

Compensation report

The compensation report for the financial year 2020/2021 contains information about the compensation system, procedures for determining compensation, and the compensation paid to members of the Board of Directors and the Delegate of the Board of Directors of Private Equity Holding AG (“PEH” or the “Company”).

The content and scope of the information provided is based on the Articles of Incorporation of PEH, the transparency requirements set out in Articles 13-16 of the Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC) and Article 663b^{bis} of the Swiss Code of Obligations, the SIX Swiss Exchange Directive on Information relating to Corporate Governance and the principles of the Swiss Code of Best Practice for Corporate Governance drawn up by Economiesuisse.

1. Governance

On February 7, 2014, the Board of Directors of PEH established a Compensation Committee. The members of the Compensation Committee were individually elected at the 2020 Annual General Meeting and the committee consists of Martin Eberhard, Fidelis Götz and Dr. Petra Salesny. The members of the Committee elected Martin Eberhard as Chairperson of the Committee.

The Compensation Committee supports the Board of Directors in the determination and implementation of the guidelines and rules for the compensation of the members of the Board of Directors and the Delegate of the Board and prepares all board matters referring to Compensation. In particular, the Committee approves the compensation of the individual members of the Board (including the Chairman) and the Delegate of the Board.

The Committee meets upon invitation of the Chairperson of the Compensation Committee or at the request of another member of the Compensation Committee, as frequently as necessary, and has met twice for quarter of an hour during the reporting year 2020/2021 (once for quarter of an hour in 2019/2020).

Dr. Hans Baumgartner is Chairman of the Board of Directors and also Delegate of the Board of Directors with overall responsibility for the day-to-day management of the Company. See also section 3.5.1 of the Corporate Governance report.

2. Procedures for determining compensation

The 2020 Annual General Meeting approved a maximum total compensation in the amount of CHF 200,000 p.a. for the members of the Board of Directors and a maximum total compensation in the amount of CHF 100,000 p.a. for the Delegate of the Board of Directors (in addition to Chairman’s/Member’s compensation). The compensation awarded to the members of the Board of Directors and to the Delegate of the Board of Directors is determined within this range at the Compensation Committee’s sole discretion taking into account the scope of activities and the responsibility and functions of the individual members. Neither the Board nor the Compensation Committee have consulted external advisors for this purpose.

3. Compensation policy

The compensation of the Board of Directors of the Company is effected in accordance with the provisions of the Articles of Association, in particular Art. 26 (<https://www.peh.ch/portrait/corporate-documents/>). Compensation is fixed and does not contain any variable components dependent on the financial performance of the Company; further, the Company does not grant credits or loans to the Directors. While the Board of Directors is compensated in cash for all its duties, it may elect bodily to be fully or partially paid in shares of the Company. In this case, shares are allotted at market price replacing the respective cash compensation. The Board of Directors decides on the timing of the allotment and may set lock-up periods for such shares.

In accordance with the maximum amounts approved by the 2020 Annual General Meeting, the Compensation Committee determined that the members of the Board of Directors and the Delegate be compensated annually as follows (pro-rata when a mandate is not executed for a full year):

Compensation (unchanged from prior years)	CHF
Chairman	75,000
Member ¹	50,000
Delegate (in addition to Chairman’s/Member’s compensation)	75,000

¹ Dr. Petra Salesny foregoes the compensation for her work as a member of the Board of Directors.

The compensation is paid annually. The employer’s share of the AHV/ALV contribution is borne by the Company.

Travel and other reasonable out-of-pocket expenses related to the attendance of Board meetings are covered by the Company. Directors may furthermore be paid all other expenses properly incurred by them in connection with the business of the Company.

3.1 Compensation for the financial years 2020/2021 and 2019/2020 (Article 14 OaEC)

The following tables show the compensation for the members of the Board of Directors in the financial years 2020/2021 and 2019/2020. In addition, the Company paid a Directors & Officers liability insurance fee of CHF 31,500 (2019/2020: CHF 31,500). Travel and other out-of-pocket expenses amounted to CHF 2,068 (2019/2020: nil).

The Board of Directors compensation is defined and paid out in CHF:

Compensation for the financial year 2020/2021

As of 31 March 2021	Base Compensation (Cash) CHF	Base Compensation (Shares) CHF	Social security payments CHF	Total compensation CHF
Dr. Hans Baumgartner, Chairman & Delegate of the Board of Directors	75,000	75,000	7,026	157,026
Martin Eberhard, Chairman of the Compensation Committee	25,000	25,000	3,187	53,187
Dr. Petra Salesny, Member of the Compensation Committee ¹	—	—	—	—
Fidelis Götz, Member of the Compensation Committee	25,000	25,000	3,187	53,187
Total	125,000	125,000	13,400	263,400

Compensation for the financial year 2019/2020

As of 31 March 2020	Base Compensation (Cash) CHF	Base Compensation (Shares) CHF	Social security payments CHF	Total compensation CHF
Dr. Hans Baumgartner, Chairman & Delegate of the Board of Directors	75,000	75,000	7,659	157,659
Martin Eberhard, Chairman of the Compensation Committee	25,000	25,000	3,112	53,112
Dr. Petra Salesny, Member of the Compensation Committee ¹	—	—	—	—
Fidelis Götz, Member of the Compensation Committee	25,000	25,000	3,112	53,112
Total	125,000	125,000	13,883	263,883

¹ Dr. Petra Salesny foregoes the compensation for her work as a member of the Board of Directors.

3.2 Loans and credits to Board Members and Management (Article 15 OaEC)

For the financial year 2020/2021, no loans or credits by the Company or its subsidiaries have been granted to members of the Board of Directors (2019/2020: None).

3.3 Compensation, loans and credits to related parties (Article 16 OaEC)

For the financial year 2020/2021, no further compensation, loans or credits by the Company or its subsidiaries have been granted to related parties (2019/2020: None) in addition to the related party transactions described in Note 15 to the IFRS Financial Statements on page 36 of this report. While Petra Salesny foregoes the direct compensation for her work as a member of the Board of Directors, Petra Salesny is a Managing Partner and founding shareholder of Alpha Associates AG, which renders administrative services to PEH AG and is compensated for such services as disclosed in Note 15 on page 36 of this report. Alpha Associates AG does not indirectly and separately compensate Petra Salesny for her work as a member of the Board of Directors of PEH AG.

3.4 Compensation to former Members of the Board of Directors or Management

For the financial year 2020/2021, no compensation was paid to former members of governing bodies (2019/20: None).

Report of the Statutory Auditor on the Compensation Report



Report of the Statutory Auditor

To the General Meeting of Private Equity Holding AG, Zug

We have audited the accompanying compensation report of Private Equity Holding AG for the year ended 31 March 2021 which are presented on pages 64 to 65.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation 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 compensation 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 compensation 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 compensation 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 compensation 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 compensation 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 compensation report for the year ended 31 March 2021 of Private Equity Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Thomas Dorst
Licensed Audit Expert
Auditor in Charge

Christoph Hochuli
Licensed Audit Expert

Zurich, 10 May 2021