



Remuneration Report

1 Introduction

The remuneration report details Cicor's remuneration system, covering all key elements and general principles and outlines the authority and definition process. It also contains detailed information on the remuneration of the Board of Directors and the Group Management for the financial years 2023 and 2022.

The report has been prepared in compliance with Article 734 of the Swiss Obligations Law which replaced the Ordinance against Excessive Compensation in Listed Stock Companies (OaEC) and with the Directive on Information relating to Corporate Governance, issued by the SIX Swiss Exchange. The report also comprises information required under the Swiss Code of Obligations and takes into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance of Economiesuisse.

The Company's Articles of Association contain the following provisions regarding remuneration:

- Provisions on the approval of the maximum total amounts of remuneration of the Board of Directors and Group Management in paragraph 32 bis;
- Provisions on the remuneration system of the Board of Directors (paragraph 32 quater) and on the remuneration system of the Group Management (paragraph 32 quinquies);
- Provisions on the additional amount for individuals that became member of the Group Management after the remuneration has been approved by the General Meeting (paragraph 32 ter).

2 Authority and definition process

The remuneration system is established by the Remuneration Committee, reviewed annually, and approved by the Board of Directors. The remuneration system for the Board of Directors and for the Group Management was revised in 2022. Cicor engaged the company Agnès Blust Consulting for the revision. The company Agnès Blust Consulting has had no further mandates with Cicor since then.

The Board of Directors annually approves the remuneration of the members of the Board of Directors and the Group Management, including the determination of the basic remuneration and the definition of the targets and other parameters for the short-term incentive plan and the long-term incentive plans, based on the proposals of the Remuneration Committee and within the limits approved by the shareholders.

The Board of Directors annually submits a proposal to the Annual General Meeting (AGM) for the approval of a maximum aggregate amount of remuneration for the Board of Directors for the period until the next Annual General Meeting and for the Group Management for the next financial year following the Annual General Meeting.

If, after the remuneration has been prospectively approved by the Annual General Meeting, the Group Management is expanded or a member of the Group Management is promoted or replaced, there is, pursuant to the Articles of Incorporation, an additional amount available. The total additional remuneration may not exceed 50% of the total amount of fixed and variable remuneration approved by the Annual General Meeting for the relevant period.

The Board of Directors also submits a proposal to the Annual General Meeting to approve the previous year's remuneration report by way of a consultative vote.

The Remuneration Committee comprises one or more Board members. It currently consists of:

- Daniel Frutig, Chairman (as from 15 April 2021)
- Konstantin Ryzhkov (as from 16 July 2021)

3 Remuneration System

3.1 Remuneration of the Board of Directors

The remuneration of the Board of Directors is determined on a discretionary basis, taking into account Swiss and international peer group benchmarks. The remuneration consists of an annual retainer fee paid in cash and restricted share units (RSUs) and additional committee fees paid in cash only, as shown in the table below:

in CHF 1 000	Cash ¹⁾	RSUs ²⁾
Board chair retainer fee	210	100
Board member retainer fee	80	40
Committee chair fee	20	-
Committee member fee	10	-

¹⁾ The above table discloses the remuneration in cash effective 1 January 2024.

²⁾ The above table discloses the remuneration in shares for the period starting after the AGM 2024.

An RSU is a personal award to receive one common registered share of Cicor per RSU. The number of granted RSUs is determined by dividing the relevant gross compensation amount by the average closing price of the Cicor share of the last 10 trading days immediately prior to the Annual General Meeting that marks the beginning of the term of office. The shares are usually transferred to the beneficiaries on the first trading day after the Annual General Meeting that marks the end of the term of office and are then subject to a three-year blocking period, during which they may not be sold or otherwise disposed of. The blocking period is lifted immediately on the date of a Board member's demise.

3.2 Remuneration of the Group Management

The remuneration of the Group Management consists of a basic remuneration, a variable, performance-related bonus according to the short-term incentive plan (STI) and the participation in the long-term incentive plans.

3.2.1 Basic remuneration

The basic remuneration for the members of the Group Management may comprise a monthly salary, other benefits as per individual agreement and the relevant social security contributions. Other benefits as per individual agreement include contributions to professional development. The monthly salary is determined on a discretionary basis, taking into account the individual's duties, amount of responsibility, qualifications and experience required, and benchmarks amongst Swiss and international peers. Cicor does not provide members of the Group Management with a company vehicle.

3.2.2 Short-term incentive plan

The short-term incentive plan (STI-Plan) is aimed at motivating the Group Management to focus their efforts on specific financial and individual objectives by setting out quantified targets and calculation formulas to determine the payout. It promotes initiative and coordinated efforts and rewards the performance of individuals and the Group. The STI-Plan for the Group Management consists of financial and individual objectives. Financial objectives include net sales (30%), EBITDA (30%) and operating free cash flow (25%) and account for a total of 85%, and individual objectives, one of which is an ESG objective accounting for 5%, for a total of 15% of the target amount.

The Board of Directors approves the financial and the individual objectives of members of the Group Management for the following year at their meeting in December. Financial targets are based on the annual budget and the payout is based on the actual financial results. A financial result on target entitles to a payout of 100% of the target amount, at the lower threshold the payout is 50%, while below the lower threshold there is no payout. When the financial or individual objectives are overachieved, the maximum payout is capped at 150% of the target amount. The range to achieve a payout of 50% / 100% / 150% is clearly defined for each KPI with payout being interpolated between the thresholds. The thresholds for net sales achievement are 90% / 100% / 110% of budget, for EBITDA achievement 85% / 100% / 115% of budget and for free cash flow 80% / 100% / 120% of budget.

The Remuneration Committee confirms the overall STI-Plan payout based on the true performance compared to budget and following the approach stated above. It makes a recommendation to the Board of Directors for a final decision in February and for payment in April.

3.2.3 Long-term incentive plans

For the Cicor Group, recruitment, motivation and long-term retention of top talent are key to achieving its goals. Additionally, Cicor applies the long-term incentive plans to align the interests of management with those of shareholders. Cicor maintains two long-term incentive plans (LTI-Plans) which are designed to retain and motivate the Group Management, senior executives and highly qualified and other key employees by providing long-term performance incentives. These plans reward beneficiaries for their contribution to the Group's long-term success and creation of shareholder value. The LTI-plans thus link part of the annual performance-based remuneration of Cicor's management to the long-term development of the Group. Cicor currently maintains a Performance Stock Option Plan and a Performance Share Plan.

Performance Stock Option Plan (PSOP)

Members of the Group Management may be invited to participate in the Performance Stock Option Plan (PSOP), upon individual nomination by the Board of Directors. Participants receive a grant of non-tradable performance stock options of Cicor at the beginning of a year which is determined by the Board of Directors. The performance stock options vest after a three-year vesting period if the participant is still in active employment with Cicor, with vesting depending on the achievement of the performance condition. The performance condition is relative total shareholder return (TSR), which compares the share price evolution plus accumulated dividend payments of Cicor with a predefined peer group¹⁾ of eleven listed companies in the EMS industry that are comparable to Cicor. Cicor engaged Obermatt to track Cicor's relative TSR compared to its peer group as part of the governance of the compensation process. If Cicor outperforms at least half of the peer companies, 50% of the performance stock

options will vest. The vesting percentage can go up to 100% for being the best performing company, and down to 0% if more than 75% of the peer companies performed better than Cicor. Once vested, the stock options may be exercised for a period of four years. The gain realized by the participants corresponds to the difference between the share price of the Cicor share at the time of exercise and the exercise price of the stock option, with the exercise price being the closing price of the Cicor share at the last day before the vesting period starts. In case of a termination of the employment relationship by the employer for justified reasons or a termination by the participant for any reason, all unvested options lapse immediately on the termination day without any compensation. All vested options remain exercisable until the earlier of the end of the options term or the first anniversary of the termination date. In case of a participant's demise, a prorated number of options vest immediately on the termination date and all (previously or then) vested options are exercised immediately on the termination date (provided they are "in-the-money", otherwise, they shall lapse immediately without any compensation). In all other cases ("good leavers"), the number of unvested options is prorated considering the termination date and the vesting date of such options remains unchanged. The resulting vested options are only exercisable within one year after the vesting date in that case. Options vested before the termination date are exercisable until the earlier of the end of the options' term or the first anniversary of the termination date. The Board of Directors may approve exceptions to the foregoing termination provisions.

¹⁾ The peer group includes the following entities: Incap Corporation (Finland), Plexus Corporation (USA), Benchmark Electronics Inc. (USA), Kitron Group (Norway), Fabrinet (Thailand), Kimball International Inc. (USA), Inission AB (Sweden), Hanza AB (Sweden), Scanfil Oyj (Finland), Note AB (Sweden), Katek Group (Germany).

Performance Share Plan (PSP)

Members of the Group Management and leadership team, as well as other selected key managers, may be invited to participate in the Performance Share Plan (PSP), upon individual nomination by the CEO and approval by the Board of Directors. Participants receive a grant of performance share units (PSU). A PSU is a conditional right to receive Cicor shares after a vesting period of three years if the Group meets certain performance targets over the vesting period and if participants are in active employment with Cicor at the end of the three-year vesting period. The performance conditions are reaching specific levels of revenue growth and EBITDA margin for Cicor Group. Depending on the achievement of these performance conditions, each PSU may be converted into up to two Cicor shares, which is the upper cap if the performance conditions are overfulfilled, or the PSU may lapse if the lower cap of the performance conditions are reached. In case of a termination of the employment relationship by the employer for justified reasons or a termination by the participant for any reason, all outstanding PSUs, whether vested or not, lapse immediately on the termination day without any compensation. In case of a participant's demise, a prorated number of PSUs vest immediately on the termination day and shares are subsequently delivered. In all other cases ("good leavers"), the number of PSUs is prorated considering the termination date and the vesting date and share delivery date for the prorated outstanding PSUs remain unchanged. The Board of Directors may approve exceptions to the foregoing termination provisions.

Management Incentive Plan (MIP)

On 12 November 2021, the Company announced that a share-based special management incentive plan (MIP) was introduced for key managers of the Cicor Group. The program is fully sponsored by One Equity Partners (OEP), the anchor shareholder of Cicor, and is administered solely by the Board of Directors of the Cicor Group. This guarantees strict compliance with the common governance and transparency guidelines. The special management incentive plan does not give rise to any obligations to OEP by Cicor or by the employees concerned and creates no additional costs or liabilities for the Company or all other shareholders. The goal of the plan is to create stronger alignment between all Company shareholders and management.

Under the MIP, the key managers have the possibility to purchase share appreciation rights (SARs). One SAR needs to be purchased for CHF 1.00. Upon the full exit of OEP, one SAR pays the difference between the average weighted exit price OEP receives per share in Cicor minus the reference share price, which is set at CHF 60.00 per share, minus costs incurred by OEP for maintaining this incentive plan. The costs incurred by OEP also include the costs incurred by the Cicor Group because OEP must reimburse these costs. The current size of the MIP is 40 000 SARs, whereby some are reserved for future key managers that join the Cicor Group. The plan provides for customary vesting and forfeiture rules. The MIP was approved in a consultative vote by the 2022 Annual General Meeting.

Former LTI

The former LTI Plan has been discontinued after the financial year 2021 and was replaced by the Performance Stock Option Plan and the Performance Share Plan in financial year 2022. Information on the former LTI is disclosed in the 2021 remuneration report.

3.3 Employment contracts and special benefits

No member of the Group Management has an employment contract with a notice period of more than twelve months. None of these employment contracts involve any severance payments.

4 Disclosure of the remuneration of the Board of Directors (audited)

At the 2023 Annual General Meeting a maximum total remuneration to the Board of Directors of TCHF 600 was approved for five members of the Board of Directors for the term of office from the Annual General Meeting 2023 to the Annual General Meeting 2024.

The total remuneration paid to the current members of the Board of Directors for the term of office from the Annual General Meeting 2023 to the Annual General Meeting 2024 amounted to TCHF 466. No remuneration was paid to former members of the Board of Directors.

No loans, credit facilities or additional fees or remuneration were paid to members of the Board of Directors or parties related to them. The remuneration paid to the members of the Board of Directors was as follows:

Remuneration Board of Directors in financial year 2023

in CHF 1 000	Cash	Shares ¹⁾	Other	Total
Daniel Frutig, Chairman	165	64	-	229
Norma Corio	43	16	-	58
Denise Koopmans	72	21	-	93
Konstantin Ryzhkov ²⁾	-	-	-	-
Total	279	101	-	381

Reconciliation to remuneration for the term of office from AGM 2023 to AGM 2024

Remuneration for the financial year 2023	381
Less remuneration from January 2023 to AGM 2023	-92
Plus remuneration from January 2024 to AGM 2024	178
Remuneration for the term of office from AGM 2023 to AGM 2024	466

¹⁾ The number of shares granted is determined by dividing the relevant gross compensation amount by the average closing price of the Cicor share of the last 10 trading days immediately prior to the AGM that marks the beginning of the term of office (CHF 44.62).

²⁾ Konstantin Ryzhkov waived his remuneration for the 2023/2024 term of office.

The total remuneration of the Board of Directors has increased compared to the prior year. Reasons for the increase are that Norma Corio waived the remuneration for the 2022/2023 term of office and a general adjustment in the remuneration.

Remuneration Board of Directors in financial year 2022

in CHF 1 000	Cash	Shares ¹⁾	Other ²⁾	Total
Daniel Frutig, Chairman	154	43	–	196
Norma Corio ³⁾	–	–	–	–
Andreas Dill ⁴⁾	23	–	1	24
Erich Haefeli ⁴⁾	20	–	–	20
Denise Koopmans ⁵⁾	46	14	–	60
Konstantin Ryzhkov ³⁾	–	–	–	–
Total	243	57	1	300

Reconciliation to remuneration for the term of office from AGM 2022 to AGM 2023

Remuneration for the financial year 2022	300
Less remuneration from January 2022 to AGM 2022	–91
Plus remuneration from January 2023 to AGM 2023	86
Remuneration for the term of office from AGM 2022 to AGM 2023	295

¹⁾ The number of shares granted is determined by dividing the relevant gross compensation amount by the average closing price of the Cicor share of the last 10 trading days immediately prior to the AGM that marks the beginning of the term of office (CHF 49.17).

²⁾ Other remuneration includes the employer's portion of social insurance contributions.

³⁾ Norma Corio and Konstantin Ryzhkov waived their remuneration for the 2021/2022 and 2022/2023 terms of office.

⁴⁾ Member of the Board of Directors until 12 April 2022.

⁵⁾ Member of the Board of Directors from 12 April 2022.

5 Disclosure of the Remuneration of the Group Management (audited)

At the 2022 Annual General Meeting a maximum total remuneration to the Group Management of TCHF 2 900 was awarded for the financial year 2023.

The total remuneration paid to the current members of the Group Management in the financial year 2023 amounted to TCHF 2 366. No remuneration was paid to former members of the Group Management. In 2023 the Group Management consisted of three members including the CEO. In 2022 the Group Management consisted of two members from January to September and of three members from October to December.

No loans, credit facilities or additional fees or remuneration were paid to members of the Group Management or parties related to them.

The remuneration paid to the members of the Group Management was as follows:

Remuneration of Group Management in financial year 2023

in CHF 1 000	Basic	STI	PSOP ¹⁾	PSP ²⁾	Other ³⁾	Total
All members	1 092	593	200	200	280	2 366
Thereof Alexander Hagemann, CEO ⁴⁾	508	296	100	100	138	1 142

¹⁾ 13 487 Performance stock options (PSOs) with an exercise price of CHF 42.90 and a market value of CHF 14.83 each were granted to members of the Group Management as of 1 January 2023. The PSOs vest subject to meeting the performance and service conditions on 1 January 2026 and may then be exercised until 31 December 2029.

²⁾ 4 577 restricted share units (RSUs) with a market value of CHF 43.69 each were granted to members of the Group Management as of 1 January 2023. Each RSU converts into up to two Cicor shares subject to meeting the performance and service conditions on 1 January 2026 which will then be transferred to the beneficiaries.

³⁾ Other includes the employer's portion of social security, contributions to pension funds and other fringe benefits.

⁴⁾ Alexander Hagemann was the member with the highest individual remuneration in 2023.

The share of variable remuneration of the Group Management in the financial year 2023 amounted to 44% of the total remuneration and the STI amount awarded for the year reflects an average achievement factor of 138% of the targets set for the year.

The total remuneration of the Group Management has increased in the financial year 2023 compared to the prior year. The reasons for the increase are the expansion of the Group Management team from two to three members from 1 October 2022, better target achievement in the STI-plan and salary increases.

Remuneration of Group Management in financial year 2022

in CHF 1 000	Basic	STI	PSOP ¹⁾	PSP ²⁾	Other ³⁾	Total
All members	874	315	170	170	208	1 736
Thereof Alexander Hagemann, CEO ⁴⁾	500	180	100	100	124	1 004

¹⁾ 10 385 Performance stock options (PSOs) with an exercise price of CHF 52.80 and a market value of CHF 16.37 each were granted to members of the Group Management as of 1 January 2022. The PSOs vest subject to meeting the performance and service conditions on 1 January 2025 and may then be exercised until 31 December 2028.

²⁾ 3 189 restricted share units (RSUs) with a market value of CHF 53.31 each were granted to members of the Group Management as of 1 January 2022. Each RSU converts into up to two Cicor shares subject to meeting the performance and service conditions on 1 January 2025, which will then be transferred to the beneficiaries.

³⁾ Other includes the employer's portion of social security, contributions to pension funds and other fringe benefits.

⁴⁾ Alexander Hagemann was the member with the highest individual remuneration in 2022.

The share of variable remuneration of the Group Management in the financial year 2022 amounted to 39% of the total remuneration and the STI amount awarded for the year reflects an average achievement factor of 90% of the targets set for the year.

Members of the Group Management purchased 16 714 SARs (thereof 10 714 were purchased by Alexander Hagemann) for a consideration of CHF 1.00 per each SAR as part of the MIP in financial year 2022.

6 Share ownership (audited)

The below table discloses the participation rights and options on such rights for each member of the Board of Directors and Group Management, including the member's close associates.

Shares, options and conversion rights held by members of the Board of Directors

	31.12.2023 Shares	31.12.2023 Option and conversion rights	31.12.2022 Shares	31.12.2022 Option and conversion rights
Daniel Frutig	4 850	609	1 500	609
Norma Corio	-	-	-	-
Denise Koopmans	407	-	-	-
Konstantin Ryzhkov	-	-	-	-
Total Board of Directors	5 257	609	1 500	609

Shares, options and conversion rights held by members of the Group Management

	31.12.2023 Shares	31.12.2023 Option and conversion rights	31.12.2022 Shares	31.12.2022 Option and conversion rights
Alexander Hagemann	11 000	-	10 138	-
Marco Kechele	-	-	-	-
Peter Neumann	-	-	-	-
Total Management	11 000	-	10 138	-

7 Other significant activities (audited)

According to the Articles of Association, Board members may not have or perform more than three mandates in other listed companies and not more than 15 in non-listed companies. Members of the Group Management may not have or perform more than one mandate in another listed company and not more than three in non-listed companies, whereas mandates in subsidiaries of Cicor Technologies Ltd. are not counted. Mandates or employment relationships with associated companies outside the Cicor Group that entail sitting on a management or administrative body or a function in executive management are deemed a single mandate under this provision.

The below information discloses the other significant activities for each member of the Board of Directors and Group Management as per 31 December 2023.

Board of Directors

Daniel Frutig, Chairman

- Vice-Chairman and Delegate of the Board of Directors of Eugster/Frisomag AG
- Member of the Board of Directors of AE Familienholding AG
- Member of the Board of Directors of AGRO AG
- Member of the Board of Directors of Lerch AG

Norma Corio

- Member of the Board of Directors of Finance of America
- Member of the Board of Directors of Wood Technologies International
- Member of the Board of Directors of Omni Environmental Solutions
- Member of the Board of Directors of Bibliotheca
- Member of the Board of Directors of AITi Global, Inc.

Denise Koopmans

- Member of the Board of Directors of Swiss Post AG
- Member of the Board of Directors of Royal BAM Group NV
- Member of the Board of Directors of Sanoma Corporation
- Member of the Expert Committee of Swiss Data Alliance
- Member of the Board of Directors of Norma Group SE
- Lay judge/expert at the Enterprise Chamber of the Amsterdam Court of Appeal

Konstantin Ryzhkov

- Chairman of the Board of Directors of Clayens NP (until 29 March 2023)

Group Management

No member of the Group Management had significant other activities that need to be disclosed under this heading.



Report of the Statutory Auditor

To the General Meeting of Cicor Technologies Ltd., Boudry

Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of Cicor Technologies Ltd. (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in sections 4 to 7 of the Remuneration Report.

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

Basis for Opinion

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

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

Other Information

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

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

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

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

Board of Directors' Responsibilities for the Remuneration Report

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

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14–16 VegüV 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 skepticism throughout the audit. We also:

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

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

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

KPMG AG

Kurt Stocker

Licensed Audit Expert
Auditor in Charge

David Grass

Licensed Audit Expert

St. Gallen, 5 March 2024