

Remuneration Report

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1. Introduction

The Remuneration Report provides an overview of Bellevue Group's compensation policy and stock ownership plans. It describes the method used to calculate compensation and provides detailed information on the compensation paid to the members of Board of Directors and the Group Executive Board in the 2021 financial year. The report presents the information shareholders need in order to make informed decisions regarding the votes on the compensation of the Board of Directors and the Group Executive Board at the Annual General Meeting 2022.

The content and scope of this Remuneration Report are based on Articles 13 to 16 of the Swiss Federal Ordinance Against Excessive Compensation in Listed Companies (VegÜV), Articles 663c (3) of the Swiss Code of Obligations (OR), the Directive on Information Relating to Corporate Governance (DCG) issued by the SIX Swiss Exchange, as well as the Swiss Code of Best Practice for Corporate Governance.

2. Compensation policy

2.1 Basic principles

The following basic compensation principles apply throughout Bellevue Group:

- The methods used to determine compensation for the Board of Directors and the Group Executive Board and for all Company employees are transparent, understandable, fair and reasonable.
- All pay packages are well balanced and take into consideration the operational and strategic responsibilities of each individual role as well as individual performance levels and the demands placed on each individual.
- Compensation is commensurate with the position held and should reflect individual achievement of specific quantitative as well as qualitative goals as well as the operating results of Bellevue Group and the relevant Group companies.
- Pay packages should be appropriate and competitive compared to the compensation offered by companies operating in the same field and labor market, and they must be sound and sustainable irrespective of the current course of business.
- Variable compensation will be reduced or forfeited in the event of serious violations of internal or external rules, regulations or the law (incl. ESG/sustainability).

All governing bodies and individuals at Bellevue Group with the authority to make decisions concerning compensation policies and payouts must abide by and uphold these basic compensation principles.

2.2 Pay-for-performance principle

The compensation system for Bellevue Group employees is conceived to motivate employees at all operating units to do excellent work. It is a compensation model based on «personal ownership» and merit system principles. In setting fixed salaries, a restrained policy prevails from a business point of view. On the other hand, variable compensation is offered under an attractive ownership-oriented profit-sharing plan. This profit-sharing plan is tied directly to Bellevue Group's operating results. Moreover, part of this bonus is paid in the form of restricted stock awards and shares of in-house products («we eat our own cooking»). This system is conducive to a culture of high performance with a long-term horizon.

3. Determination of compensations

3.1 Articles of Association

As required by the VegüV, the compensation system for the members of the Board of Directors and the Group Executive Board is presented in the Company's Articles of Association. They include the following provisions:

- Compensation paid to the Board of Directors that is subject to approval of shareholders at the Annual General Meeting (Art. 26)
- Compensation paid to the Group Executive Board that is subject to approval of shareholders at the Annual General Meeting (Art. 27)
- Basic principles of performance-based variable compensation (Art. 28)
- An additional amount of compensation for persons who are promoted or appointed to the Group Executive Board after the Annual General Meeting (Art. 29)
- Reimbursement of business expenses (Art. 30)
- Loans, credit lines and other benefits (Art. 31)

The provisions of the Articles of Association were formulated in general terms to give the Board of Directors the flexibility to adjust compensation levels, the compensation policy and employee stock ownership plans if and when necessary.

3.2 Compensation Committee

In accordance with the Company's Articles of Association and organizational regulations, the Compensation Committee supports the Board of Directors in the performance of its duties pertaining to compensation and personnel policy. These include:

- Formulation of compensation policy for the members of the Board of Directors and the Group Executive Board and presentation thereof to the Board of Directors for approval
- Monitoring of compliance with the compensation principles of Bellevue Group AG (the «Company») and Bellevue Group and advising and informing the Board of Directors on all matters relating to compensation policy and issues
- Presenting proposals regarding the maximum aggregate fixed compensation for the Board of Directors and the Group Executive Board and the aggregate variable compensation for the Board of Directors and the Group Executive Board that will subsequently be submitted to the Annual General Meeting for approval
- Presenting proposals to the Board of Directors regarding the approval of individual compensation paid to members of the Board of Directors and the Group Executive Board, subject to and based on the aggregate compensation approved by the Annual General Meeting
- Presenting proposals to the Board of Directors regarding changes to the Articles of Association concerning compensation policy that will be subsequently submitted to the Annual General Meeting for approval
- Preparation of the Remuneration Report and presentation thereof to the Board of Directors for approval
- Formulating bonus guidelines for variable compensation elements in accordance with the provisions of the Articles of Association and presentation of the bonus guidelines to the Board of Directors for approval

Power and authority regarding compensation matters:

Decision on	CEO	CompC	BOD	AGM
Compensation policy and guidelines	–	Proposal	Approval	–
Maximum total compensation of the Board of Directors	–	Proposal	Review	Approval
Individual compensation of the members of the Board of Directors	–	Proposal	Approval	–
Maximum total compensation of the Group Executive Board	–	Proposal	Review	Approval
Individual compensation of the CEO	–	Proposal	Approval	–
Individual compensation of the other members of the Group Executive Board	Proposal	Review	Approval	–
Remuneration Report	–	Proposal	Approval	–

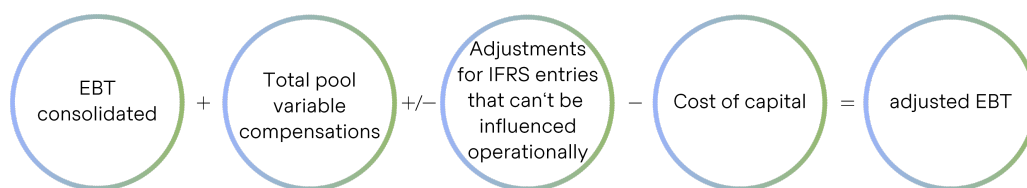
The Compensation Committee holds at least four meetings a year and consists exclusively of independent, non-executive Board members who are elected to one-year terms by shareholders at the Annual General Meeting. Katrin Wehr-Seiter (chair), Urs Schenker and Veit de Maddalena have been elected at the Annual General Meeting 2021 as members of the Compensation Committee. All members were present at every meeting during the period under review. In principle, all Compensation Committee members, the CEO, the CFO and the head of Human Resources attend the meetings of the Compensation Committee – unless their own compensation is being discussed. The committee chair may invite other employees to attend the meetings if necessary.

3.3 Say-on-pay

In accordance with the [Articles of Association](#) and the VegüV, the proposed compensation for the members of the Board of Directors and the Group Executive Committee is computed by Bellevue Group as an annual figure and submitted to a vote at the Annual General Meeting. If one or more compensation proposals are rejected at the Annual General Meeting, the Board of Directors may submit new proposals at the same Annual General Meeting. If it does not submit any new proposals or if these are likewise rejected, the Board of Directors may either convene an Extraordinary General Meeting or submit new aggregate compensation proposals at the next scheduled Annual General Meeting. The following table summarizes the results of shareholder votes on compensation matters at the last three Annual General Meetings:

	FOR votes AGM 2021	FOR votes AGM 2020	FOR votes AGM 2019
Maximum total amount of fixed compensation for the Board of Directors (prospective)	95.78%	94.79%	96.03%
Total amount of variable compensation for the Board of Directors (retrospective)	80.87%	83.42%	85.07%
Maximum total amount of fixed compensation and long-term variable compensation for the Group Executive Board (in part prospective)	97.86%	87.85%	88.45%
Total amount of short-term variable compensation for the Group Executive Board (retrospective)	84.20%	86.66%	87.42%

3.4 Pool for variable compensation



The basis for calculating Bellevue Group's variable compensation pool is adjusted consolidated earnings before taxes. It is derived by adding the total pool of variable compensations (share of profit) to the earnings before taxes (according to the audited IFRS financial statements), eliminating adjustments for IFRS entries that cannot be influenced operationally and by deducting the cost of capital employed. The interest rate for the cost of capital is determined annually by the Board of Directors. For the business year 2021 the rate amounted to 10% (2020: 10%). A fixed proportion of the adjusted consolidated earnings before taxes (total pool of variable compensation) is allocated to employees. This is understood to be the employee share of the Company's financial results.

The adjusted consolidated earnings before taxes is an important internal indicator of the performance of Bellevue Group and is considered by the Compensation Committee to be a reliable metric. It already reflects the effects of other key indicators such as the cost/income ratio and changes in AuM or net new money.

The Compensation Committee also prepares a qualitative performance review for the Group Executive Board. This covers issues such as conduct, leadership and corporate development.

The allocation of the total bonus pool among the subsidiaries is determined by taking into consideration the contribution of each operating unit and team to the bonus pool.

4. Compensation system framework

4.1 Board of Directors

4.1.1 Fixed compensation

Each member of the Board of Directors receives an equal amount of fixed compensation (exception: chairman), which is prospectively determined by the annual general meeting. The chairman is paid a higher amount of fixed compensation due to his additional duties in leading the Board of Directors and his function as a link between the Company's operational and strategic management. The amount of fixed compensation paid is determined at the Board's own discretion, in compliance with the general compensation principles (see section 2.1 above).

In addition to this base compensation, the members of the Board of Directors receive fees for services as directors on the boards of Group subsidiaries and associated companies, and for services on Board committees and as the chair of Board committees. The compensation system thus takes into account the responsibility and roles assigned to individual members of the Board of Directors.

The base compensation of every member of the Board of Directors is determined annually and paid out in cash on a quarterly basis. If a director leaves the board before their term of office expires, the fixed compensation will be calculated on a pro rata basis to the end of the quarter of separation.

4.1.2 Variable compensation

The variable compensation of the Board of Directors is based on performance criteria that support the achievement of the strategic goals of the Company, the Group or parts of the Group.

In the year under review, the variable compensation was determined at the Board's own discretion, in compliance with the general compensation principles (see section [2.1](#) above).

The variable compensation of the Board of Directors is paid in the form of shares of the Company, and are subject to a four-year lock-up period. The shares will be awarded only after the corresponding amount of compensation has been approved by shareholders at the Annual General Meeting.

4.1.3 Business expenses

Members of the Board of Directors do not receive fixed expense allowances; the actual expenses incurred are reimbursed.

4.1.4 Pension plan coverage

The members of the Board of Directors are not covered by the Company's pension plan.

4.1.5 Voluntary employee stock ownership plan

The Board of Directors occasionally offers voluntary employee stock ownership plans under which members of the Board of Directors may also be entitled to purchase Company shares at a discount to the given market price. The maximum discount on the date of the offer is 25%. The difference between the 10-day VWAP at the time the shares are transferred and the purchase price corresponds to the monetary benefit.

4.1.6 Advisory services

Subject to approval at the Annual General Meeting, members of the Board of Directors can be compensated in cash at standard market rates for advisory services benefiting the Company or a Group subsidiary that go beyond their duties and responsibilities as a director.

4.2 Group Executive Board

The components of compensation paid to the Group Executive Board are as follows:

Functions	Fixed compensation	Variable compensation			
	Criteria	Assessment criteria and distribution		Payout	
				in cash	in shares
Members of the Group Executive Board (CEOs of the operating units and CFO)	<ul style="list-style-type: none"> • Management/functional responsibility • Seniority • Regional location 	CEO Group	<ul style="list-style-type: none"> • Profit contribution of the directly managed operating unit • Individual performance assessment based on Group KPIs 	50%	50%
		Other CEOs of the operating units	<ul style="list-style-type: none"> • Profit contribution of the directly managed operating unit • Individual performance assessment 	50%	50%
		CFO Group	<ul style="list-style-type: none"> • Discretionary compensation based on market standards • Individual performance assessment 	50%	50%

4.2.1 Fixed compensation

The members of the Group Executive Board receive a fixed amount of base compensation that is determined annually for each financial year and that is partially prospectively approved by the Annual General Meeting. The payout is in cash. These amounts are determined individually at the Board's own discretion in compliance with the general compensation principles (see section 2.1 above), taking into account the duties and responsibilities assigned to each member of the Group Executive Board.

The fixed compensation for every financial year is subject to approval by shareholders at the Annual General Meeting, in a prospective vote to some extent.

4.2.2 Variable compensation (share of profit)

The variable compensation of the members of the Group Executive Board is based on a performance review, measured against goals and expectations that are fixed in advance annually. This process takes into account each individual's role, experience and personal performance as well as the market environment. The weighting of these elements is determined individually.

In addition, the variable compensation of the members of the Group Executive Board is part of the overall variable compensation that has been determined for the individual operating units for which the various Group Executive Board members are responsible and for the entire Company. Aggregate variable compensation is thus also aligned with the value each operating unit creates for Company shareholders.

However, the individual performance review process for the members of the Group Executive Board who are responsible for monitoring and control functions cannot include any components directly related to income items. Instead, the Board uses its discretion in determining the variable compensation for these individuals.

Variable compensation is basically structured and paid out as follows:

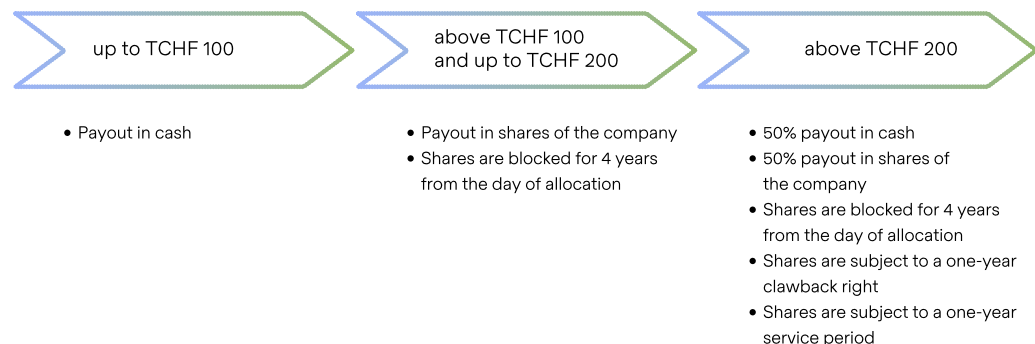
- Short-term variable compensation in cash
- Short-term variable compensation in the form of restricted shares
- Short-term variable compensation in the form of restricted shares with a vesting period and clawback provisions
- Other short-term variable compensation
- Long-term variable compensation

The structure of the variable compensation and the lock-up, vesting and clawback provisions are determined by the Board of Directors or its Compensation Committee, depending on the role and the amount of the designated individual variable compensation.

Variable compensation in the form of restricted shares is reported as short-term compensation despite the long-term nature of such compensation. This is because there are no stock option plans that confer a right to acquire shares of the Company; Company stock awards are exclusively direct grants of shares.

Short-term variable compensation components are subject to retrospective approval by the Annual General Meeting, while the long-term variable compensation components are partially subject to a prospective vote.

The following provisions apply with respect to the payment of short-term variable compensation:



Long-term variable compensation is paid out in shares.

4.2.3 Business expenses

Members of the Group Executive Board do not receive fixed expense allowances; the actual expenses incurred are reimbursed.

4.2.4 Pension plan coverage

The members of the Group Executive Board are enrolled in the standard pension plan offered to all employees in Switzerland. This pension plan only covers the base pay of all employees.

4.2.5 Long-term incentive plans at investment companies

BB Biotech AG and BB Healthcare Trust, Bellevue Group's investment companies, are independent companies listed on multiple stock exchanges and they are managed and overseen by their own independent Board of Directors. Among the requirements stipulated by the boards of these companies with respect to the investment teams at Bellevue Group that have been retained by these companies was the establishment of long-term incentive

plans that are in alignment with the expectations and interests of the shareholders of the investment companies.

Team members in the operating units who provide services related to mandates from the listed investment companies participate in employee stock ownership plans that have been set up in conjunction with the asset management mandates of BB Biotech AG and BB Healthcare Trust. Within the scope of these plans, some of the members of the Group Executive Board are entitled to receive a maximum number of shares in BB Biotech AG and/or BB Healthcare Trust. The actual number of shares awarded depends on various conditions. Awarded shares are subject to a three-year vesting period beginning on the date of grant. In addition, the actual number of shares distributed will depend on the achievement of certain performance targets over the subsequent three fiscal years in connection with the respective investment mandates. The maximum number of shares will be distributed only if the absolute performance of the respective mandates during the subsequent three years exceeds the mark of 10% p.a. and the relative performance of the respective mandates is better than that of the relevant indexes. There could be no entitlement to the maximum number of shares if the absolute performance of the respective investment mandates during the three-year period is less than 5% p.a. and does not exceed the performance of at least one of the relevant indexes.

The long-term incentive plans in place at the investment companies are treated as long-term variable compensation.

4.2.6 Voluntary employee stock ownership plan

The Board of Directors occasionally offers voluntary employee stock ownership plans under which all Company employees are entitled to purchase Company shares at a discount to the market price. The maximum discount on the date of the offer is 25%. The difference between the 10-day VWAP at the time the shares are transferred and the purchase price corresponds to the monetary benefit.

In essence, the voluntary employee stock ownership plans described above are not elements of the Company's compensation policy.

4.2.7 Employment conditions

Members of the Group Executive Board have permanent employment contracts with a notice period of three months. Members of the Group Executive Board are not entitled to severance pay.

4.3 Management and employees

Compensation components paid to management and other employees are as follows:

Functions	Fixed compensation	Variable compensation		Payout ¹⁾	
	Criteria	Assessment criteria and distribution		in cash	in shares ²⁾³⁾
Member of Executive Board of operating Units (excl. Lead PM)	<ul style="list-style-type: none"> • Specialization • Management/functional responsibility • Seniority • Regional location 	<ul style="list-style-type: none"> • Executive Board Members with monitoring and control functions: discretionary compensation based on market standards. • Individual performance assessment 		50%	50%
PM Teams	<ul style="list-style-type: none"> • Specialization • Management/functional responsibility • Seniority • Regional location 	Investment companies	<ul style="list-style-type: none"> • Base: net income from products • Zusatz: LTI with quantitative and qualitative KPIs (defined by BoD of investment company) • Team distribution defined by Lead PM 	50%	50%
		Funds & mandates	<ul style="list-style-type: none"> • Base: net income from products • Addition: relative outperformance against benchmark and peer group • Team distribution defined by Lead PM 	50%	50%
Other Management & Staff	<ul style="list-style-type: none"> • Specialization • Management/functional responsibility • Seniority • Regional location 	<ul style="list-style-type: none"> • Bandwidth based on functional responsibility and Seniority • Individual performance assessment 		50%	50%

¹⁾ For Swiss employees the first CHF 100 000 are paid out in cash. For amounts in excess of this, the 50/50 split comes into effect.

²⁾ Portfolio Managers have the choice between shares of the company or funds, which are managed by the team.

³⁾ Employees from foreign subsidiaries receive also this part in cash, with a one-year deferral.

As with the Group Executive Board, a restrained policy applies to the determination of fixed compensation for management and employees from an entrepreneurial point of view. For further details on the compensation system for middle management and other employees, please refer to section 4.2, as it does not differ from the compensation system in place for the Group Executive Board.

5. Board of Directors: Compensation, loans and stock ownership

5.1 Compensation

CHF	Veit de Maddalena	Daniel Sigg	Katrin Wehr-Seiter	Urs Schenker	Total
1.1. –31.12.2021					
Fixed compensation in cash	192 625	77 375	77 375	77 375	424 750
Fixed compensation in cash for services in committees	11 500	20 000	27 750	25 000	84 250
Fixed compensation in cash for services in subsidiaries and associated companies	22 500	53 341	10 500	12 000	98 341
Subtotal	226 625	150 716	115 625	114 375	607 341
Social insurance contributions on fixed compensation	–	–	–	8 930	8 930
Total fixed compensation	226 625	150 716	115 625	123 305	616 271
Variable compensation in restricted shares ¹⁾	36 000	36 000	36 000	36 000	144 000
Variable compensation in restricted and discounted shares from voluntary employee participation program ^{2) 3)}	19 242	–	38 484	38 484	96 210
Social insurance contributions on variable compensation	450	–	–	3 890	4 340
Total variable compensation	55 692	36 000	74 484	78 374	244 550
Total compensation	282 317	186 716	190 109	201 679	860 821

CHF	Veit de Maddalena	Daniel Sigg	Katrin Wehr-Seiter	Urs Schenker	Rupert Hengster ³⁾
1.1. –31.12.2020					
Fixed compensation in cash	196 250	81 250	81 250	81 250	21 250
Fixed compensation in cash for services in committees	10 000	22 500	21 750	22 750	3 750
Fixed compensation in cash for services in subsidiaries and associated companies	24 250	50 004	12 125	12 125	3 125
Subtotal	230 500	153 754	115 125	116 125	28 125
Social insurance contributions on fixed compensation	–	–	–	8 664	–
Total fixed compensation	230 500	153 754	115 125	124 789	28 125
Variable compensation in restricted shares ¹⁾	36 000	36 000	36 000	36 000	–
Variable compensation in restricted and discounted shares from voluntary employee participation program ^{2),3)}	16 457	–	16 457	16 457	–
Social insurance contributions on variable compensation	450	–	–	3 450	–
Total variable compensation	52 907	36 000	52 457	55 907	–
Total compensation	283 407	189 754	167 582	180 696	28 125

¹⁾ Compulsory employee contributions to social insurance plans on the amounts above were settled in cash, not in the form of shares.

²⁾ This is the amount of the monetary benefit which reflects the difference between the discounted purchase price and the 10-day VWAP for the effective share allocation.

³⁾ Rupert Hengster did not stand for reelection at the Annual General Meeting on March 24, 2020, and therefore stepped down from the Board of Directors as of that date.

In compliance with Art. 8 para. 1, section 1 of the Articles of Association, fixed compensation must be approved by the Annual General Meeting for the term of office extending to the next scheduled Annual General Meeting. Fixed compensation of CHF 661 000 (2019/2020: CHF 796 000) was approved for the period from the 2020 AGM to the 2021 AGM. The actual amount paid (including compulsory employer contributions to social insurance plans) for the aforementioned period was CHF 609 440 (2019/2020: CHF 782 719). For the period from 2021 AGM to the 2022 AGM an amount of CHF 618 000 was approved.

The reported variable compensation for the business year 2021 totaling CHF 244 550 must be approved by the 2022 Annual General Meeting in compliance with Art. 8 para. 1 section 2 of the Articles of Association.

Subject to approval, the payment of the variable compensation in restricted shares of CHF 144 000 (plus compulsory employer contributions to social insurance plans in the amount of CHF 3 000) will be made in the form of Company shares at fair value in the first half-year 2022. The fair value of the shares is calculated based on the volume-weighted average prices paid during a 10-day period preceding the respective date of transfer. The shares are blocked for a period of four years from the date of transfer.

In 2021 and 2020, the Board of Directors authorized a voluntary employee stock ownership plan. The members of the Board of Directors were allocated to purchase 10 000 shares (2020: 8 100 shares) of the Company from the given pool at a discounted price of CHF 31.75 per share (2020: CHF 17.65 per share). This represented a discount of approximately 25% on the quarterly VWAP prior to the date the purchase right was granted. The difference between the 10-day VWAP on the date the shares are actually transferred and the purchase price corresponds to the monetary benefit. This cash compensation is subject to the approval of shareholders at the AGM. The shares were blocked for three years from the date of transfer.

In fiscal year 2021, no amounts were paid for consulting services by members of the Board of Directors or related companies of the members of the Board of Directors (2020: CHF 0.1 million).

No compensation was paid to former members of the Board of Directors after their resignation in the 2021 financial year, nor in the preceding year.

The percentage ratio of fixed compensation to variable compensation for the entire Board of Directors is 72% fixed compensation and 28% variable compensation (2020: 77% fixed and 23% variable).

5.2 Loans

As of the end of 2021 and 2020, no loan had been granted either to members of the Board of Directors or to former members of the Board of Directors.

5.3 Holdings of shares in the Company

The number of shares in the Company held by the members of the Board of Directors at the end of 2021 and 2020 were as follows:

Number of shares	31.12.2021	31.12.2020
Veit de Maddalena, Chairman	304 579	291 664
Daniel Sigg, Member	50 760	39 845
Urs Schenker, Member	19 372	4 502
Kathrin Wehr-Seiter, Member	12 513	4 598

6. Group Executive Board: Compensation, loans and stock ownership

6.1 Goals and achievement of goals

For the 2021 financial year, the following goals were defined for the Group Executive Board and assessed by the Compensation Committee:

Quantitative targets		Assessment
KPIs	– Recurring revenue	outstanding performance
	– Assets under management	expected Performance
	– Cost-Income ratio	successful performance above expectation
	– Operating profit	outstanding performance
	– Return on equity	outstanding performance
Qualitative targets		
KPIs	– Performance quality of products	expected Performance
	– ESG	successful performance above expectation

In the overall evaluation, the performance of the Group Management is judged to be outstanding against the background of the very good Group result and the associated results in recurring earnings and return on equity. Particular mention should be made here of the Group's confident management through the uncertainties of the Covid 19 pandemic, which again this year presented additional challenges for the company and its employees. Bellevue Group's newly sharpened, focused business model as a specialized asset manager was successfully implemented and also anchored in a new branding. In addition, important strategic development steps were initiated. New product ideas were launched, the internationalization of the sales markets was further advanced with a first step towards Asia, and research methods were further developed with the help of artificial intelligence. The differentiated investment portfolio was expanded in the Private Markets segment with the launch of the Bellevue Entrepreneur Private Fund, while the integration of StarCapital AG into Bellevue Group is to be implemented in 2022. Great importance was attached to the path taken for the sustainable, value-oriented and responsible further development of the Group as well as its investment solutions, taking ESG criteria into account, and important milestones were achieved. For example, the first sustainability report was published and another sustainability-oriented investment solution, the Bellevue Sustainable Entrepreneur Europe Fund, was presented. The strengthening of the teams of investment experts with young, talented personalities is being driven forward, also with regard to diversity and inclusion.

6.2 Compensation

CHF	1.1. –31.12.2021		1.1. –31.12.2020	
	André Rüegg CEO ¹⁾	Total ²⁾	André Rüegg CEO ¹⁾	Total ³⁾
Fixed compensation in cash	350 000	890 000	313 542	1 051 042
Social insurance contributions ⁴⁾	93 501	234 190	82 183	267 585
Total fixed compensation	443 501	1 124 190	395 725	1 318 627
Short-term variable compensation (profit-based compensation)	1 600 000	2 900 000	1 200 000	2 495 000
– in shares	800 000	1 450 000	600 000	1 047 500
– of which in restricted shares ⁵⁾	100 000	300 000	100 000	300 000
– of which in restricted shares with a vesting period and clawback right provisions ^{5) 6)}	700 000	1 150 000	500 000	747 500
– in cash	800 000	1 450 000	600 000	1 447 500
Other short-term variable compensation	48 200	161 400	61 500	163 400
– in shares	48 200	161 400	61 500	163 400
– of which in restricted and discounted shares purchased through stock ownership plan ⁷⁾	48 200	161 400	61 500	163 400
Social insurance contributions ⁸⁾	106 016	194 405	79 040	169 630
Total short-term variable compensation	1 754 216	3 255 805	1 340 540	2 828 030
Long-term variable compensation	127 000	127 000	120 000	187 000
– in shares	127 000	127 000	120 000	187 000
– of which long-term incentive plans, investment companies ⁹⁾	127 000	127 000	120 000	187 000
Social insurance contributions ⁸⁾	9 100	9 100	8 700	13 500
Total long-term variable compensation	136 100	136 100	128 700	200 500
Total compensation	2 333 817	4 516 095	1 864 965	4 347 157

¹⁾ André Rüegg is the CEO of Bellevue Group AG and Bellevue Asset Management AG.

²⁾ As of December 31, 2021, the Group Executive Board consisted of André Rüegg, CEO and CEO Bellevue Asset Management AG, Michael Hutter, CFO, and Jan Kollros, CEO adbodmer AG and CEO Bellevue Private Markets AG.

³⁾ As of December 31, 2020, the Group Executive Board consisted of André Rüegg, CEO and CEO Bellevue Asset Management AG, Michael Hutter, CFO, and Jan Kollros, CEO adbodmer AG and CEO Bellevue Private Markets AG. Michael Hutter assumed the position of CFO from Patrik Gilli as of August 1, 2020. Patrik Gilli left the Group effective November 30, 2020. Thomas Pixner resigned from the Group Executive Board effective January 31, 2020, in connection with the divestment of Bank am Bellevue AG and officially separated from Bellevue Group on April 30, 2020.

⁴⁾ The social insurance contributions include compulsory employer contributions to social insurance plans, employer contributions to pension plans and employer contributions to health and accident insurance plans.

⁵⁾ All shares of the Company were or are valued at market value (volume-weighted average prices during the 10-day trading preceding the date of grant). Compulsory employee contributions to social insurance plans on these amounts were settled in cash, not in the form of shares.

⁶⁾ The shares are subject to a one-year service period and a one-year clawback right clause.

⁷⁾ This is the amount of the monetary benefit which reflects the difference between the discounted purchase price and the 10-day VWAP for the effective share allocation.

⁸⁾ The social insurance contributions include compulsory employer contributions to social insurance plans. With respect to variable compensation that has not yet been paid out, a prospective rate of 6.5% is used to calculate prospective employer contributions to social insurance plans and rounded up. The actual amount due (in the subsequent year) may be lower. Pension plan contributions are not levied on any components of variable compensation, which is not included in the respective insurance coverage.

⁹⁾ Entitlement to a maximum of 1 700 shares of BB Biotech (2020: 2 800 shares of BB Biotech), valued at fair value (closing price on 31.12.2020 and 31.12.2019, respectively).

In compliance with Art. 8 para. 1, section 1 of the Articles of Association, fixed compensation for the current financial year is subject to approval by the Annual General Meeting. Fixed compensation of CHF 1 166 500 (2020: CHF 1 488 500) was approved for the 2021 financial year. The actual payout for the aforementioned financial year (including compulsory employer contributions to social insurance plans) was CHF 1 124 190 (2020: CHF 1 318 627). The Group Executive Board has waived in the previous year 20% (CEO: 25%) of the fixed compensation from April 1, 2020, to August 31, 2020, due to the Corona pandemic.

The reported short-term variable compensation totaling CHF 3 255 805 must be approved by the 2022 Annual General Meeting in compliance with Art. 8 para. 1 section 4 of the Articles of Association.

Subject to approval, the variable compensation of CHF 3 255 805 will be paid out in the first half of 2022 in accordance with the explanations under 4.2.2. For the portion paid out in shares, the fair value of the shares is calculated based on the volume-weighted average prices paid during a 10-day period preceding the respective date of transfer. The shares are blocked for a period of four years (voluntary employee stock ownership plan three years) from the date of transfer.

The short-term variable compensation (profit-sharing) of the Group Executive Board was modified during the financial year for the following reasons:

- As a result of the very good operating performance of the company, the share of the employee profit-sharing described in 3.4 increased significantly compared to the previous year. The Group Executive Board has therefore also received a higher short-term variable compensation.
- The Board of Directors' assessment of the Group Executive Board under 6.1 supports this increase, as the Group Executive Board has performed very well in 2021. In particular huge progress was made in the area of ESG. For example, Bellevue Group will be Co2-neutral from 2021 on.

In 2021 and 2020, the Board of Directors authorized a voluntary employee stock ownership plan. The members of the Group Executive Board were allocated to purchase 16 755 shares (2020: 26 481 shares) of the Company from the given pool at a discounted price of CHF 31.75 per share (2020: 17.65 per share). This represented a discount of approximately 25% on the quarterly VWAP prior to the date the purchase right was granted. The difference between the 10-day VWAP on the date the shares are actually transferred and the purchase price corresponds to the monetary benefit. This benefit is subject to the approval of shareholders at the pending Annual General Meeting. The shares were blocked for three years from the date of transfer.

The percentage ratio of fixed compensation to variable compensation for the entire Group Executive Board is 25% fixed compensation and 75% variable compensation (2020: 30% fix and 70% variable). For the CEO, the total amount of fixed compensation amounts to 19% and the variable compensation is 81% (2019: 21 fix and 79% variable).

Bellevue Asset Management AG regularly reviews the accrued vacation entitlements of its employees from previous periods. From time to time, larger balances are partially settled by cash payments. In fiscal year 2020, André Rüegg, CEO, was paid CHF 28 832 in addition to the above-mentioned amounts as partial settlement of vacation entitlements.

The values in the table above differ in certain respects from the Remuneration Reported in note 11 «Transactions with related companies and persons» of the consolidated financial statements 2021 of Bellevue Group AG, which were prepared in accordance with the International Financial Reporting Standards (IFRS). The differences relate to the valuation date of stock awards in connection with the bonus and the individual long-term incentive

plans, which are subject to service period conditions. Under IFRS, their value is spread over the future vesting period («service period»), but for the purposes of this report, the amount granted is fully recognized on the date of grant.

During the reporting year, no compensation was paid to related parties of members of the Group Executive Board.

For the months of January and February 2020, CHF 50 000 was paid to Daniel Koller, the former CFO of the Company and a member of the Group Executive Group, as compensation for a one-year non-competition clause, in accordance with Art. 33 para. 4 of the [Articles of Association](#). This compensation was agreed in a severance and release agreement. Daniel Koller left Bellevue Group as of February 28, 2019.

6.3 Loans

At the end of 2021 and 2020, no loans had been granted either to the members of the Group Executive Board or former members of the Group Executive Board.

6.4 Holdings of shares in the Company

The members of the Group Executive Board owned the following Company shares at the end of 2021 and 2020:

Number of shares	31.12.2021	31.12.2020
André Rüegg, CEO and CEO Bellevue Asset Management AG	289 982	320 000
Michael Hutter, CFO	80 000	80 000
Jan Kollros, CEO Bellevue Private Markets AG and CEO adbodmer AG	72 603	60 000

7. Compensation of the Board of Directors and Executive Board subject to approval at the Annual General Meeting in 2022

7.1 Approval of maximum total fixed compensation for the Board of Directors

The Board of Directors has made no adjustments to the fixed compensation paid with respect to the Board's roles, paid for service on committees of the Board and for activities performed on behalf of Group subsidiaries.

The following compensation is therefore proposed:

- Maximum fixed compensation in cash of CHF 423 000;
- Maximum fixed compensation in cash of CHF 87 000 for members of Board committees;
- Maximum fixed compensation in cash of CHF 99 000 for services rendered on behalf of subsidiaries and associated companies.

Compulsory employer contributions to social insurance schemes will be paid on the proposed amounts, resulting in a maximum additional cost of CHF 9 000.

The Board of Directors proposes the approval of maximum aggregate fixed compensation of CHF 618 000 (previous year: CHF 618 000) for the Board of Directors for the period until the conclusion of the next Annual General Meeting.

7.2 Approval of the maximum total variable compensation for the Board of Directors

The calculation of the variable compensation for the Board of Directors is described in section [4.1](#) and disclosed in section [5.1](#).

The Board of Directors proposes the approval of maximum aggregate variable compensation of CHF 244 550 (2020: CHF 198 000) for the Board of Directors for the 2021 financial year.

7.3 Approval of the maximum total fixed compensation and long-term variable compensation for the Group Executive Board

The Board of Directors reviewed the fixed compensation paid to the Group Executive Board and did not change the amount of base compensation paid to the Board's current members compared to the previous year. Total fixed compensation amounts to CHF 920 000.

Compulsory employer contributions to social insurance and other insurance schemes and to pension plans will be paid on the proposed compensation, resulting in a maximum additional cost of CHF 255 000. The proposed amount of fixed compensation for the Group Executive Board for the 2022 financial year is thus CHF 1 175 000 (2021: CHF 1 166 500).

The CEO of the Group participates in an employee stock option program, which exists in connection with the asset management mandate of BB Biotech AG. For 2022, he receives a maximum entitlement of 1 700 shares of BB Biotech AG. Based on the closing price as of December 31, 2021, this corresponds to a maximum compensation of CHF 131 200 plus statutory social security of CHF 9 800, resulting in a maximum total amount of CHF 141 000 (2021: CHF 136 100).

The Board of Directors proposes the approval of a maximum total amount of the fixed as well as long-term variable compensation and long-term variable of CHF 1 316 000 (2021: CHF 1 302 600) for the Group Executive Board for the 2022 financial year.

7.4 Approval of the total short-term variable compensation for the Group Executive Board

The components and the calculation of the variable compensation for the Group Executive Board are described in section [4.2](#) and disclosed in section [6.2](#).

The Board of Directors proposes the approval of maximum aggregate short-term variable compensation of CHF 3 255 805 (2020: CHF 2 828 030) for the Group Executive Board for the 2021 financial year.

Report of the statutory auditor to the general meeting of Bellevue Group AG Küsnacht

We have audited the remuneration report of Bellevue Group AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the remuneration report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

Opinion

In our opinion, the remuneration report of Bellevue Group AG for the year ended 31 December 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Philippe Bingert

Audit expert
Auditor in charge

Roland Holl

Audit expert

Zurich, 25. February 2022

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