

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 2022 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 2023.

The content and scope of this Remuneration Report are based on Articles 734 et seq. of the Swiss Code of Obligations (SCO), 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. The compensation report thus contains the information required by Art. 734 et seq. SCO and therefore also covers the requirements of the Ordinance against Excessive Compensation in listed companies (OEC), which will cease to apply on January 1, 2023.

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 OR, the compensation system for the members of the Board of Directors and the Group Executive Board is presented in the Company's current 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 are 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	–

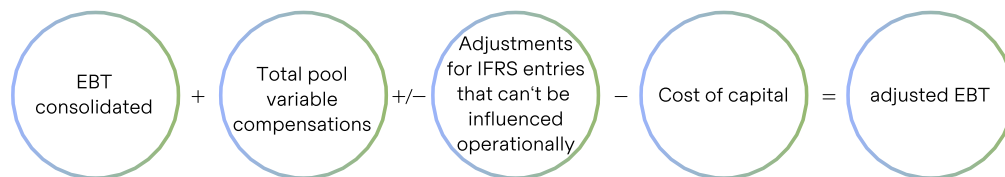
The Compensation Committee holds at least four meetings a year and consists exclusively of independent, non-executive Board members who are elected to one-year terms by shareholders at the Annual General Meeting. Katrin Wehr-Seiter (chair), Urs Schenker and Veit de Maddalena have been elected at the Annual General Meeting 2022 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 SCO (or formerly OEC), 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 2022	FOR votes AGM 2021	FOR votes AGM 2020
Maximum total amount of fixed compensation for the Board of Directors (prospective)	97.44%	95.78%	94.79%
Total amount of variable compensation for the Board of Directors (retrospective)	81.35%	80.87%	83.42%
Maximum total amount of fixed compensation and long-term variable compensation for the Group Executive Board (in part prospective)	88.62%	97.86%	87.85%
Total amount of short-term variable compensation for the Group Executive Board (retrospective)	86.09%	84.20%	86.66%

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 2022 the rate amounted to 10% (2021: 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.

The Board of Directors proposes to the Annual General Meeting an amendment to the Articles of Incorporation and thus an adjustment of the compensation system according to which the members of the Board of Directors will no longer be paid variable compensation (see section [7.1](#) below).

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:

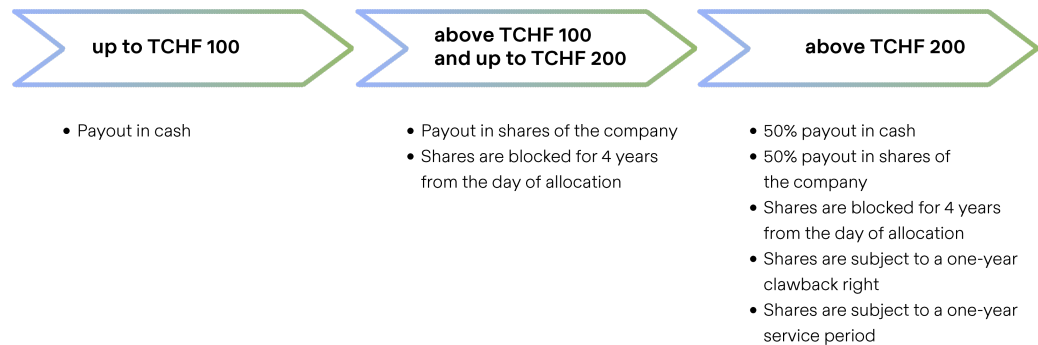
- Short-term variable compensation in cash
- Short-term variable compensation in the form of restricted shares
- Short-term variable compensation in the form of restricted shares with a vesting period and clawback provisions
- Other short-term variable compensation
- Long-term variable compensation

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 Bellevue 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 Bellevue Healthcare Trust. Within the scope of these plans, some of the members of the Group Executive Board can be entitled to receive a maximum number of shares in BB Biotech AG and/or Bellevue 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		
	Criteria	Assessment criteria and distribution	Payout ^{t1)}	
			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	50%	50%
		Funds & mandates	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. –31.12.2022					
Fixed compensation in cash	193 500	76 500	76 500	76 500	423 000
Fixed compensation in cash for services in committees	12 000	20 000	29 000	26 000	87 000
Fixed compensation in cash for services in subsidiaries and associated companies	22 000	51 354	10 000	12 000	95 354
Subtotal	227 500	147 854	115 500	114 500	605 354
Social insurance contributions on fixed compensation	–	–	–	7 831	7 831
Total fixed compensation	227 500	147 854	115 500	122 331	613 185
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)}	11 267	–	11 267	11 267	33 801
Social insurance contributions on variable compensation	277	–	–	3 148	3 425
Total variable compensation	47 544	36 000	47 267	50 415	181 226
Total compensation	275 044	183 854	162 767	172 746	794 411

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

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.

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 618 000 (2020/2021: CHF 661 000) 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 615 795 (2020/2021: CHF 609 440). For the period from 2022 AGM to the 2023 AGM an amount of CHF 618 000 was approved.

The reported variable compensation for the business year 2022 totaling CHF 181 226 must be approved by the 2023 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 2023. 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 2022 and 2021, the Board of Directors authorized a voluntary employee stock ownership plan. The members of the Board of Directors were allocated to purchase 4 500 shares (2021: 10 000 shares) of the Company from the given pool at a discounted price of CHF 23.75 per share (2021: CHF 31.75 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.

The compensation of the Board of Directors has not changed significantly compared to the previous year. The changes shown are related to the valuation of the shares allocated or acquired under the voluntary participation programs.

In fiscal year 2022, nor in the preceding year 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.

No compensation was paid to former members of the Board of Directors after their resignation in the 2022 financial year, nor in the preceding year.

The percentage ratio of fixed compensation to variable compensation for the entire Board of Directors is 77% fixed compensation and 23% variable compensation (2021: 72% fixed and 28% variable).

5.2 Loans

As of the end of 2022 and 2021, no loans 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 2022 and 2021 were as follows:

Number of shares	31.12.2022	31.12.2021
Veit de Maddalena, Chairman	287 024	304 579
Daniel Sigg, Member	51 705	50 760
Urs Schenker, Member	21 769	19 372
Katrin Wehr-Seiter, Member	14 958	12 513

5.4 Activities in other companies

Veit de Maddalena, Chairman

Klosters-Madrisa Bergbahnen AG	Switzerland	Chairman of the Board of Directors	Private
de Maddalena & Co. AG	Switzerland	Chairman of the Board of Directors	Private
Loft Dynamics AG	Switzerland	Chairman of the Board of Directors	Private
BG Suisse AG	Switzerland	Chairman of the Board of Directors	Private
Marigin AG	Switzerland	Member of the Board of Directors	Private
Quattro Stelle SA SICAF-SIF ¹⁾	Luxemburg	Member of the Board of Directors	Private
Candor Board Services GmbH	Switzerland	Partner	Private

¹⁾ Veit de Maddalena has resigned from the Board of Directors of Quattro Stelle SA SICAF-SIF as of December 31, 2022. The de-registration from the Luxemburg Commercial Register is still pending.

Daniel Sigg, Member

Laguna Trustee Ltd.	Jersey	Chairman of the Board of Directors	Private
Hirschmann Family Holding Ltd.	Jersey	Chairman of the Board of Directors	Private
2Xideas US Inc.	USA	Chairman of the Board of Directors	Private
Bellevue Funds (Lux) SICAV	Luxemburg	Member of the Board of Directors	Private
2Xideas Global Mid Cap 130/30 Fund LLC	Cayman Islands	Member of the Board of Directors	Private
Metropolitan Partners Group	USA	Member of the Advisory Board	Private

Urs Schenker, Member

Swisa Holding AG	Switzerland	Chairman of the Board of Directors	Private
EBV Immobilien AG	Switzerland	Chairman of the Board of Directors	Private
Geschäftshaus City AG Dübendorf	Switzerland	Chairman of the Board of Directors	Private
Invico Asset Management AG	Switzerland	Chairman of the Board of Directors	Private
Meyer Burger Technology AG	Switzerland	Member of the Board of Directors	Listed
DSA AG ¹⁾	Switzerland	Member of the Board of Directors	Private
Capital Dynamics Holding AG ¹⁾	Switzerland	Member of the Board of Directors	Private
Ornak AG	Switzerland	Member of the Board of Directors	Private
Indicium Technologies AG	Switzerland	Member of the Board of Directors	Private
Ufenau Capital Partners AG	Switzerland	Member of the Board of Directors	Private
Pfizer Personalvorsorgestiftung	Switzerland	Chairman of the Board of Trustees	Private

¹⁾ Capital Dynamics Holding AG is a 100% subsidiary of DSA AG.

Katrin Wehr-Seiter, Member

SES S.A.	Luxemburg	Member of the Board of Directors	Listed
Meyer Burger Technology AG	Schweiz	Member of the Board of Directors	Listed
BIP (GP) Sarl ¹⁾	Luxemburg	Member of Board of Managers	Private
BIP Interim (GP) Sarl ²⁾	Luxemburg	Member of Board of Managers	Private
The Simpleshow Company S.A.	Luxemburg	Member of the Board of Directors	Private
Unite Holding SE ³⁾	Germany	Member of the Supervisory Board	Private
Unite Network SE ³⁾	Germany	Member of the Supervisory Board	Private
Mercateo Deutschland AG ³⁾	Germany	Member of the Supervisory Board	Private
Wellcosan Beteiligungs GmbH	Germany	Member of the Advisory Board	Private

¹⁾ GP of BIP Fund (SCA), SICAR; with 100% subsidiary Coquelicots Holdings sarl as holding vehicle.

²⁾ GP of BIP Interim SCSp; with 100% subsidiary Bleuets Holdings sarl as holding vehicle.

³⁾ Unite Network SE and Mercateo Deutschland AG are 100% subsidiaries of Unite Holding SE.

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

6.1 Goals and achievement of goals

For the 2022 financial year, the following goals were defined for the Group Executive Board and assessed by the Compensation Committee:

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

After an extraordinarily successful 2021, 2022 was a very challenging year for the company and its employees, marked by market upheavals as a result of geopolitical crises, inflation and significant interest rate increases. Bellevue was exposed to the ongoing market turmoil in almost all areas and could not escape the trend in the capital markets. In addition, investment performance against benchmarks decreased in 2022. In the overall evaluation, the performance of the Group Executive Board falls short of expectations against the backdrop of a significantly reduced revenue base and net profit. It should be emphasized, however, that despite the challenging environment, the broad-based customer base has proved stable and it has also succeeded in cushioning the impact of the lower revenue base by significantly reducing the cost base, among other things by means of the entrepreneurial compensation model. In addition, the Executive Board used the year 2022 to further concretize important strategies for the future and implement organizational changes. The development of activities in the Private Markets area was encouraging. The establishment of a private equity secondaries team and the launch of the first secondaries fund in particular open up new growth prospects. In addition, the focus was primarily on the further development of existing products. For example, with the addition of further experts to the investment team of the «flagship product» BB Biotech AG, additional competencies were built up, for example in the field of neurology. In addition, various new product ideas were positioned and will be further developed in 2023. The integration of the German Subsidiaries into the business unit Bellevue Asset Management was successfully completed and the strengthening of the team also created the basis for more intensive market development in Germany. The focus on sustainable, value-oriented and responsible further development of the Group and its investment solutions, taking into account sustainability and ESG criteria, was intensified and will be driven forward in 2023, particularly in the recruitment of new investment experts with a view to diversity and inclusion.

6.2 Compensation

CHF	1.1. –31.12.2022		1.1. –31.12.2021	
	André Rüegg CEO ¹⁾	Total ²⁾	André Rüegg CEO ¹⁾	Total ³⁾
Fixed compensation in cash	350 000	805 000	350 000	890 000
Social insurance contributions ⁴⁾	93 404	212 634	93 501	234 190
Total fixed compensation	443 404	1 017 634	443 501	1 124 190
Short-term variable compensation (profit-based compensation)	675 000	1 181 667	1 600 000	2 900 000
– in shares	337 500	590 834	800 000	1 450 000
– of which in restricted shares ⁵⁾	100 000	266 667	100 000	300 000
– of which in restricted shares with a vesting period and clawback right provisions ^{5) 6)}	237 500	324 167	700 000	1 150 000
– in cash	337 500	590 833	800 000	1 450 000
Other short-term variable compensation	30 046	61 594	48 200	161 400
– in shares	30 046	61 594	48 200	161 400
– of which in restricted and discounted shares purchased through stock ownership plan ⁷⁾	30 046	61 594	48 200	161 400
Social insurance contributions ⁸⁾	44 680	79 694	106 016	194 405
Total short-term variable compensation	749 726	1 322 955	1 754 216	3 255 805
Long-term variable compensation	131 200	131 200	127 000	127 000
– in shares	131 200	131 200	127 000	127 000
– of which long-term incentive plans, investment companies ⁹⁾	131 200	131 200	127 000	127 000
Social insurance contributions ⁸⁾	9 800	9 800	9 100	9 100
Total long-term variable compensation	141 000	141 000	136 100	136 100
Total compensation	1 334 130	2 481 589	2 333 817	4 516 095

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, and Michael Hutter, CFO. Jan Kollros, CEO adbodmer AG and Bellevue Private Markets AG, has left the Group Executive Board as of August 31, 2022.

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.

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 (2021: 1 700 shares of BB Biotech), valued at fair value (closing price on 31.12.2021 and 31.12.2020, 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 1 175 000 (2021: CHF 1 166 500) was approved for the 2022 financial year. The actual payout for the aforementioned financial year (including compulsory employer contributions to social insurance plans) was CHF 1 017 634 (2021: CHF 1 124 190).

The reported short-term variable compensation totaling CHF 1 322 955 must be approved by the 2023 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 1 322 955 will be paid out in the first half of 2023 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.

In 2022 and 2021, the Board of Directors authorized a voluntary employee stock ownership plan. The members of the Group Executive Board were allocated to purchase 8 200 shares (2021: 16 755 shares) of the Company from the given pool at a discounted price of CHF 23.75 per share (2021: 31.75 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 short-term variable compensation (profit-sharing) of the Group Executive Board decreased by approximately 60% in the financial year compared to the previous year due to the reduced operating performance of the company.

The percentage ratio of fixed compensation to variable compensation for the entire Group Executive Board is 41% fixed compensation and 59% variable compensation (2021: 25% fix and 75% variable). For the CEO, the total amount of fixed compensation amounts to 33% and the variable compensation is 67% (2021: 19% fix and 81% variable).

The values in the table above differ in certain respects from the Remuneration Reported in note 9 «Transactions with related companies and persons» of the consolidated financial statements 2022 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.

6.3 Loans

At the end of 2022 and 2021, 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 2022 and 2021:

Number of shares	31.12.2022	31.12.2021
André Rüegg, CEO and CEO Bellevue Asset Management AG	300 000	289 982
Michael Hutter, CFO	71 162	80 000
Jan Kollros, CEO Bellevue Private Markets AG and CEO adbodmer AG ¹⁾	82 555	72 603

¹⁾ Jan Kollros has left the Group Executive Board as of August 31, 2022.

6.5 Activities in other companies

André Rüegg, CEO

Bellevue Funds (Lux) SICAV	Luxemburg	Chairman of the Board of Directors	Private
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Michael Hutter, CFO

Ascend Sport Technology AG	Switzerland	Alternative Board of Directors	Private
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7. Compensation of the Board of Directors and Executive Board subject to approval at the Annual General Meeting in 2023

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

In the past, the Board of Directors received fixed compensation in cash and variable compensation in the form of Company shares as the Articles of Association did not permit stock-based fixed compensation for directors. Upon and subject to approval of the amendments to the Articles of Association proposed under item [6.2](#), directors' fixed compensation can be paid in cash and/or shares of the Company. Consequently, variable compensation will no longer be paid to the Board of Directors as of the 2023 fiscal year. In addition, fixed compensation will include the option of a non-monetary benefit that can be applied toward voluntary stock purchase programs (restricted shares) that allow participants to purchase stock at a discount. The total amount compensation of the Board of Directors will not change significantly. The changes detailed in the compensation report are related to the assumptions used to determine the imputed maximum value of the non-monetary benefit of the shares that could be allocated under the voluntary stock purchase programs. The comparative figures have been adjusted for this paragraph. Maximum total compensation thus consists of the following components:

- Maximum fixed compensation of CHF 742 000 (previous period: CHF 751 341, thereof fixed compensation of CHF 607 341 and variable compensation of CHF 144 000);
- Maximum non-monetary benefit of CHF 114 000 applicable toward voluntary stock purchase programs (previous period: CHF 33 801);
- Maximum employer contributions of CHF 24 000 for compulsory social insurance schemes (previous period: CHF 11 684).

The Board of Directors proposes approval of maximum total compensation of CHF 880 000 (previous period: CHF 796 826) for the Board of Directors for the term of office ending with the conclusion of the next Annual General Meeting. The payment will be made partly in Company shares, which are subject to a three- respectively four-year lock-up period, and in cash.

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

In order for the members of the Board of Directors to be paid compensation in the form of Company shares in accordance with the current Articles of Association, the Board of Directors will receive variable compensation in the form of Company shares that is not aligned with reported results. 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 total variable compensation of CHF 181 226 (2021: CHF 244 550) for the Board of Directors for the 2022 financial year. Payment will be made in the form of shares of the Company, subject to a four-year lock-up period.

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 fixed compensation paid to the board's previous members compared to the previous year. Analogous to the Board of Directors, fixed compensation includes the option of non-monetary benefit that can be applied toward voluntary stock purchase programs (restricted shares) that allow participants to purchase stock at a discount. Fixed compensation thus consists of the following components:

- Maximum fixed compensation of CHF 620 000 (2022: CHF 805 000);
- Maximum non-monetary benefit of CHF 270 000 applicable toward voluntary stock purchase programs (2022: CHF 61 594);
- Maximum employer contributions of CHF 182 400 for compulsory social insurance schemes, as well as other insurance schemes and pension plans (2022: CHF 214 028).

The proposed amount of fixed compensation for the Group Executive Board for the 2023 financial year is thus CHF 1 072 400 (2022: CHF 1 080 622).

The changes shown are related to the retirement of Jan Kollros from the Group Executive Board as well as to the assumptions used to determine the maximum value of the monetary benefit of the shares potentially allocated under the voluntary participation programs.

The Group CEO participates in a Long-Term Incentive Plan in connection with the asset management mandate of BB Biotech AG. In 2023 he is entitled to receive a maximum of 1 700 shares (2022: 1 700 shares) of BB Biotech AG. Based on the closing price as of December 31, 2022, this corresponds to a maximum compensation of CHF 93 900 (2022: 131 200) plus compulsory social security contributions of CHF 7 000 (2022: 9 800). This corresponds to a maximum total amount of CHF 100 900 (2022: CHF 141 000).

The Board of Directors proposes the approval of maximum total fixed and long-term variable compensation of CHF 1 173 300 (2022: CHF 1 221 622) that can be awarded and paid to the members of the Group Executive Board during the current 2023 fiscal year.

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

Subject to approval by the Annual General Meeting, the members of the Group Executive Board will be paid short-term variable compensation related to performance based on annually agreed targets and expectation. The following proposal is based on performance and target achievement in the 2022 fiscal year. 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 total short-term variable compensation of CHF 1 322 955 (2021: CHF 3 255 805) for the Group Executive Board for the 2022 financial year.

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

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of Bellevue Group AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) in the chapters 5 and 6 of the remuneration report.

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

Basis for opinion

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

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the audited information in the chapters 5 and 6 of the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the remuneration report

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

Auditor's responsibilities for the audit of the remuneration report

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

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

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

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

PricewaterhouseCoopers AG

Philippe Bingert

Licensed audit expert
Auditor in charge

Roland Holl

Licensed audit expert

Zurich, 24. February 2023

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