairman, as far as necessary, submits the respective proposals for approval by the Board of Directors. The minutes of the Nomination and Remuneration Committee meetings are available to all members of the Board of Directors. The Nomination and Remuneration Committee may appoint third parties to provide independent advice or perform services as it deems necessary for the fulfillment of its duties. Members of the management team do not participate in meetings where their compensation is being discussed and resolved.

## Shareholders' role and engagement

The company is keen to receive shareholders' feedback on the compensation policy and programs. Further, the company proposes to regularly meet with shareholders and shareholder representatives to understand their perspectives. At the AGM, shareholders will consider and approve the maximum aggregate compensation amounts for the Board of Directors and for the Executive Committee in an annual binding vote. The compensation report will be submitted for shareholder approval in an advisory vote.

Further, the Articles of Association, which are also subject to shareholders' approval, regulate the principles of compensation. Minor changes were made to the Articles of Association at the AGM 2023 as the Swiss Parliament adopted a revision of the corporate law on June 19, 2020, which entered into force on January 1, 2023 (subject to certain transitional provisions). Pursuant to the new corporate law, Swiss corporations are obliged to revise their corporate documents to comply with the new law by the end of 2024. Thus, Articles 30 and 32 of the Articles of Association were slightly amended:

- Article 30 no longer foresees an authorization to increase already approved compensation (supplemental amount) for internal promotions within the executive management.
- Article 32 now includes a cap for a maximum non-compete compensation in connection with post-contractual non-compete agreements with members of the Board of Directors and the Executive Committee (max. average total annual compensation over the last three financial years).

The Articles of Association in the current version include the following provisions related to compensation: (the full version of the Articles of Association can be found on [medmix.swiss/Investors/Governance](https://medmix.swiss/Investors/Governance), under Downloads).

- Principles of compensation (Article 31): non-executive members of the Board of Directors receive fixed compensation only. Members of the Executive Committee receive fixed and variable compensation elements. The variable compensation may include short-term and long-term variable compensation components. These are governed by performance metrics that take into account the performance of the company, the group or parts of it, targets in relation to the market, other companies or comparable benchmarks and/or individual targets, as well as strategic and/or financial objectives. Compensation may be paid in the form of cash, shares, options, financial instruments or similar units, in kind, in services, or in other types of benefits.
- Shareholders' binding vote on remuneration (Article 29): the Shareholders' Meeting shall approve the maximum aggregate amount of compensation for the Board of Directors for the next term of office and the maximum aggregate amount of compensation for the Executive Committee for the following financial year. The Board of Directors shall submit the annual compensation report to an advisory vote at the AGM.
- Additional amount for members of the Executive Committee hired after the vote on remuneration by the Shareholders' Meeting (Article 30): if the maximum aggregate amount of compensation as approved by the Shareholders' Meeting is insufficient, up to 40% of the maximum aggregate amount of compensation approved for the Executive Committee shall be available, without further approval, for the compensation of the members of the Executive Committee who were appointed after the AGM.
- Agreements with Members of the Board of Directors and the Executive Committee (Article 32): Employment agreements for a fixed term may have a maximum duration of one year. Renewal is possible. Employment agreements for an indefinite term may have a termination notice period not exceeding twelve months. Non-compete agreements for the time after termination of an employment agreement are permissible and shall not exceed one year. Their consideration shall not exceed the last total annual target compensation such member was entitled to prior to termination and shall in no event exceed the average of the compensation of the last three financial years.

- Loans, credit facilities, and post-employment benefits for members of the Board of Directors and of the Executive Committee (Article 34): the company may not grant loans or credits to members of the Board of Directors and of the Executive Committee.

## Activities in other organizations

Based on Article 734e of the Swiss Code of Obligations, the compensation report must specify the functions of the members of the Board of Directors and the Executive Committee in other for-profit entities within the meaning of Article 626 para. 2 no. 1 of the Swiss Code of Obligations (external mandates). For this, the following table includes the name of the company and the function exercised.

Member	Name of company	Function
Rob ten Hoedt	Medtronic AG, CH	Executive Vice President & President, Europe, Middle East & Africa (EMEA) and Asia-Pacific (APAC), Member of the Executive Committee
	Fagron International NV, NL	Member of the Board of Directors
	NLC Health, NL	Chairman of the Supervisory Board
Barbara Angehrn	Asceneuron SA, CH	Chief Executive Officer, Member of the Board of Directors
	Bellevue Group AG, CH	Member of the Board of Directors
	Stepstone Pharma GmbH, CH	Managing Director
Daniel O. Flammer	AdvisReal AG, CH	Member of the Board of Directors
	Altrimo Treuhand Group AG, CH	Member of the Board of Directors
	AR Financial Advisory AG, CH	Member of the Board of Directors, Managing Partner
	AR Professional Services AG, CH	Member of the Board of Directors, President
	Tiwel Holding AG, CH	President of the Board of Directors
David Metzger	Mealda Capital GmbH, CH	Managing Director
	Sopeli Capital GmbH, CH	Managing Director
	Sulzer AG, CH	Member of the Board of Directors
	Swiss Steel Holding AG, CH	Member of the Board of Directors
Greg Poux-Guillaume	AkzoNobel N.V., NL	Chief Executive Officer and Chairman of the Board of Directors
Marco Musetti	Octo Telematics S.p.a., IT	Member of the Board of Directors
	GEM Capital Ltd, CH	Chairman
	United Manganese of Kalahari Ltd., ZA	Member of the Board of Directors

	Tennine AG, CH	Member of the Board of Directors
	Kalahari Minerals Marketing AG, CH	Member of the Board of Directors
	Afro Minerals Trading AG, CH	Member of the Board of Directors
Dr. René Willi	Henry Schein, Inc., US	Member of the Executive Management Committee
	ACE Surgical Supply Co. Inc., US	Member of the Board of Directors
	BioHorizons, Inc., US	Member of the Board of Directors
	Biotech Dental S.A.S., FR	Member of the Board of Directors
	Camlog Holding AG, CH	Member of the Board of Directors
	medentis medical GmbH, DE	Member of the Board of Directors
Girts Cimermans	Alpcot Ltd., UK	Director

# Compensation architecture for the Executive Committee

## Compensation principles

The compensation of the Executive Committee is driven by the main principle of pay for performance. The compensation policy and programs are designed to reward performance, sustainable growth and long-term shareholder value creation, while offering competitive compensation to be able to attract and retain highly qualified employees. The compensation system is based on the following guiding principles:

### Guiding principles

<b>Pay for performance</b>	The variable compensation is linked to the individual as well as the company performance and represents a substantial part of the overall compensation package.
<b>Link to strategy</b>	The performance indicators of the variable compensation are selected to create incentives to implement the defined strategic and operational goals of medmix.
<b>Shareholder alignment</b>	Part of the variable compensation is directly dependent on the capital market performance of the medmix share, to align the compensation of the Executive Committee with shareholder interests.
<b>Market practice</b>	The compensation for the Executive Committee is designed to offer a fair and competitive compensation package that is in line with market practice.
<b>Good corporate governance</b>	medmix is committed to the principles of good corporate governance. The compensation system is designed to comply with the Swiss Code of Best Practice for Corporate Governance.
<b>Clear structure</b>	The compensation system is structured in a clear and comprehensible manner and is transparently disclosed in the compensation report.

## Assessment of level of compensation

To ensure compensation levels that are competitive and in line with market practice, the compensation of the Board of Directors and of the Executive Committee is regularly benchmarked against that of similar roles in comparable companies every one to two years. For this purpose, the Nomination and Remuneration Committee selected a peer group of international industrial and medical technology companies headquartered in Switzerland, based on their revenue and number of employees. medmix is positioned between the first quartile and median of the peer group. The comparison group reflects medmix' ambitious business strategy:

- Aevis Victoria
- Bachem
- Comet
- Galenica
- INFICON
- Landis+Gyr
- Medacta
- Medartis
- Siegfried
- Tecan
- Ypsomed



The intention is to pay target compensation around the median of the relevant market. Nevertheless, potential compensation increases are not granted based on benchmark results alone. The role and responsibility as well as current performance of the individual Executive Committee member is assessed at the same time. A globally consistent job-grading structure fosters internal equity.

## Compensation elements and their application for financial year 2023

The compensation of the Executive Committee comprises fixed and variable components. The fixed compensation of the members of the Executive Committee consists of a base salary, allowances payable in cash and contributions to pension schemes or similar benefits. In addition, the members of the Executive Committee are eligible for performance-based short-term variable compensation (performance bonus plan) paid in cash and long-term variable compensation (performance share plan (PSP)) paid in performance share units (PSUs). These variable compensation components foster a successful development of medmix in the short term as well as in the long term.

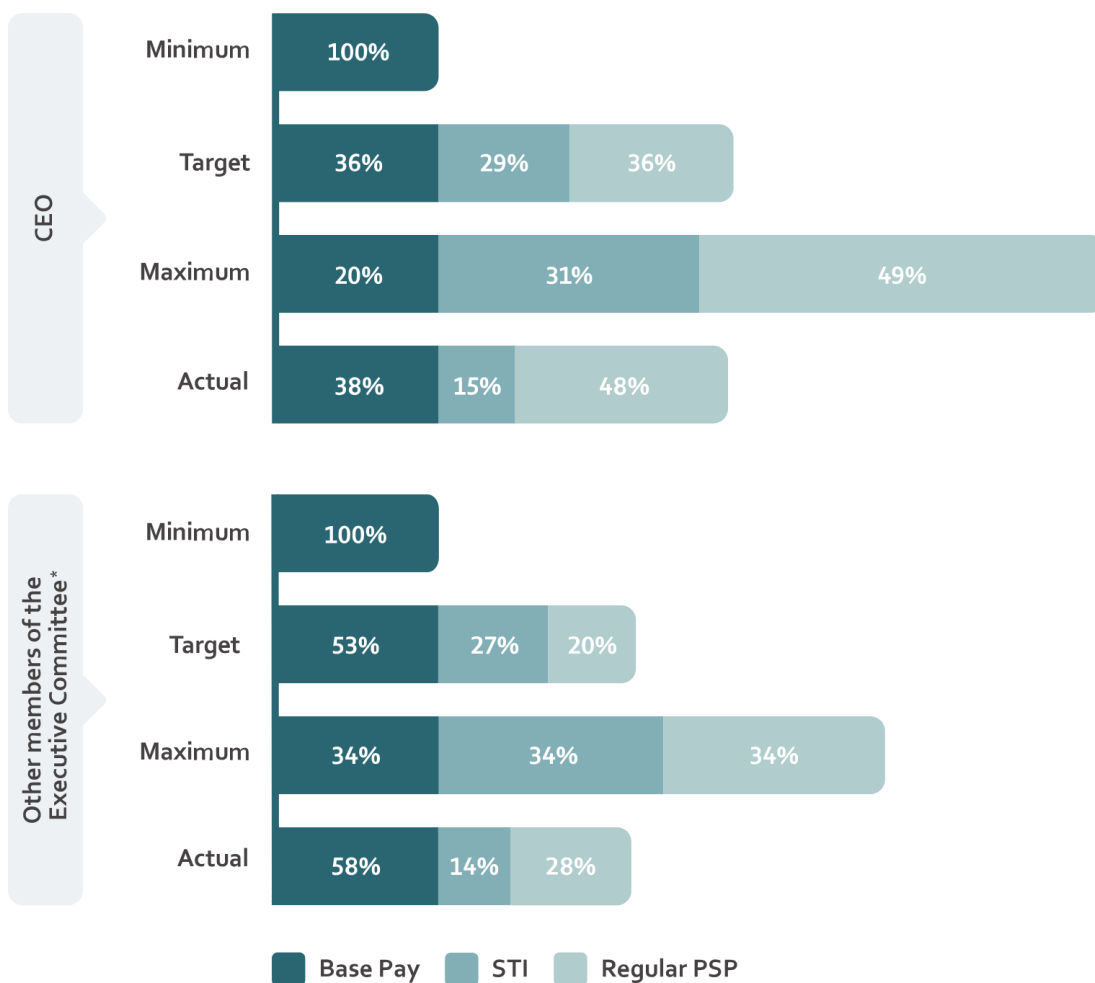
The following table shows the compensation components and provides a brief description of how these components are linked to the guiding principles:

### Compensation elements for the members of the Executive Committee

	Base salary	Fringe benefits and pension contributions	Short-term variable compensation (STI)	Long-term variable compensation (PSP 2023)	Share ownership guidelines (SOG)
Main parameters	Function, level of role, profile of incumbent (skill set, experience)	Pension and social security contributions, fringe benefits	Achievement of annual financial and individual objectives	Achievement of long-term, company-wide objectives, share price development	Level of role
Key drivers	Labor market, internal job-grading	Protection against risks, labor market, internal job-grading	Revenue, operational profitability %, adjusted operating net cash flow (adjusted ONCF)%	Growth, profitability and share development	Share price development
Link to compensation principles	Competitive compensation	Competitive compensation	Pay for performance, strategy alignment	Pay for performance, strategy alignment, ownership	Ownership
Vehicle	Cash	Pension and insurance plans, perquisites	Cash	Performance share units (PSU) settled in shares	Obligation to hold required threshold of shares until the end of the service period
Amount	Fixed	Fixed	Variable, capped at 200% of target bonus. Target bonus amounts to 80% of annual base salary for the CEO and 50% of annual base salary for the other members of the Executive Committee. Clawback provisions implemented.	Variable. Grant value is defined based on the global grade structure and corresponds to CHF 550'000 for the CEO and between CHF 130'000 and CHF 160'000 for the other members of the Executive Committee (EC). Vesting payout percentage is capped at 250%. Malus and clawback provisions implemented.	CEO: 200% of base salary. Other members of the Executive Committee: 100% of base salary.
Grant/vesting/ payment date	Monthly	Monthly and/or annually	March of the following year	Grant: April 1, 2023 Vesting: January 1, 2026 Share delivery: not later than March 31, 2026	–
Performance period	–	–	1 year (January 1, 2023–December 31, 2023)	3 years (January 1, 2023–December 31, 2025)	–

The variable compensation of medmix is designed to create reasonable incentives for the Executive Committee, to align the interests of the Executive Committee and shareholders, to ensure pay for performance and to implement the company’s strategy in the compensation of the Executive Committee.

The Executive Committee’s compensation puts a clear focus on the fulfillment of the performance targets defined within the variable compensation. The following illustration highlights the strong link between performance and compensation based on selected performance scenarios. It represents the compensation structure, i.e., the ratio between base salary, short-term variable compensation and long-term variable compensation, for three different scenarios (100% target achievement, maximum target achievement not considering any share price increase and actual target achievement) for the financial year 2023.



Minimum refers to Base pay  
 \* Xavier Schops member of Executive Committee as of November 01, 2023

In line with the pay for performance principle, a significant portion (~53%) of the target compensation of the CEO and of the other members of the Executive Committee consists of variable incentives based on performance. Furthermore, the compensation structure ensures sustainable long-term growth as the long-term variable compensation makes up the largest portion of the target total compensation.

## Fixed compensation

### Base salary

The base salary is determined at the discretion of the Board of Directors based on the market value of the respective position and the incumbent’s qualifications, skill set and experience and is paid out in cash. A global job-grading structure provides orientation and fosters internal equity.

### Fringe benefits

As additional fixed compensation elements, the members of the Executive Committee receive allowances such as relocation allowances, tax services or child allowances. All such allowances are paid in cash. Furthermore, they receive contributions to social security.

## Pension

Members of the Executive Committee participate in the regular employee pension funds applicable to all employees in Switzerland. The retirement plan consists of a basic plan that covers annual earnings up to CHF 152'869 per year and a supplementary plan in which income over this limit, up to the ceiling set by law, is insured (including variable cash compensation). The contributions are age-related and are shared between the employer and the employee.

## Variable compensation

### Short-term variable compensation

#### General functionality

As short-term variable compensation, Executive Committee members are granted the performance bonus plan under which they receive annual, variable, and performance-related compensation.

Under the performance bonus plan, the members of the Executive Committee receive an annual target bonus amount that is expressed as a percentage of the annual base salary (CEO: 80% of base salary; other members of the Executive Committee: 50% of base salary).



The determination period of the performance bonus plan is one financial year. The final payout amount depends on the performance assessed against the predefined performance objectives during the respective performance period. The performance bonus plan comprises financial objectives with a weighting of 70% as well as individual objectives with a weighting of 30%. The relevant performance objectives and their respective weighting are defined at the beginning of the year during the annual target setting. The selected performance objectives are thereby clearly aligned with the corporate strategy of medmix and support the short-term success of the company. They reflect the areas of focus for medmix and relate to key value drivers by underpinning the financial performance of the medmix group. The target achievement of the financial and individual objectives depends on the performance during the financial year and can range between 0% and 200% for each objective. The achievement is assessed against each of the predefined objectives after year-end and directly impacts the payout.

The final payout amount is determined by multiplying the bonus-relevant annual salary with the target bonus percentage amount with the overall target achievement, which is calculated based on the target achievement in the performance objectives taking into account their respective weighting.



The financial and individual achievements of the members of the Executive Committee are subject to review and approval by the Nomination and Remuneration Committee and the Board of Directors, respectively.

**Relevant objectives**

For the CEO and the other members of the Executive Committee, the payout amount of the performance bonus plan depends on the appraisal of performance against a maximum of six financial objectives and six individual objectives. The objectives for the financial year 2023, as well as their respective weighting, are described in the table below:

## Performance bonus plan objectives

Category	Category weighting	Objective	Rationale	Objective weighting
Financial objectives	70%	Revenue	Measure of growth (top line)	30%
		Adjusted EBITDA margin	Measure of profitability (bottom line)	25%
		Adjusted operating net cash flow (adjusted ONCF)	Measure of cash generated by the revenues	15%
		Cost-efficiency	Achieving growth targets while aiming for increased profitability	8.33%
		Growth initiatives	Include initiatives that support the growth of medmix, such as M&A projects, breaking into new markets or new accounts	8.33%
		Operational excellence	Initiatives focused on the product launches, manufacturing capacities and improving speed and efficiency of processes	8.33%
Individual objectives	30%	Sustainability (ESG)	Objectives linked to improvements in the areas of environment, employee engagement and local communities, corporate governance	5%
<b>Total target achievement</b>				<b>100%</b>

The objectives are set within the annual target-setting process. For each financial objective, the following parameters are set up front:

- An expected level of performance ("target"), the achievement of which leads to a target achievement (on the respective performance metric) of 100%.
- A minimum level of performance ("threshold") below which the respective target achievement is zero.
- A maximum level of performance ("cap") above which the respective target achievement is capped at 200%. With respect to the financial objectives, a performance of 200% of the target figure is required to achieve a target achievement of 200%.

Between threshold and target, as well as between target and cap, the target achievement is interpolated linearly.

As part of the assessment of their individual performance, each Executive Committee member is given objectives for their respective area of responsibility and an additional objective related to supporting sustainability through environment, social, and governance (ESG) efforts.

This Sustainability (ESG) objective includes improvements in health and safety, emissions, water and energy efficiency, initiatives and actions taken to increase employee and community engagement or efforts in R&D for more efficient or sustainable products. The CEO reviews the individual performance based on the personal objectives of each Executive Committee member, which in turn is reviewed by the Nomination and Remuneration Committee. The CEO's individual performance is assessed by the Nomination and Remuneration Committee.

medmix strives for transparency in relation to pay for performance. However, further disclosure of financial and individual objectives may create a competitive disadvantage to the company because it renders sensitive insights into medmix' strategy. To ensure transparency while avoiding competitive risk, medmix provides a general performance assessment for each financial objective as well as the aggregated individual performance at the end of the performance cycle.

### Payout from the performance bonus plan 2023

Due to operational challenges in financial year 2023, the level of payouts from the performance bonus plan is at 49.2%. For financial year 2022 it was 104% for the CEO and 100% as average of the other members of Executive Committee. The final payout amount of the performance bonus 2023 is based on the total target achievement and the target bonus amount. The total target achievement is calculated by taking the sum of the target achievement of the financial objectives and the individual objectives multiplied with their respective weighting. The payout from the performance bonus plan 2023 can be summarized as follows:

### Performance bonus plan 2023: Summary

	Target bonus amount	Target achievement		Total	Payout amount
		Financial objectives (weighting 70%)	Individual objectives (weighting 30%)		
<b>thousands of CHF</b>					
Girts Cimermans, CEO	440	27.4%	100%	49.2%	216
Other members of the Executive Committee	388	27.4%	100%	49.2%	191

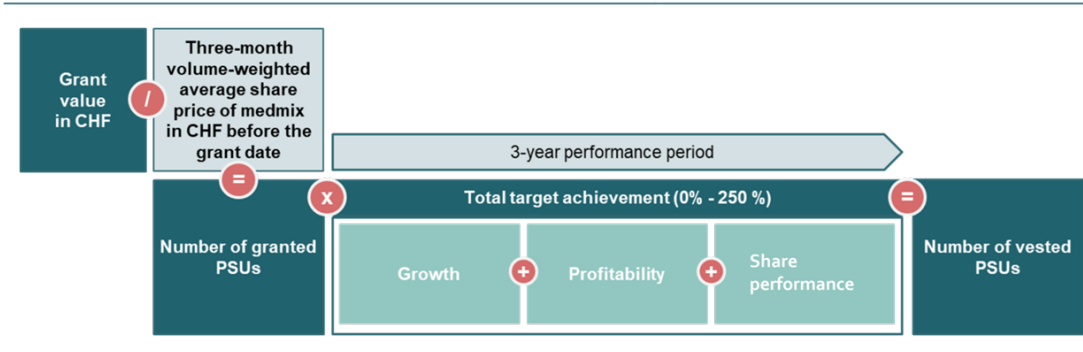
### Long-term variable compensation

#### General functionality of the medmix performance share plan

Members of the Executive Committee and other selected employees are eligible to participate in a long-term variable compensation component, called a performance share plan (PSP). The PSP consists of rolling annual plans, which allows the Board of Directors to review and adjust the terms and targets on an annual basis.

The PSP incentivizes long-term shareholder orientation and value creation and aligns the interests of the participants with those of the shareholders by delivering a substantial portion of the compensation as company equity. This underlines the focus of medmix on pay for performance and sustainable growth, with a long-term perspective and additional retention effect on employees.

### Functionality of the medmix Performance Share Plan



The grant value is determined based on the level of the executive’s role and amounts to CHF 550’000 for the CEO and to between CHF 130’000 and CHF 160’000 (determined by the Board of Directors) for the other members of the Executive Committee. The number of PSUs granted is calculated by dividing the individual grant value by the three-month volume-weighted average share price of medmix before the grant date, rounded up to the next full number of PSUs.

PSUs are conditional awards to receive a certain number of shares after the performance period. Until the actual transfer of shares, PSUs do not constitute any shareholder rights (voting, dividend, etc.).

#### Relevant objectives

The vesting of PSUs is subject to the achievement of pre-determined performance conditions. The objectives are linked to medmix’ strategy. To support this, they are chosen to provide different incentives for profitable growth and shareholder value creation. The key performance criteria are measured over a 3-year performance period and consist of:

- Growth: measured by the revenue of medmix based on the consolidated financial statements, weighted with 30%.
- Profitability: measured by the adjusted EBITDA margin, weighted with 30%.
- Share performance: measured by the relative share price development in comparison to the Swiss Performance Index excluding dividends, weighted with 40%.

For each performance condition of the PSP, a threshold, target and cap performance level is determined, which in turn determines the achievement factor.

For growth and profitability, the thresholds, targets and cap performance levels are determined as follows:

Level of performance	Achievement factor
Below threshold	0%
Threshold	50%
Target	100%
Cap	250%
Points in between	Linear interpolation



For share performance in comparison to the Swiss Performance Index of the PSP, the threshold, target and cap performance level is determined as the following:

Level of performance	Achievement factor
≤ Threshold	0%
Target	100%
Cap	250%

The number of vested PSUs will be determined by multiplying the number of originally granted PSUs by the total achievement factor, rounded up to the next full number of vested PSUs. For each vested PSU, one share will be transferred to the individual's securities account on the share delivery date.

In case of termination of employment, the following provisions apply:

Type of termination	Provision
By the employer for cause	All relevant outstanding PSUs, whether vested or not, shall lapse immediately on the notice date without any compensation.
As a result of retirement	Outstanding PSUs shall continue unchanged.
Any other reason	The number of outstanding PSUs shall remain unchanged, where the number of outstanding PSUs that continue to be eligible for vesting shall be prorated and the effective total achievement factor shall be applied after expiry of the full performance period.

Upon the occurrence of a change of control, the number of outstanding PSUs shall be prorated and vest immediately.

Based on the grant values for the members of the Executive Committee, the following number of PSUs were granted in financial year 2023:

	Grant value	Three-month volume-weighted average share price of medmix before the grant date	Number of PSUs granted
Girts Cimermans	550'000	17.85	30'813
Jennifer Dean	160'000	17.85	8'964
Itee Sapathy	130'000	17.85	7'283
Xavier Schops <sup>1)</sup>	n/a	-	-

1) no grants in 2023 as Executive Committee member, received PSP for his previous function

## Contractual arrangements

### Service contracts

The employment contracts of the Executive Committee are of undetermined duration and have a maximum notice period of 12 months. Members of the Executive Committee are not entitled to any impermissible severance or change of control payments. The employment contracts of the Executive Committee may include non-compete agreements with a time limit of one year and with a maximum total compensation not to exceed the last total annual target compensation such member was entitled to prior to termination and in no event to exceed the average of the compensation of the last three financial years.

### Shareholding requirements

Shareholding requirements for members of the Executive Committee were introduced in 2022. According to these share ownership guidelines (SOG), the members of the Executive Committee are obliged to hold part of their shares until the end of their service period. The value of the shares to be held is set at 200% of the annual gross base salary for the CEO and 100% of the annual gross base salary for the other members of the Executive Committee.

Function	Shareholding requirement in % of base salary
CEO	200%
Other Executive Committee members	100%

### Malus and clawback

The Board of Directors may determine that long-term variable compensation is forfeited in full or in part (malus) or that a vested award will be recovered in full or in part (clawback) in situations of material misstatement of the financial results, an error in assessing a performance condition or in the information or assumptions on which the award was granted or vested, serious reputational damage to the company, gross negligence, or willful misconduct on the part of the participant. Since 2022, the clawback clause was extended to cover performance bonus payments, whereby medmix may recover in full or in part any relevant bonus compensation from Executive Committee members in situations of material misstatement of the financial results, an error in assessing a performance condition or gross misconduct of the participant.

# Compensation of the Executive Committee for 2023

The following table discloses the actual compensation paid to the members of the Executive Committee in detail for financial year 2023 while performing services for medmix.

	2023						
	Cash compensation					Deferred compensation based on future performance	
thousands of CHF	Base salary	Bonus <sup>2)</sup>	Other <sup>3)</sup>	Pension and social security contributions <sup>4)</sup>	Total cash-based compensation	Estimated value of share-based grant under the Performance Share Plan (PSP) <sup>5)</sup>	Total (incl. conditional share-based grant)
thereof highest single compensation G. Cimmermans, CEO	550	216	25	277	1'068	698	1'765
<b>Total Executive Committee<sup>1)</sup></b>	<b>1'325</b>	<b>407</b>	<b>29</b>	<b>623</b>	<b>2'383</b>	<b>1'065</b>	<b>3'449</b>

	2022						
	Cash compensation					Deferred compensation based on future performance	
thousands of CHF	Base salary	Bonus	Other	Pension and social security contributions <sup>4)</sup>	Total cash-based compensation	Estimated value of share-based grant under the Performance Share Plan (PSP) <sup>6)</sup>	Total (incl. conditional share-based grant)
thereof highest single compensation G. Cimmermans, CEO	550	458	27	331	1'366	1'114	2'480
<b>Total Executive Committee</b>	<b>1'270</b>	<b>818</b>	<b>31</b>	<b>676</b>	<b>2'795</b>	<b>1'575</b>	<b>4'370</b>

1) The total Executive Committee compensation for 2023 includes the compensation of Xavier Schops, Executive Committee member since November 1, 2023, excluding the PSP grant as Executive Committee member, which will take place in 2024.

2) Expected bonus for the performance years 2023, to be paid out in the following year (accrual principle).

3) Other consists of child, schooling allowances, insurance allowances and tax services.

4) Includes the employer contribution to social security.

5) Represents the full fair value of the PSUs granted under PSP 2023. Grant price was CHF 17.85 (three-month volume weighted average share price) and the fair value was CHF 22.64 based on a third-party calculation.

6) Represents the full fair value of the PSUs granted under PSP 2022. Grant price was CHF 31.81 (three-month volume weighted average share price) and the fair value was CHF 33.87 based on a third-party calculation.

The total compensation of kCHF 3'449 awarded to the members of the Executive Committee for the financial year 2023 is within the maximum aggregate compensation amount of kCHF 8'500 that was approved by the shareholders at the 2022 AGM for financial year 2023.

No severance payments to members of the Executive Committee were made during the reporting year and the prior year. As of December 31, 2023 and 2022, respectively, there were no outstanding loans or credits granted to the members of the Executive Committee or former members of the Executive Committee. In 2023 and 2022, respectively, no compensation, loans or credits were granted to former members of the Executive Committee or related parties.

# Compensation architecture for the Board of Directors

The compensation of the Board of Directors is fixed and does not contain any performance-based variable component. This ensures that the Board of Directors is truly independent in fulfilling its supervisory duties towards the Executive Committee.

The compensation of the Board of Directors is governed by a compensation regulation, is reviewed by the Nomination and Remuneration Committee annually and, if necessary, adjusted by a decision of the full Board of Directors based on a proposal by the Nomination and Remuneration Committee.

The compensation of the Board of Directors consists of a fixed cash component and a restricted share unit (RSU) component with a fixed grant value. The fixed grant value equals 50% of the Board fees (total amount, including the basic fees as well as any additional fees but excluding any lump-sum expenses) while the other 50% are paid out in cash. Each RSU represents a right to receive a medmix share free of charge after a certain period, as further detailed below. Further, members of the Board of Directors are entitled to a lump sum to cover business expenses. In addition to the lump-sum amounts, members of the Board of Directors living abroad will be reimbursed for any expenses incurred in connection with the travel for the attendance of Board meetings.

The ongoing compensation structure and amounts for the members of the Board of Directors are described in the table below:

## Compensation structure of the Board of Directors <sup>1)</sup>

thousands of CHF	Cash component	Grant value of restricted share units	Lump-sum expenses
Base fee for Board chairmanship <sup>2)</sup>	150	150	10
Base fee for Board membership	60	60	5
<b>Additional committee fees:</b>			
Committee chairmanship	12.5	12.5	
Committee membership	5	5	

1) Compensation for the period of service (from AGM to AGM).

2) The Chairman of the Board of Directors does not receive additional remuneration for committee activities.

The RSU component strengthens the long-term alignment of the interests of the Board of Directors with those of the shareholders. To reinforce the focus of the Board of Directors on the long-term strategy and to strengthen its independence from the Executive.

Committee, the compensation of the Board of Directors contains no performance-related elements and members of the Board of Directors are not entitled to pension benefits.

The amount of compensation for the Chairman and for the other members of the Board of Directors is determined based on the relevant compensation benchmarks. The compensation reflects the responsibility and complexity of their respective function, the professional and personal requirements placed on them, and the expected time required to fulfill their duties.

The members of the Board of Directors are remunerated for their service during their term of office (from one AGM to the next AGM). The cash compensation is paid in quarterly installments for the members of the Board of Directors; the expense lump-sum is paid out typically in December and the RSUs are granted once a year.

The number of RSUs is determined by dividing the fixed grant value by the volume-weighted average share price of the last three weeks prior to the grant date ("grant reference price").

One-third of the RSUs each vest after the first, second and third anniversary of the grant date respectively.

The following table summarizes the awarded RSUs as well as the corresponding grant reference price and the corresponding vesting schedule of the awarded RSUs:

### RSUs for the Board of Directors

thousands of CHF	Grant value	Grant reference price	Number of awarded RSUs	Vested RSUs		
				2024	2025	2026
Rob ten Hoedt, Chairman	150	21.57	6'954	1/3	1/3	1/3
Barbara Angehrn	65	21.57	3'014	1/3	1/3	1/3
Daniel O. Flammer	65	21.57	3'014	1/3	1/3	1/3
David Metzger	65	21.57	3'014	1/3	1/3	1/3
Greg Poux-Guillaume	60	21.57	2'782	1/3	1/3	1/3
Marco Musetti	73	21.57	3'361	1/3	1/3	1/3
René Willi	65	21.57	3'014	1/3	1/3	1/3
<b>Board of Directors Total</b>	<b>543</b>		<b>25'153</b>			

# Compensation of the Board of Directors for 2023

The following table discloses the compensation paid to the members of the Board of Directors for financial year 2023 while performing services for medmix:

	2023			
thousands of CHF	Cash fees	Restricted share unit (RSU) plan <sup>3)</sup>	Social security contributions <sup>5)</sup>	Total
Rob ten Hoedt, Chairman <sup>2)</sup>	131	150	21	302
Barbara Angehrn <sup>2)</sup>	70	65	11	146
Daniel O. Flammer <sup>2)</sup>	70	65	11	146
David Metzger <sup>2)</sup>	68	65	11	144
Greg Poux-Guillaume <sup>1)</sup>	95	60	12	167
Marco Musetti <sup>1)</sup>	78	73	12	163
René Willi <sup>2)</sup>	70	65	11	146
<b>Board of Directors</b>	<b>582</b>	<b>543</b>	<b>89</b>	<b>1'214</b>

The following table discloses the compensation paid to the members of the Board of Directors for financial year 2022 while performing services for medmix:

	2022			
thousands of CHF	Cash fees	Restricted share unit (RSU) plan <sup>4)</sup>	Social security contributions <sup>5)</sup>	Total
Greg Poux-Guillaume, Chairman <sup>1)</sup>	150	150	23	323
Barbara Angehrn <sup>2)</sup>	49	65	9	123
Daniel O. Flammer <sup>2)</sup>	49	65	9	123
David Metzger <sup>2)</sup>	45	60	8	113
Marco Musetti <sup>1)</sup>	74	73	12	159
René Willi <sup>2)</sup>	49	65	9	123
Rob ten Hoedt <sup>2)</sup>	54	73	10	137
Jill Lee <sup>6)</sup>	19	0	2	21
<b>Board of Directors</b>	<b>489</b>	<b>551</b>	<b>82</b>	<b>1'122</b>

1) Member of the Board of Directors since September 20, 2021.

2) Member of the Board of Directors since April 12, 2022.

3) RSU awards granted in 2023. Grant price was CHF 21.57 (three-month volume weighted average share price) and fair value was CHF 20.65.

4) RSU awards granted in 2022. Grant price was CHF 32.74 (three-month volume weighted average share price) and fair value was CHF 32.08.

5) The amount includes mandatory social security contributions on the cash fees and estimated contributions on the RSU (based on their fair value at grant) paid by the company on behalf of the Board members.

6) Member of the Board of Directors from September 20, 2021 to April 12, 2022.

As of December 31, 2023 and 2022, respectively, there were no outstanding loans or credits granted to the members of the Board of Directors, former members of the Board of Directors or related parties. In 2023 and 2022, respectively, no compensation, loans or credits were granted to former members of the Board of Directors or related parties.



## Reconciliation between the reported board compensation and the amount approved by the shareholders at AGM

At the AGM 2023, shareholders approved a maximum aggregate compensation amount of CHF 1'500'000 for the Board of Directors for the period of office from the 2023 AGM until the end of the 2024 AGM. The table below shows the reconciliation between the compensation that was/will be paid out for the periods of office and the maximum aggregate compensation amounts approved by the shareholders.

thousands of CHF	Compensation earned during financial year as reported (A)	Less compensation earned from Jan to AGM of financial year (B)	Plus compensation accrued from Jan to AGM of year following financial year (C)	Total compensation earned for the period from AGM to AGM of medmix (A-B+C)	Amount approved by shareholders at respective AGM	Ratio between compensation earned for the period from AGM to AGM versus amount approved by shareholders
2023 AGM - 2024 AGM	2023	January 01, 2023 to 2023 AGM medmix	January 01, 2024 to 2024 AGM medmix	2023 AGM to 2024 AGM	2023 AGM	2023 AGM
<b>Board of Directors Total</b>	<b>1'214</b>	<b>202</b>	<b>197</b>	<b>1'208</b>	<b>1'500</b>	<b>80.6%</b>
2022 AGM - 2023 AGM	2022	January 01, 2022 to 2022 AGM medmix	January 01, 2023 to 2023 AGM medmix	2022 AGM to 2023 AGM	2022 AGM	2022 AGM
<b>Board of Directors Total</b>	<b>1'122</b>	<b>82</b>	<b>150</b>	<b>1'188</b>	<b>1'500</b>	<b>79.2%</b>

# Shareholdings

## Shareholdings of members of the Executive Committee

As of the end of financial year 2023, the members of the Executive Committee held the following shares and performance share units in the company:

Shareholdings at December 31, 2023	medmix shares	Performance share units (PSU) 2023	Performance share units (PSU) 2022 <sup>1)</sup>
Girts Cimermans	7'000	30'813	35'010
Jennifer Dean	1'976	8'964	10'001
Itee Satpathy	0	7'283	3'838
Xavier Schops <sup>2)</sup>	950	5'603	1'125

As of the end of financial year 2022, the members of the Executive Committee held the following shares and performance share units in the company:

Shareholdings at December 31, 2022	medmix shares	Performance share units (PSU) 2022 <sup>1)</sup>
Girts Cimermans	5'000	35'010
Jennifer Dean	1'976	10'001
Itee Satpathy	0	3'838

1) 2022 PSU included compensation adjustment for Sulzer PSP

2) Listing 2022 and 2023 PSP grants including before EC membership

## Shareholdings of the Board of Directors

As of the end of 2023, the members of the Board of Directors held the following shares and restricted share units in the company:

<b>Shareholdings at December 31, 2023</b>	medmix shares	Restricted share units (RSU)	<b>Total share awards and shares</b>
Rob ten Hoedt, Chairman	690	8'430	9'120
Barbara Angehrn	619	4'337	4'956
Daniel O. Flammer	619	4'337	4'956
David Metzger	1'571	4'236	5'807
Greg Poux-Guillaume	45'596	6'439	52'035
Marco Musetti	13'039	5'149	18'188
René Willi	619	4'337	4'956

As of the end of 2022, the members of the Board of Directors held the following shares and restricted share units in the company:

<b>Shareholdings at December 31, 2022</b>	medmix shares	Restricted share units (RSU)	<b>Total share awards and shares</b>
Greg Poux-Guillaume, Chairman	43'603	5'787	49'390
Barbara Angehrn	0	1'985	1'985
Daniel O. Flammer	0	1'985	1'985
David Metzger	0	1'833	1'833
Marco Musetti	12'057	2'838	14'895
René Willi	0	1'985	1'985
Rob ten Hoedt	0	2'214	2'214



# Report of the Statutory Auditor

To the General Meeting of medmix Ltd, Baar

## Report on the Audit of the Remuneration Report

### Opinion

We have audited the Remuneration Report of medmix Ltd (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the sections "Compensation of the Executive Committee for 2023", "Compensation of the Board of Directors for 2023", "Shareholdings" and "Activities in other organizations" of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Remuneration Report complies with Swiss law and the Company's articles of incorporation.

### Basis for Opinion

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

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

### Other Information

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

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

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

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

#### **Board of Directors' Responsibilities for the Remuneration Report**

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

#### **Auditor's Responsibilities for the Audit of the Remuneration Report**

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

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

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

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

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

KPMG AG



Simon Niklaus  
Licensed Audit Expert  
Auditor in Charge



Anita Benz  
Licensed Audit Expert

Zurich, 20 February 2024

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