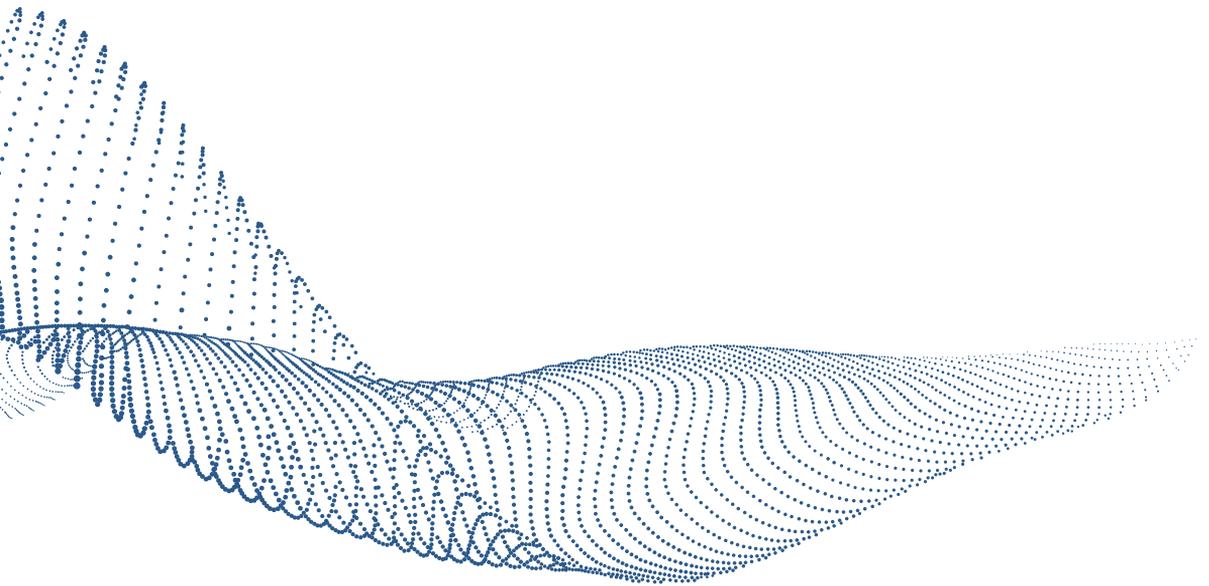




**INFICON**

Inspired by visions. Proven by success.



ANNUAL REPORT

**2023**

# Compensation Report

## Introduction

This Compensation Report describes the principles of remuneration at INFICON. The report is prepared in accordance with Art. 732 and the following of the Swiss Code of Obligations, entry into force January 1<sup>st</sup>, 2023. The report also follows the recommendations defined in Appendix 1 to the Swiss Code of Best Practice for Corporate Governance published by economiesuisse and complies with Chapter 5 of the Appendix to the SIX Swiss Exchange Guidelines concerning information on corporate governance. This compensation report is in line with the Articles of Incorporation. The Articles of Incorporation are available online at <https://ir.inficon.com/Corporate%20Governance/>

Unless indicated otherwise, all information refers to the financial year closed on December 31, 2023. In this Report, all share-based payments are calculated and disclosed with reference to the year of allotment (grant date). Shared based remuneration is calculated using fair value of the share at date of allotment. All other compensation is disclosed according to the accrual principle, i.e. the compensation is reported in the period (i.e. financial year) in which it is recorded in the financial statements.

## Compensation Highlights of the Board of Directors and Group Management

CHF 1,000	2023	2022
<b>Board of Directors</b>	<b>771</b>	<b>764</b>
	<b>800</b>	<b>800</b>
Number of members	<b>5</b>	<b>5</b>
<b>Group Management</b>	<b>1,556</b>	<b>2,278</b>
	<b>2,200</b>	<b>3,500</b>
Number of members	<b>2</b>	<b>2</b>

■ Actual compensation ■ Approved compensation AGM

## 1 Remuneration Policy

INFICON is a globally active Group. Its remuneration policy follows general market practices. It also considers the individual performance. This ensures the Group's ability to hire and retain the right talents. Individual remuneration corresponds to the scope of responsibilities, reflects the specific requirements of a position, the needed personal skills, the individual performance, and the Group's economic success. INFICON's remuneration policy is generally performance oriented and includes a variable component for all staff.

The Compensation and Human Resources Committee (hereinafter referred to as "CHR Committee") reviews the principles of the remuneration policy annually. Based on a proposal of CHR Committee, the Board of Directors decides on the level of compensation for the Members of the Board and Group Management annually, once the Board has received the audited financial results. The CHR Committee consists of three Members of the Board of Directors – currently Beat Siegrist (Chairman), Lukas Winkler and Dr. Reto Suter.

## 2 Board of Directors Compensation

The compensation to the members of the Board of Directors consists of a fixed yearly cash element that makes up 2/3 of the total compensation and a defined share allotment that accounts for 1/3 of the total compensation. The compensation includes contributions to the Swiss social security and unemployment insurance. The shares are subject to a 3-year mandatory holding period. The number of shares allotted is calculated based on the average share price on the fifth trading day following the Ordinary Annual General Meeting. The cash component of the remuneration is paid out to the Members of the Board of Directors on the basis of the term of office. The allocation of shares takes place five days after the Annual General Meeting for the following period of office.

# Compensation Report

## Board Compensation overview 2023

in TCHF	Annual Board fees	Cash 2/3	Shares 1/3 (*)
Board Chair	240.0	160.0	80.0
Chair AC Committee	120.0	80.0	40.0
Chair CHR Committee	120.0	80.0	40.0
Board Member	94.5	63.0	31.5

(\*) Shares at market value. Final amount of shares is subject to roundings.

Neither attendance fees nor flat rate expenses are paid. Direct incurred expenses such as e.g. for travel and accommodation are reimbursed.

The CHR Committee annually proposes the total compensation levels for the Chairman and the other Members of the Board. The CHR Committee bases its judgement on Committee Member's experience. If needed, the CHR Committee may use external compensation surveys and professional insights. The Board of Directors then deliberates on the level of the total compensation for the Members of the Board. The total amount of the compensation is finally proposed to the Ordinary Annual General Meeting for the term of office until the closing of the following Ordinary Annual General Meeting of Shareholders.

The total compensation paid to the Board of Directors conforms to conferred responsibilities and market conditions.

## 3 Compensation to Members of Group Management

Based on a proposal of the CHR Committee, the Board of Directors asks the Ordinary Annual General Meeting annually for the approval of the compensation for Group Management.

The CHR Committee bases its judgement on Committee Member's experience and, if deemed necessary, by external compensation benchmarks.

## Elements and structure of compensation

The compensation for the Members of Group Management consists of the following elements:

### Structure of Compensation 2023

Purpose	Element	Period
Base Salary	<b>Fixed compensation</b>	
	Cash	
	Car allowance	continuous,
Benefits	Social security insurance, pension plan	monthly
	<b>Variable compensation</b>	
Short-term goal achievement	1 Cash bonus	1 year
Long-term incentive	2 Compensation in shares	3 years

The compensation system for Members of Group Management is structured as follows:

	Fixed compensation	Variable compensation		Range
	Base salary	Cash bonus	Share plan	
		Target <sup>(1)</sup>	Target <sup>(1)</sup>	min-max <sup>(2)</sup>
CEO	100%	45%	45%	0–200%
Other members	100%	40%	40%	0–200%

(1) 100% target achievement, all percentages are based on base salary

(2) Total variable compensation (cash and shares) capped at 200% of annual base salary

# Compensation Report

## Variable compensation

The variable compensation reflects the individual performance and the Group's financial results.

The following table shows the key performance indicators and their respective weighting.

### Key performance indicators for the Group Management (as a percent of base salary)

	Weighting Chief Executive Officer	Weighting Group Management
Operating Income	72%	64%
Asset Management	4%	4%
Cost Control	4%	4%
Individual Performance	10%	8%
Total	90%	80%

The financial performance-based bonus depends on the annual results of operating income, asset management, and cost control, weighted for 72% for Group Management and 80% for the CEO. The financial performance-based bonus criteria must meet a certain minimum threshold for eligibility.

The individual performance goals, weighted 10% for the CEO respectively 8% for the Group Management, are based on individual performance objectives. These personal goals also include an objective related to our ESG (Environmental, Social and Governance) initiatives.

For Group Management Members, the total target variable compensation is at 80% of the base salary and 90% for the CEO. The total variable annual compensation is capped at 200% of the annual base cash compensation.

50% of the variable compensation is paid in cash (table "Structure of Compensation – 1 Cash bonus"). It serves as an incentive to achieve short-term goals.

Another 50% is provided by shares (table "Structure of Compensation – 2 Compensation in shares"). The variable share program is a long-term incentive and aims at establishing a long-term relationship with the enterprise in line with the shareholders' interests. These shares are subject to a three-year blocking period.

The composition and amount of the variable compensation are in accordance with the sector and labor market. They are periodically reviewed.

The Board of Directors – following preparation and recommendation by the CHR Committee – determines the metrics for the specific target bonus as well as the range between maximum and minimum variable compensation. The achievement levels of the financial performance goals are calculated based on the annual result after the closing of the financial year. The achievement levels of the individual performance are determined by the CHR Committee and the proposal is submitted to the Board of Directors.

The following table shows the 2023 performance indicators and achievements for the CEO.

### Key performance indicators and achievement for the CEO (as a percent of base salary)

	Target weighting	Achieved weighting
Operating Income	72.0%	90.2%
Asset Management	4.0%	2.2%
Cost Control	4.0%	5.9%
Individual Performance	10.0%	11.3%
Total	90.0%	109.6%

This achievement results in a total variable compensation of TCHF 439 for the CEO, 50% in cash and 50% in shares with a three year blocking period that are allotted in 2024.

The average share price on the fifth trading day following the Ordinary Annual General Meeting will serve as the calculation base to establish the number of shares. For the CFO, the base salary increased by 3% in 2023. The variable compensation was adjusted according to the financial performance and the individual performance goals.

# Compensation Report

## 4 Authority and Determination of Compensation

INFICON's CHR Committee acts as the relevant body in accordance with the Art. 733 of the Swiss Code of Obligation and its Articles of Incorporation.

The CHR Committee prepares the recommendations submitted to the Board of Directors for compensation for the Board of Directors and Group Management.

The CHR Committee consists of at least three members of the Board of Directors. They are elected by the Ordinary Annual General Meeting of the Shareholders for a term of office that runs until the end of the next Ordinary Annual General Meeting of the Shareholders. Re-election is allowed.

The CHR Committee constitutes itself. It appoints its chairperson from among its Members. The Board of Directors has issued rules on the organization and decision-making powers of the CHR Committee.

The CHR Committee has the following duties and competencies in particular to prepare and submit to the Board of Directors:

1. The determination of compensation principles for Group Management;
2. The total amounts of compensation for the Board of Directors and Group Management;
3. The fixed and variable compensation of Group Management;
4. Amendments and changes to the Articles of Incorporation in respect to the system of compensation.

The compensations of the Board of Directors and the fixed and variable compensations of Group Management are subject to approval by the Ordinary General Meeting of the Shareholders.

## 5 Severance Compensations

No severance payments have been contractually defined for members of the Board of Directors or the Group Management. For the financial year 2023 and 2022 no severance compensations were paid.

## 6 Employment Contracts

The Company may enter into fixed-term or open-ended employment contracts with the Members of the Group Management. Fixed-term employment contracts shall have a maximum duration of one year; a renewal is allowed.

The employment contracts for Members of Group Management stipulate no provision for unusually long notice periods or contract terms. Open-ended employment contracts for Members of Group Management have a notice period of a maximum of twelve months and make no provisions for unusually long notice periods or contracts terms.

Non-competition agreements are allowed. In compensation for such agreements, a compensation may be paid for a maximum of one year, not exceeding the affected Member's last annual salary and may in no case exceed the average compensation of the last three financial years.

# Compensation Report

## 7 Compensations to the Board of Directors and Group Management

The compensation to Members of the Board of Directors and the aggregate compensation to Group Management shown in the tables below are gross values and based on the accrual principle. Shared based remuneration is calculated using fair value of the shares at date of allotment.

### a) Compensations 2023

#### Board of Directors

CHF 1,000	Base compensation in cash	Compensation in shares	*Other compensation	Total compensation
Dr. Beat E. Lüthi Chairman	150	81	74	305
Dr. Richard Fischer (until March 2023) Vice Chairman	23	–	1	24
Vanessa Frey Member	62	32	7	101
Beat Siegrist Chairman of CHR Committee	79	40	9	128
Dr. Reto Suter Chairman of Audit Committee	79	40	9	128
Lukas Winkler (since March 2023) Member	47	32	6	85
<b>Total</b>	<b>440</b>	<b>225</b>	<b>106</b>	<b>771</b>
Approval by the Annual General Meeting 2023				800

\* Other remuneration comprise payments mainly related to social insurance contributions.

#### Group Management

CHF 1,000	Fixed compensation			Variable compensation			Total compensation
	Base salary	*Other compensation	Total	Cash bonus	Com-pensa-tion in shares	*Other compensation	
Oliver Wyrsch President and Chief Executive Officer	406	20	426	220	0	98	744
<b>Total</b>	<b>751</b>	<b>43</b>	<b>794</b>	<b>389</b>	<b>182</b>	<b>191</b>	<b>1,556</b>
Approval by the Annual General Meeting 2023							2,200

\* Other compensations comprise payments mainly related to social insurance contributions and car allowances.

### b) Compensations 2022

#### Board of Directors

CHF 1,000	Base compensation in cash	Compensation in shares	*Other compensation	Total compensation
Dr. Beat E. Lüthi Chairman	126	64	62	252
Dr. Richard Fischer Vice Chairman	94	47	8	149
Vanessa Frey Member	63	32	8	103
Beat Siegrist Chairman of CHR Committee	80	41	9	130
Dr. Reto Suter Chairman of Audit Committee	80	41	9	130
<b>Total</b>	<b>443</b>	<b>225</b>	<b>96</b>	<b>764</b>
Approval by the Annual General Meeting 2022				800

\* Other remuneration comprise payments mainly related to social insurance contributions.

#### Group Management

CHF 1,000	Fixed compensation			Variable compensation			Total compensation
	Base salary	*Other compensation	Total	Cash bonus	Com-pensa-tion in shares	*Other compensation	
Lukas Winkler President and Chief Executive Officer	455	20	475	150	393	460	1,403
<b>Total</b>	<b>790</b>	<b>42</b>	<b>832</b>	<b>260</b>	<b>630</b>	<b>556</b>	<b>2,278</b>
Approval by the Annual General Meeting 2022							3,500

\* Other compensations comprise payments mainly related to social insurance contributions and car allowances.  
The purchase for early retirement of the CEO amounted TCHF 306 in 2022.

The compensation to the Chairman increased by 21.0%. The compensation to the other Board Members remained unchanged, the role of Vice Chairman was abandoned and the total remuneration of the Board of Directors therefore remained stable overall. The shares have been granted for the current term of office until the next Ordinary Annual General Meeting of the Shareholders. The allotment occurs five trading days after the Ordinary Annual General Meeting of the Shareholders (grant date). The total amount of compensation of TCHF 771 compares to an amount of TCHF 800 approved by the Ordinary Annual General Meeting of Shareholders. The difference mainly reflects higher amounts reserved for potential employer contributions for social security and unemployment insurance as well as pension contributions.

# Compensation Report

The compensation to Group Management decreased by 31.7% compared with the previous year. The difference in total compensation between the year 2023 and 2022 mainly reflects changes in base compensation and variable performance-related compensation elements (cash bonus and compensation in shares) as well as the purchase into the pension fund for early retirement of the former CEO. The average share price on the fifth trading day after the Ordinary Annual General Meeting served as calculation base to establish the number of shares, which are allotted on July 1<sup>st</sup>. The variable compensation was adjusted according to the achievement of the financial and individual performance targets.

The total amount of compensation for Group Management of TCHF 1,556 compares to the maximum ceiling amount of TCHF 2,200 approved by the Ordinary Annual General Meeting of the Shareholders.

The differences reflect mainly two facts: The amounts reserved for the potential addition of further Members to Group Management as well as the amounts reserved for a potential disadvantage compensation have both not been required at all.

In 2023 the former CEO Lukas Winkler received a share compensation in the total amount of TCHF 1,682. Of these, shares in the amount of TCHF 1,500 relate to the long-term remuneration proposed to and approved by the Annual General Meeting held in 2019. The other shares in the amount of TCHF 182 relate to the variable compensation due for 2022.

In 2023 the average employee pay, including variable compensation and social security contributions reached TCHF 110.2 and in 2022 TCHF 111.6.

This compared to the total compensation of the CEO in the amount of TCHF 744 in 2023 represents a factor of 6.8x (after a factor of 13.3x in 2022).

## 8 Compensations for Former Members of Governing Bodies

There was no compensation to former members of the Board of Directors in 2023 and 2022.

## 9 Additional Fees and Remunerations

No additional fees or remunerations were paid to members of the Governing Bodies and their related parties in 2023 and 2022.

## 10 Loans to Members of Governing Bodies

No loans were granted to current or former members of governing bodies and their related parties during 2023 and 2022. No such loans were outstanding as of December 31, 2023 and December 31, 2022.

## 11 Shares owned by Group Management and Members of the Board of Directors, including any related Parties

	2023	2022
Board of Directors:		
Dr. Beat E. Lüthi, Chairman	1,642	1,554
Dr. Richard Fischer, Vice Chairman (until March 2023)	–	26,239
Vanessa Frey, Member*	208	173
Beat Siegrist, Member	14,738	15,694
Dr. Reto Suter, Member	126	82
Lukas Winkler, Member (since March 2023)	5,770	–
<b>Total Board of Directors</b>	<b>22,484</b>	<b>43,742</b>
Group Management		
Oliver Wyrsch, President & CEO (since 2023)	976	–
Lukas Winkler, President & CEO (until 2022)	–	4,396
Matthias Tröndle, Group CFO	469	657
<b>Total Group Management</b>	<b>1,445</b>	<b>5,053</b>

\* Vanessa Frey as part of the Frey family owns through KWE Beteiligungen AG 19.6% (2022: 19.6%) in INFICON HOLDING AG.

## 12 Comparable Functions of the Members of the Board of Directors and the Group Management

Dr. Beat E. Lüthi, Chairman of the Board of Directors  
Since 2007 CTC Analytics AG, CEO and  
Member of the Board  
Since 2021 Skan AG, Member

Vanessa Frey, Director, Member of the Audit Committee  
Since 2007 Corisol Holding AG, CEO  
Since 2002 Corisol Holding AG, Member  
Since 2008 Swiss Small Cap Invest, Member  
Since 2008 KWE Beteiligungen AG, Member  
Since 2014 Schweiter Technologies AG,  
Member  
Since 2018 Tata 1mg, Member  
Since 2023 Avilan Ocean Foundation,  
Chairwoman  
Since 2023 fit4future Foundation, Chairwoman

Beat Siegrist, Director, Member of the Audit Committee, Chairman of the Compensation and Human Resources Committee  
Since 2003 Phoenix Mecano AG, Member  
Since 2008 Schweiter Technologies AG,  
Member  
Since 2019 The Island Rum Company AS,  
Member  
Since 2022 Bomatec Holding AG, Member

Dr. Reto Suter, Director, Chairman of the Audit Committee, Member of the Compensation and Human Resources Committee  
Since 2017 Siegfried Holding AG, Switzerland,  
CFO

Lukas Winkler, Director, Member of the Compensation and Human Resources Committee  
Since 2018 Inovu Group AG, Member  
Since 2020 Avantama AG, Member

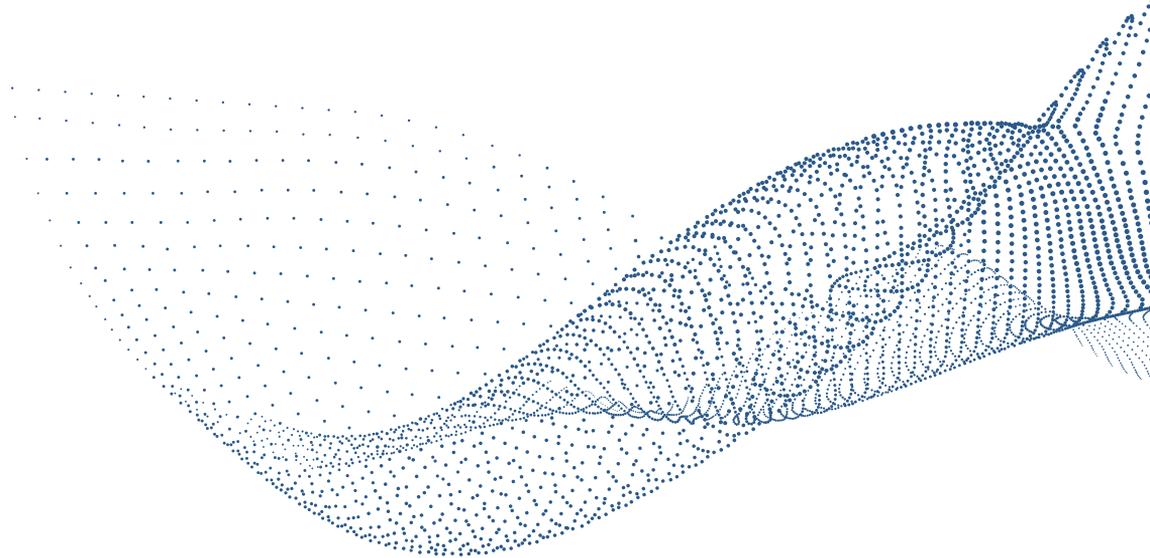
The members of the Group Management have no comparable functions.

## 13 Outlook changes in compensation system for 2024

In 2023, the incentive plans for Group Management were revised under the direction of the CHR Committee. As of 2024, the variable compensation will be in the form of a short-term incentive plan (STI) and a long-term incentive plan (LTI).

The STI is an annual cash bonus designed to reward for business performance. The STI is based on predefined performance objectives including operating income (weighted 80%) and strategic targets (weighted 20%). The STI payout can range from 0% to 200% of target and is capped at 100% of the fixed compensation.

The LTI is designed to foster the long-term success of the company. The LTI is awarded in the form of shares restricted for a period of three years and granted based on operating income (weighted 50%) and sales growth targets (weighted 50%) in the year prior to the grant. The LTI at grant is capped at 100% of the fixed compensation.



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