

ORIOR AG

COMPENSATION REPORT 2020

Compensation Report

ORIOR makes every endeavour to attract, retain and develop talented, qualified and motivated executives and specialists. These endeavours are supported by a fair compensation system designed to match the levels of compensation offered by comparable corporations. With a view to facilitating sustainable corporate growth, due allowance is made for short-, medium- and long-term aspects.

This Compensation Report gives an overview of compensation paid to and, where applicable, loans granted to present and former members of the Board of Directors and the Executive Committee, and also of their holdings of shares in the Company. It also provides information on the compensation system and the basic principles of compensation, powers and duties, and the procedures for setting and approving compensation levels. This combination of quantitative and qualitative elements is designed to efficiently inform shareholders. Only the quantitative data reported for the corresponding year under review are examined by the auditors. The information on compensation paid to the Board of Directors and the Executive Committee is also in accordance with Swiss GAAP FER Accounting Standards, Swiss law, the Ordinance Against Excessive Compensation in Public Corporations (OAEC), the SIX Directive Corporate Governance (DCG), and the Company's Articles of Association.

Pending changes

During the course of a periodic review of the compensation policies and practices of ORIOR Group and its long-term strategic goals, a decision was made to revise various elements of the Company's compensation and stock ownership policies. Resolutions regarding the introduction of a long-term incentive plan for the Executive Committee, minimum stock ownership require-

ments for members of the Board of Directors and the Executive Committee, and a revision and subsequent launch of the stock ownership plan were passed. The corresponding changes have already been worked out and are being implemented on an ongoing basis. **The sections highlighted in grey on the following pages contain information on the recent changes.**



1. Underlying compensation principles

The principles of the Company's compensation policy, the various elements of compensation and the approval process for determining compensation awards for the members of the Board of Directors and the Executive Committee are set out in the Articles of Association. The Articles of Association can be downloaded from ORIOR AG's website: <https://orior.ch/en/articles-of-association-of-orior-ag>.

Compensation system

The compensation paid by the ORIOR Group consists of three principal elements – basic or fixed compensation, variable compensation and stock ownership plans.

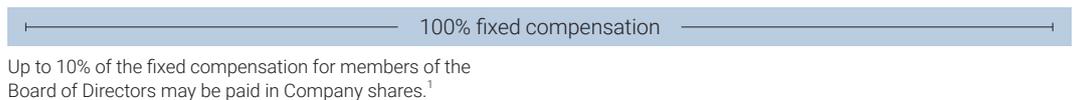
The fixed compensation is determined on the basis of reference salaries paid by comparable corporations, local market and wage standards and on the experience and ability of each individual employee. All persons whose employment contract with ORIOR is of unlimited duration receive fixed compensation equivalent to at least 50% of their total compensation. The fixed compensation is paid in cash. Part of the fixed compensation awarded to members of the Board of Directors can, however, be paid in shares.

The level of variable compensation is linked to achievement of quantitative and qualitative targets. The quantitative targets are based on Company results. The qualitative compensation is based primarily on predetermined aspects of individual performance and the extent to which they meet the given expectations. At least one-fifth of the variable compensation is based on qualitative targets. Part of the variable compensation awarded to members of the Executive Committee can be paid in shares. In addition to the Executive Committee, members of the Company's Extended Executive Committee, other executives and key employees are entitled to receive variable compensation.

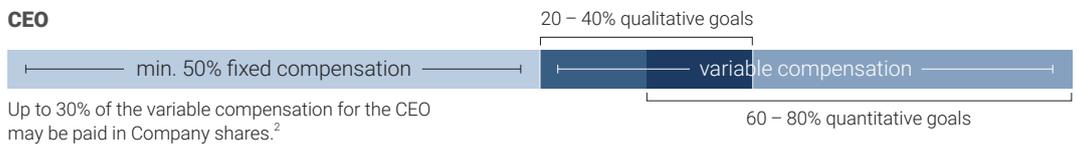
The third compensation element is a stock ownership plan. Stock ownership plans are designed as performance incentives for employees possessing specialist and personal capabilities that are of importance to ORIOR with the aim of creating a stronger bond between these employees and the Company. The Board of Directors reviews which employees are to be included in these programmes on an annual basis; participants may include members of top management, executives and other key employees.

The following rules provide a overview to the split between fixed and variable compensation. According to the Company's Articles of Association, variable compensation paid to the CEO and members of the Executive Committee must not exceed 50% of the total compensation paid to the person in question.

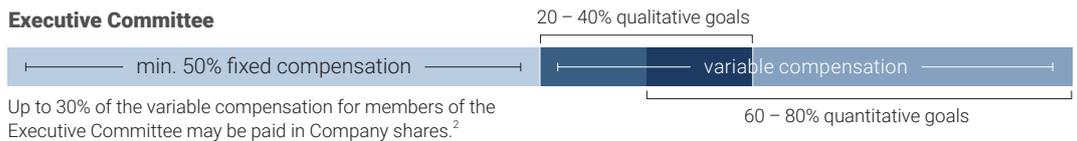
Board of Directors



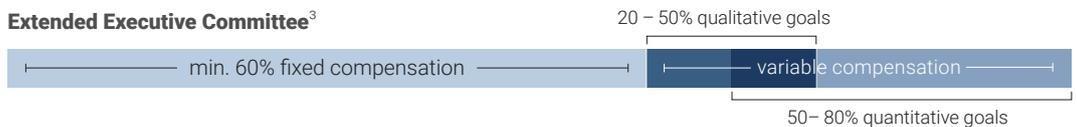
CEO



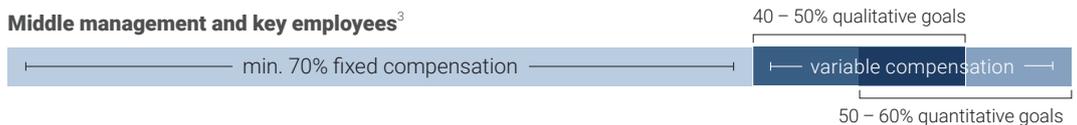
Executive Committee



Extended Executive Committee³



Middle management and key employees³



¹ According to the stock awards and stock purchase agreement (p. 46).

² According to the stock awards and stock purchase agreement (p. 52).

³ Guidelines; individual figures may be different.

Revision of compensation and stock ownership policies and practices

During the course of a periodic review of the corporate governance practices of ORIOR Group and the formulation of its long-term strategic objectives, a decision was made to introduce a long-term incentive plan and a graded stock ownership plan. At the same time the performance criteria for top management

were specified more precisely and now include further ESG goals. Minimum shareholding requirements will also be introduced for the Executive Committee and the Board of Directors. The changes will be implemented from 2021 onwards. The ratio of fixed compensation to variable compensation with respect to the Board of Directors and the Executive Committee has not been changed.



Responsibility and procedure for setting compensation levels

The Nomination and Compensation Committee is responsible for the design and the regular review and evaluation of the Company's compensation system. External experts are only used to help determine the compensation system in the event of a fundamental reorganisation. In the context of new appointments or promotions to Executive Committee level, function-specific benchmarks are used depending on the situation, with companies from the convenience food sector (to which the ORIOR Group belongs) forming the reference market.

Responsibilities for the various levels of the hierarchy are as follows:

Recipient of compensation	Compensation recommendation	Compensation decision	Approval required from General Meeting
Member of the Board of Directors	Nomination and Compensation Committee	Board of Directors as recommended by the Nomination and Compensation Committee	Yes: maximum total amount of fixed compensation to be paid to the Board of Directors
CEO	Nomination and Compensation Committee	Board of Directors as recommended by the Nomination and Compensation Committee	Yes: maximum total amount of fixed compensation to be paid to the Executive Committee and total amount of variable compensation to be paid to the Executive Committee.
Members of the Executive Committee (excl. CEO)	Nomination and Compensation Committee as proposed by CEO	Board of Directors as recommended by the Nomination and Compensation Committee	
Extended Executive Committee, Management Committees and key employees reporting directly to CEO	CEO	Nomination and Compensation Committee as recommended by CEO	No
All other employees	Line manager	Line manager in consultation with their supervisor	No

At the request of the Nomination and Compensation Committee, the Board of Directors annually approves the compensation payable to each member of the Board of Directors and the compensation payable to individual members of the Executive Committee. Its proposals for salaries payable to the Executive Committee (excl. CEO) are prepared in advance by the CEO and submitted to the Nomination and Compensation Committee. Individual members of the Board of Directors abstain from voting on the resolution approving payment of their personal compensation.

The Board of Directors decides on the amounts of compensation paid to its members and members of the Executive Committee and then proposes this to the General Meeting for binding approval pursuant to Art. 18 OAEC and Art. 26 and Art. 29 of the Company's Articles of Association.

The extent to which the targets of relevance for the calculation of variable compensation have been attained is determined, in the case of the CEO, by the Board of Directors based on a proposal submitted by the Nomination and Compensation Committee and, in the case of the other Executive Committee members, by the Nomination and Compensation Committee based on a proposal submitted by the CEO. The full Board of Directors will determine the total amount of variable compensation for the members of the Executive Committee for the last fiscal year and submit a corresponding resolution to the General Meeting for approval in a binding vote.

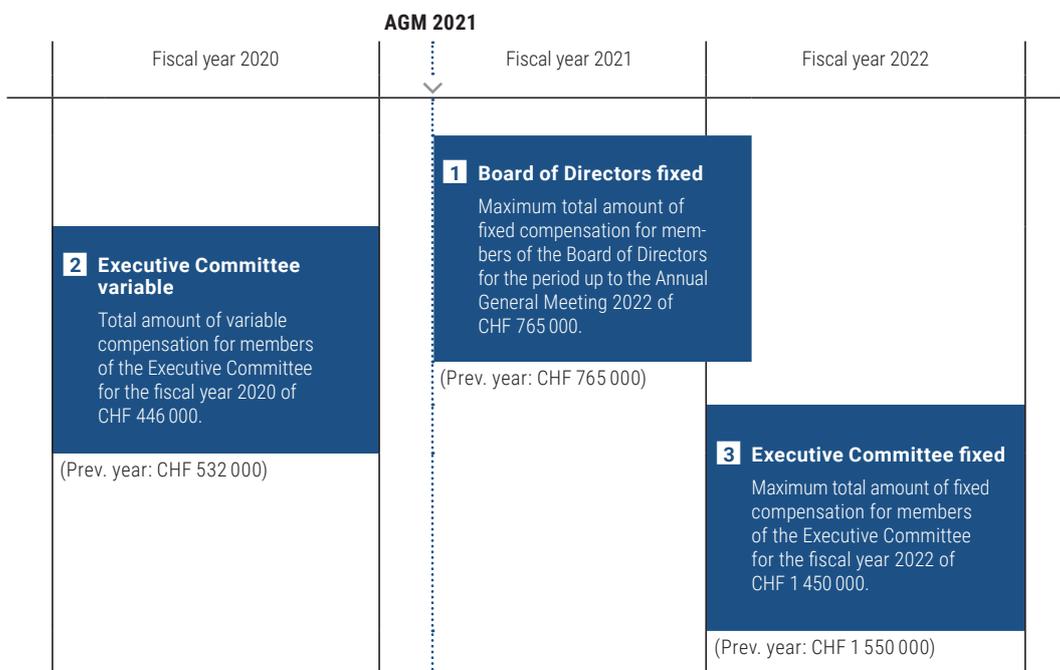
Approval mechanism for compensation paid to the Board of Directors and the Executive Committee

Shareholders vote on the following elements of compensation at the Annual General Meeting of Shareholders:

- 1 Binding vote on the maximum total amount of fixed compensation to be paid to members of the Board of Directors for the period up to the next Annual General Meeting.
- 2 Binding vote on the total amount of variable compensation to be paid to members of the Executive Committee for the last fiscal year.
- 3 Binding vote on the maximum total amount of fixed compensation to be paid to members of the Executive Committee for the next fiscal year.

Owing to the rules set out in the Articles of Association, there is no need for the General Meeting to approve additional compensation for new Executive Committee members pursuant to Art. 19 OAEC. For more information about the additional amount, please see "Additional amount for new Executive Committee members" on page 50 of this Compensation Report.

The following chart shows which components of compensation and for which periods the shareholders will be voting on at the Annual General Meeting of 26 April 2021.



Introduction of a long-term incentive plan

A long-term incentive plan is planned to be introduced with the beginning of the strategy period in 2021 as a means of placing greater emphasis on long-term strategic goals in the compensation policy. In an initial phase, the members of the Executive Committee will participate in this stock-based plan. The performance metrics on which the plan is based include organic top-line growth, environmental or ESG achievements, and the development of the Company's ROCE and share price. The underlying statutory

basis for the compensation policy and approval mechanism will be submitted to the Annual General Meeting on 26 April 2021 for approval. Further information on the plan and the compensation amounts will be presented as well. An overview and graphic depiction of the pending changes that have already been finalised can be found on page 48 of this report. If shareholders approve this proposal, the new incentive plan will take effect retroactively to 1 January 2021.



2. Nomination and Compensation Committee

The Nomination and Compensation Committee is a standing committee that is formally appointed by the Board of Directors. Its main role is to help the Board of Directors prepare the decision-making process, prepare resolutions, and fulfil its supervisory obligations. In terms of its organisation and duties, the committee meets all the requirements of a compensation committee as defined in Art. 7 OAEK and Art. 23 of the Company's Articles of Association.

The Nomination and Compensation Committee consists of at least three members of the Board of Directors. The members are elected individually by the General Meeting for a term of office of one year up to the end of the next Annual General Meeting. The majority of members are independent and non-executive. The Board of Directors appoints the Chairman of the committee from among its members. On 31 December 2020 Monika Friedli-Walser (Chairwoman), Walter Lüthi and Rolf U. Sutter sat on the Nomination and Compensation Committee.

The Nomination and Compensation Committee has the following responsibilities and duties according to Art. 23 of the Company's Articles of Association and according to the Nomination and Compensation Committee Charter:

- To ensure long-term planning of appropriate appointments to positions on the Board of Directors and the Executive Committee; and general management development and succession planning to ensure the Company has the best possible leadership and management talent;
- To nominate candidates to fill vacancies on the Board of Directors or the position of CEO;
- To appoint candidates for the Executive Committee in response to proposals by the CEO;
- To make recommendations to the Board of Directors on the composition of the Board of Directors and to identify appropriate candidates;
- To make determinations regarding the independence of members of the Board of Directors;
- To recommend to the Board of Directors whether to reappoint a director at the end of their term of office;
- To recommend to the Board of Directors the terms of employment of the CEO and members of the Executive Committee;
- To submit proposals to the Board of Directors on the definition of principles for compensating the members of the Board of Directors and Executive Committee within the parameters of the law and the Articles of Association;
- Regularly to check the Company's compensation system for compliance with the compensation principles pursuant to the law, Articles of Association, Regulations and the remuneration-related resolutions of the General Meeting;
- To review matters related to the general compensation rules for employees as well as the Company's human resource practices;
- To submit proposals to the Board of Directors about the amounts of fixed compensation to be paid to members of the Board of Directors;
- To submit proposals to the Board of Directors on the assessment criteria for qualitative and quantitative targets for calculating variable compensation paid to members of the Executive Committee;
- To submit proposals to the Board of Directors about the amounts of fixed and variable compensation to be paid to the CEO;
- To recommend to the Board of Directors in response to a proposal by the CEO the amounts of fixed and variable compensation paid to members of the Executive Committee;

- To approve the amounts of fixed and variable compensation paid to middle management and to key employees who report directly to the CEO, based on a proposal by the CEO;
- To submit the Compensation Report to the Board of Directors for approval;
- To make recommendations to the Board of Directors regarding share-based compensation and stock ownership plans for employees at all levels;
- To consider any other matters as may be requested by the Board of Directors;
- To take all other action required of it by law, the Articles of Association or the Regulations;
- To review its own performance and effectiveness, and recommend any necessary changes to the Board of Directors.

The Nomination and Compensation Committee meets at least two times a year at regular meetings called by the committee chairperson. The CEO, members of the Executive Committee or other guests may be invited, but hold no voting rights. During the period from 1 January 2020 to 31 December 2020 the Nomination and Compensation Committee held five meetings. All members attended all meetings held during their term of office.

3. Compensation awarded to the Board of Directors

The elements of compensation, the mechanisms by which these are approved, as well as other principles underlying the compensation paid to the Board of Directors are set out in the Company's Articles of Association.

Components of compensation

Members of the Board of Directors receive fixed compensation for their role. Additional payments may be made for membership in committees or for taking on special responsibilities or tasks. The members of the Board of Directors are compensated in cash. Part of their compensation may be paid in shares of the Company (allocation). For activities in legal entities directly or indirectly controlled by the Company, and for mandates performed as part of the member's position on the Board of Directors, the legal entity concerned may make payments to the member of the Board of Directors provided these payments are within the amount approved by the General Meeting.

Within the framework of the stock ownership plan (see stock ownership plan, p. 54 f), members of the Board of Directors may, in addition to the compensation awarded, be offered shares at a discount to the market price (stock purchase plan).

Members of the Board of Directors also have their expenses reimbursed. Reimbursement of expenses does not count as compensation. In addition and to the extent permitted by law, the Company may indemnify members of the Board of Directors for losses suffered in connection with lawsuits, trials or settlements relating to their work for the Company, or advance appropriate amounts or take out insurance. Such indemnities, advances and insurance do not count as compensation.

ORIOR is required by law to finance contributions to pension schemes for the members of the Board of Directors. Reported compensation includes only mandatory employer pension contributions as required by applicable law in the relevant country or as stipulated in the applicable pension plan terms. These contributions are part of the total compensation paid to each director. The directors do not receive any additional components of compensation, such as pension entitlements or meeting attendance fees.

Overview of the compensation awarded to members of the Board of Directors

As of 31 December 2020 the Board of Directors consisted of six members. All board members stood for re-election and were duly re-elected at the Annual General Meeting to serve another term of office as directors of ORIOR AG. Further information on the Board of Directors, its powers, expertise, duties and responsibilities, its areas of influence, and its composition can be found in the "Corporate Governance Report".

All compensation awarded to the Board of Directors is reported according to the accrual principal, which states that transactions are recorded in the period (i.e. fiscal year) in which they actually occur.

in CHF	Gross compensation	Additional compensation ¹	Total compensation 2020	Gross compensation	Additional compensation ¹	Total compensation 2019
Rolf U. Sutter Chairman of the Board of Directors	274 478	73 008	347 486	274 478	75 230	349 708
Markus R. Neuhaus ² Vice Chairman of the Board of Directors	94 474	7 768	102 243	56 875	4 609	61 484
Monika Friedli-Walser Member of the Board of Directors	85 312	0	85 312	83 535	0	83 535
Walter Lüthi Member of the Board of Directors	67 677	3 627	71 303	66 549	3 481	70 030
Monika Schüpbach Member of the Board of Directors	48 052	3 951	52 003	31 992	2 593	34 585
Markus Voegeli Member of the Board of Directors	58 652	0	58 652	38 290	0	38 290
Edgar Fluri ³ Member of the Board of Directors	0	0	0	29 764	1 952	31 716
Dominik Sauter ³ Member of the Board of Directors	0	0	0	17 774	0	17 774
Total Board of Directors	628 645	88 353	716 999	599 257	87 865	687 122

¹ These sums include only mandatory employer pension contributions as required by applicable law in the relevant country or as stipulated in the applicable pension plan terms.

² Appointed Vice Chairman of the Board of Directors of ORIOR AG effective 25 February 2020.

³ Resignation effective 11 April 2019.

Note to the compensation of the members of the Board of Directors

The directors receive fixed compensation of CHF 45 000 for their service on the Board of Directors. The amount of compensation awarded to the Chairman and Vice Chairman is higher given their additional duties and responsibilities. Since his resignation as CEO of ORIOR AG in 2011 and concurrent election as Chairman of the Company's Board of Directors, Rolf U. Sutter has been actively engaged in strategic issues and projects. In addition to chairing the Board of Directors, he provides guidance on strategy, acquisition projects, the longer-term evolution of the Board of Directors and the Executive Committee, and the screening of new talents. He also supports innovation processes, the continual improvement of the Company's business model, and other activities. The other board members receive additional compensation of CHF 10 000 for sitting on committees created by the Board of Directors, which at present are the Audit Committee and the Nomination and Compensation Committee. The persons chairing these two committees receive additional compensation of CHF 25 000 a year.

Approval of compensation awarded to the Board of Directors

The General Meeting holds a binding vote each year on the maximum total amount of fixed compensation for members of the Board of Directors for the period up to the next Annual General Meeting. This period from General Meeting to General Meeting is not the same as the fiscal year period shown above, so the overall amounts paid to the Board of Directors for the actual terms of office are shown below.

Term of office	AGM 2021 to AGM 2022	AGM 2020 to AGM 2021	AGM 2019 to AGM 2020	AGM 2018 to AGM 2019	AGM 2017 to AGM 2018
Number of Board members anticipated ¹	6	6	6	6	6
Number of Board members actual ²	n/a	6	6	5.2	6
Maximum total amount of compensation for the Board of Directors in CHF	765 000	765 000	765 000	765 000	765 000
Total amount of fixed compensation actually awarded to the Board of Directors in CHF	n/a	n/a	709 211	669 900	687 680
Actual change in total compensation awarded to the Board of Directors				+5.9%	-2.6%
Potential change in total compensation awarded to the Board of Directors			approx. +3.9% per year		
Approval status	Proposal to the AGM on 26 April 2021	Approved by the AGM on 4 June 2020	Approved by the AGM on 11 April 2019	Approved by the AGM on 12 April 2018	Approved by the AGM on 28 March 2017

¹ Number of directors expected to be in office during the corresponding term at the time the proposal is submitted.

² Number of directors who actually served during the corresponding term.

The difference between the total compensation of CHF 669 900 actually awarded to the Board of Directors for the term of office from the Annual General Meeting 2018 to the Annual General Meeting 2019 and the amount of CHF 709 211 for the subsequent term of office from the Annual General Meeting 2019 to the Annual General Meeting 2020 is attributed to the effective number of directors.

For the term of office from the Annual General Meeting 2021 to the Annual General Meeting 2022, the Board of Directors will ask shareholders at the Annual General Meeting of 26 April 2021 to approve the same maximum total amount of compensation of CHF 765 000 for the anticipated six members of the Board of Directors. Compared to the most recent total actual compensation in the amount of CHF 709 211 for the term of office from the Annual General Meeting 2019 to the Annual General Meeting 2020, this represents a theoretical potential increase of approximately 3.9% per year. There are no plans to increase the amount of compensation paid to the directors. The difference may be utilised for additional compensation in accordance with the provisions regarding supplementary benefits specified in the Articles of Association (see also p. 43 of the Compensation Report), or in connection with changes in the composition of the Board of Directors, or for share purchase offers under employee stock ownership plans.

Stock awards and stock purchase agreement for the members of the Board of Directors

Under the terms of the agreement on the allocation and purchase of Company shares, the members of the Board of Directors may receive 10% of their fixed compensation in shares (allocation). The calculated price of the shares corresponds to the volume-weighted average price paid for ORIOR shares on the SIX during the preceding six months, less a discount of 25%. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance. The shares are subject to a holding period of three years beginning on the date of allocation. No shares were allocated to members of the Board of Directors between 1 January 2020 and 31 December 2020. Compensation was paid entirely in cash.

Members of the Board of Directors may, in addition to their regular compensation, be offered the opportunity to purchase shares at a discount to the market price (stock purchase plan) within the framework of the stock ownership plan (see stock ownership plan, p. 54 f). No shares were allocated to members of the Board of Directors within the framework of the stock ownership plan between 1 January 2020 and 31 December 2020.

Change in discount rate

The discount rate applied to stock awards and allocations subject to an unrevised blocking period of 3 years was changed to 16% (previously: 25%). The same parameters now also apply to purchases under the stock purchase plan. The revised

discount rate is congruent with the valuation principles recognised by tax authorities for equity-based compensation subject to a blocking period of 3 years. This new rate will apply to all stock awards and allocations as of 1 January 2021.

Options

The Company has no stock option plans.

Other compensation and remuneration

No other compensation or remuneration was paid to members of the Board of Directors in 2020.

Loans and credit facilities

In accordance with Art. 20 of the Company's Articles of Association, loans and credit facilities may be extended to members of the Board of Directors only in exceptional cases that are well justified. Moreover, the total amount of such loans and credit facilities must not exceed CHF 200 000 per member. All loans extended to members of the Board of Directors will be on market terms. ORIOR Group did not provide any loans, credit facilities, cash advances or credit to the members of the Board of Directors or parties closely related to them in 2019 and 2020.

Compensation paid to former members of the Board of Directors

In 2020 no compensation, fees or other additional remuneration were paid to former members of the Board of Directors. No loans, credit, cash advances or collateral were provided to former members of the Board of Directors in 2019 and 2020 and there are no such arrangements outstanding from previous periods.

4. Compensation awarded to the Executive Committee

The elements of compensation, the mechanisms by which these are approved, as well as other principles underlying the compensation paid to the Executive Committee are set out in the Company's Articles of Association.

Components of compensation

Members of the Executive Committee receive fixed and variable compensation for their work.

The fixed compensation is determined on the basis of reference salaries paid by comparable corporations, local market and standards, and experience and ability. Fixed compensation is paid in cash and, as stipulated by the Company's Articles of Association, must correspond to at least 50% of the total compensation awarded to each member.

The variable compensation for members of the Executive Committee is based on qualitative and quantitative goals, may account for no more than 50% of overall compensation, and can be paid partly in Company shares (allocation). The percentage of this share-based compensation is set by the Board of Directors every year. The portion of this variable amount linked to achievement of the quantitative targets constitutes approximately 60% to 80% of the total variable amount and is calculated against Company parameters: e.g. revenues, EBITDA, capital expenditure, net working capital and cash flow. In addition to clearly defined and measurable targets, so-called focus factors are defined at the beginning of each year, progress against which will be tracked and weighted more heavily in the calculation of variable compensation for the current year.

For the fiscal year 2020, organic growth, the gross margin, EBITDA and the level of debt were defined as focus factors. Variable compensation tied to qualitative performance measures accounts for 20 to 40% of total variable compensation and is determined by the achievement of predefined individual targets pertaining to strategy, leadership, innovation performance, as well as efficiency and process optimisation. Focus factors pertaining to the qualitative goals for the members of the Executive Committee for the 2020 fiscal year were the preparation and launch of the new ORIOR 2025 Strategy, strengthening the Group's resilience through optimal positioning and general organisational development. Due to the extraordinary situation with the coronavirus and the urgency with which it had to be addressed, additional absolute priorities were added to the predefined objectives. These were safeguarding the health of employees as best as possible and thereby maintaining the Group's supply capabilities and, on the other hand, maintaining good operating results and ensuring cost and process flexibility. Variable compensation may also be paid in Company shares. The total amount of variable compensation for the members of the Executive Committee for the past fiscal year will be submitted to the General Meeting for approval in a binding vote.

The legal entities concerned may make compensation payments to members of the Executive Committee for their activities in legal entities directly or indirectly controlled by the Company, and for mandates performed within the scope of their duties as an Executive Committee member provided these payments are within the amounts approved by the General Meeting.

Within the framework of the stock ownership plan (see stock ownership plan, p. 54 f), members of the Executive Committee may, in addition to the compensation awarded, be offered shares at a discount to the market price (stock purchase plan). In addition the members of the Executive Committee also have their business-related expenses reimbursed. Reimbursement of business-related expenses does not count as compensation. To the extent permitted by law, the Company may indemnify members of the Executive Committee for losses suffered in connection with lawsuits, trials or settlements relating to their work for the Company, or advance appropriate amounts or take out insurance. Such indemnities, advances and insurance do not count as compensation.

Introduction of a Long-Term Incentive Plan

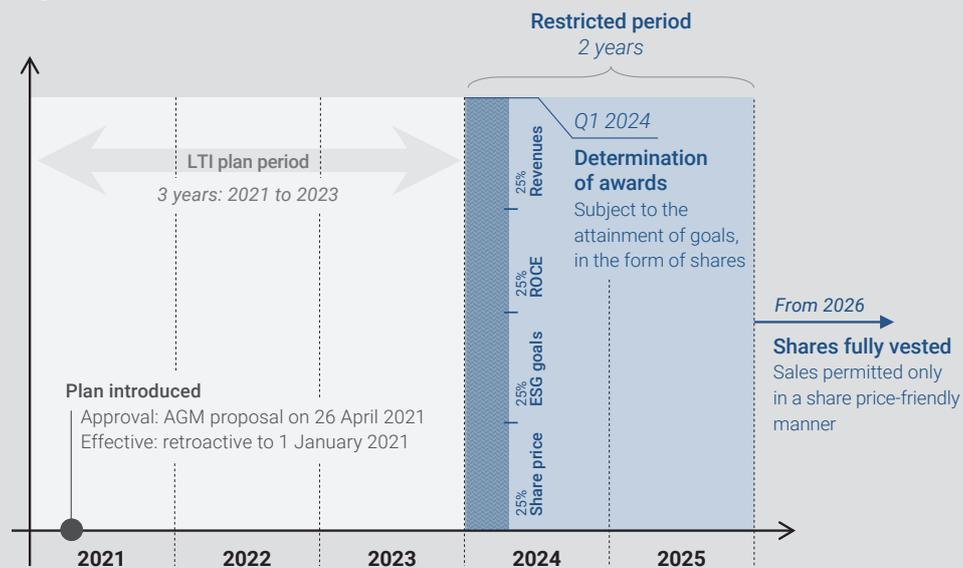
A resolution to introduce a long-term incentive plan for the members of the Executive Committee was passed. The introduction of this share-based compensation plan designed to promote the long-term and sustainable development of the Group is subject to the approval of the Annual General Meeting in accordance with the Company's Articles of Association and the Ordinance Against Excessive Compensation at Public Corporations (so-called VegüV). A corresponding proposal will be submitted at the next Annual General Meeting, which will take place on 26 April 2021. Further information regarding the compensation amounts and the performance measurement criteria used in the plan will be provided in connection with

this proposal. If the proposal is accepted, the new long-term incentive plan will take effect retroactively to 1 January 2021.

Basic framework

Introduction (subject to shareholder approval)	Retroactive to 1 January 2021
Plan members	Executive Committee
Type of compensation	Shares
Vesting period	3 years, plus 2-year blocking period upon vesting
Long-term goals	<ul style="list-style-type: none"> - Organic growth - ROCE development - Progress towards ESG goals - Stock performance

Illustration of proposed Long-Term Incentive Plan



Overview of compensation awarded to the Executive Committee

The Executive Committee had three members on 31 December 2020, Daniel Lutz, CEO of ORIOR Group, Andreas Lindner, CFO of ORIOR Group, and Filip De Spiegeleire, Head of ORIOR Europe and Culinor Food Group. Bernhard Pfulg acted as interim Group CFO until 28 October 2019 and in this role, he held a seat on the Extended Executive Committee. In view of his functional responsibilities, Bernhard Pfulg is included in the compensation sums given below for the duration of his service as interim CFO of ORIOR Group, even though he was not a formal member of the Executive Committee. Andreas Lindner has been with ORIOR since 1 October 2019; he assumed the role of CFO of ORIOR Group on 28 October 2019.

For the fixed compensation awarded to new members of the Executive Committee the supplementary amount of compensation stipulated in the Articles of the Association (see Art. 29, para. 4) can be used if the maximum total compensation approved by the General Meeting is not sufficient; it is not subject to renewed approval by the General Meeting. Further information on the supplementary amount of compensation is given in the section "Additional amount for new Executive Committee members" on page 50 of this Compensation Report.

Compensation paid to current and former members of the Executive Committee is reported according to the accrual principal, which states that transactions are recorded in the period (i. e. fiscal year) in which they actually occur.

in CHF	Executive Committee excl. CEO	Daniel Lutz (CEO)	Total compensation 2020	Executive Committee excl. CEO	Daniel Lutz (CEO)	Total compensation 2019
Average number of current members ¹	2.0	1.0	3.0	2.1	1.0	3.1
Gross fixed compensation	656 111	407 083	1 063 194	642 830	407 083	1 049 913
Post-employment benefits	81 590	115 756	197 346	61 471	125 214	186 685
Other social contributions	28 582	35 292	63 874	26 428	34 649	61 077
Total amount of fixed compensation actually awarded to current members	766 283	558 131	1 324 414	730 729	566 946	1 297 675
Average number of former members	0.0	0.0	0.0	0.4	0	0.4
Compensation to former members	0	0	0	141 257	0	141 257
Total fixed compensation actually paid to current and former members	766 283	558 131	1 324 414	871 986	566 946	1 438 932
Number of members at time of proposal ²	2.0	1.0	3.0	2.0	1.0	3.0
Total amount of fixed compensation approved			1 600 000			1 500 000
Available amount of additional compensation for new members			0.0			147 539 ³
Amount of additional compensation for new members actually expended			0			0
Gross variable compensation	142 800	280 000	422 800	189 860	310 000	499 860
Other social contributions	6 402	22 981	29 383	7 049	24 972	32 021
Total variable compensation	149 202	302 981	452 183⁴	196 909	334 972	531 881
Total compensation actually paid to current and former members	915 485⁵	861 112	1 776 597⁵	1 068 895⁵	901 918	1 970 813⁵

¹ As mentioned above, the sum for 2019 includes compensation paid to Bernhard Pfulg as interim CFO.

² Number of current members at the time the proposal is submitted, taking into consideration changes that we are already aware of and that have been announced.

³ Andreas Lindner was appointed to the Executive Committee after shareholders had approved the maximum total fixed compensation for the Executive Committee for fiscal year 2019. Accordingly, an additional amount of compensation as foreseen in the Articles of Association was available for his fixed compensation.

⁴ Subject to the approval of the total amount of variable compensation for the members of the Executive Committee by the Annual General Meeting on 26 April 2021.

⁵ Includes the compensation paid in euros to Filip De Spiegeleire. The sum was calculated into Swiss francs using the average exchange rate for the year of CHF 1.0703 (2019: 1.1126).

The approved maximum total amount of fixed compensation for the members of the Executive Committee for fiscal year 2020 is CHF 1.6 million. The total amount of fixed compensation actually paid to the current members of the Executive Committee for fiscal year 2020 is CHF 1 324 414. The increase in fixed compensation paid to the members of the Executive Committee compared to the previous fiscal year in the amount of CHF 26 739 is attributed to the new composition of the Executive Committee. Apart from that, the base salaries for members of the Executive Committee were not increased. ORIOR had planned to introduce a stock ownership plan for members of the Executive Committee in fiscal year 2020 in connection with the presentation of the ORIOR 2025 Strategy. Due to the extraordinary situation with the coronavirus and resulting challenges, this plan was postponed and the actual total amount of fixed compensation for the Executive Committee was therefore less than budgeted. Another reason for the discrepancy is a positive exchange-rate effect on the translation of compensation paid in euros. Aggregate variable compensation for the fiscal year 2020 amounted to a low CHF 452 183 (previous year: CHF 531 881). This is

attributed to the quantitative goals that were not achieved due to the coronavirus pandemic. The high-priority goals that emerged during the course of the year as a matter of utmost urgency (see p. 47) were given a lower weighting in the assessment of performance measures. The change in the composition of the Executive Committee and the exchange-rate effect stemming from compensation payable in euros also had an influence.

There is an executive pension plan for the members of the Executive Committee and other executives. The members of the Executive Committee and other executives also have a Company car at their disposal, including for personal use subject to certain rules. No other benefits in kind are granted.

Additional amount for new Executive Committee members

If new members of the Executive Committee are appointed after approval has been given by the General Meeting, the additional amount of compensation per new member, according to Art. 29 Para. 4 of the Articles of Association, is 120% pro rata of the highest fixed compensation paid to a member of the Executive Committee in the fiscal year preceded by the last Annual General Meeting. According to the Articles of Association, the General Meeting is not required to approve this additional compensation.

Andreas Lindner was appointed to the Executive Committee after shareholders had approved the maximum total fixed compensation for the Executive Committee for fiscal year 2019 (approved at the Annual General Meeting on 12 April 2018). Consequently, in accordance with the provisions of the Articles of Association, supplementary compensation in the amount of CHF 147 539 was available for his fixed compensation in fiscal year 2019. The total amount of compensation for the members of the Executive Committee for fiscal year 2020, as proposed in the documents pertaining to the Annual General Meeting 2019, includes compensation for Andreas Lindner. No new appointments to the Executive Committee were made after shareholders approved the total amount of fixed compensation for fiscal year 2020. Therefore, the additional amount of compensation for new members has been omitted from the actual fixed compensation of the members of the Executive Committee for 2020.

Approval of compensation awarded to the Executive Committee

The General Meeting votes on the total amount of variable compensation awarded to the members of the Executive Committee for the past fiscal year and the maximum total amount of fixed compensation to be awarded to the members of the Executive Committee for the coming fiscal year in a binding, annual vote at the ordinary General Meetings.

Variable compensation awarded to the Executive Committee:

	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018	Fiscal year 2017
Average number of Executive Committee members ¹	3.0	3.1	3.0	3.5
Total amount of variable compensation awarded to the Executive Committee in CHF	446 000	532 000	613 000	619 000
Percentage change in variable compensation awarded to the Executive Committee		-16.2%	-13.2%	-1.0%
Approval status	Proposal to the AGM on 26 April 2021	Approved by the AGM on 4 June 2020	Approved by the AGM on 11 April 2019	Approved by the AGM on 12 April 2018

¹ As mentioned earlier, the sum for 2019 includes compensation paid to Bernhard Pfulg as interim CFO.

At the Annual General Meeting on 26 April 2021, the Board of Directors will propose total variable compensation of CHF 446 000 for the members of the Executive Committee for the 2020 fiscal year. Compared to the previous year, this represents an unusually sharp decline of 16.2%, which is attributed to the aforementioned review of objectives and performance measurement and to other effects arising from the changes in the composition of the Executive Committee and from exchange-rate fluctuations.

Fixed compensation paid to the Executive Committee:

Year	2022	2021	2020	2019
Average number of Executive Committee members expected to be in office ¹	3.0	3.0	3.0	3.0
Average number of Executive Committee members actually in office ²	n/a	n/a	3.0	3.1
Maximum total amount of fixed compensation paid to the Executive Committee in CHF	1 450 000	1 550 000	1 600 000	1 500 000
Amount of additional compensation available for new members (stipulated in Articles of Association)	n/a	n/a	0	147 539
Maximum total amount of fixed compensation available for current and former members of the Executive Committee in CHF	n/a	n/a	1 600 000	1 647 539
Total amount of fixed compensation actually paid to the Executive Committee in CHF	n/a	n/a	1 324 414	1 438 932
Actual change in total compensation paid to the Executive Committee				-8.0%
Potential percentage change in total compensation paid to the Executive Committee	-6.5%	+17.0%	approx. +3.8% per year	
			approx. +4.7% per year	
Approval status	Proposal to the AGM on 26 April 2021	Approved by the AGM on 4 June 2020	Approved by the AGM on 11 April 2019	Approved by the AGM on 12 April 2018

¹ Average number of members of the Executive Committee expected to be in office at the time the proposal is submitted.

² Average number of members of the Executive Committee actually in office during the year.

The Board of Directors will propose at the Annual General Meeting on 26 April 2021 a maximum total amount of fixed compensation of CHF 1 450 000 for the members of the Executive Committee for the 2022 fiscal year. Compared to the approved maximum total amount of fixed compensation for the members of the Executive Committee for the 2021 fiscal year, this represents a renewed reduction of CHF 100 000 or 6.5%. This reduction is attributed to a decision not to increase fixed compensation by a significant amount in the coming two years and to the pending introduction of a long-term incentive plan as part of the ongoing optimisation of compensation and stock ownership policies. This new compensation basis for members of the Executive Committee will add an additional element of compensation based on the attainment of long-term goals to the overall compensation plan. The stock ownership plan that had been planned for 2020 but was postponed due to the pandemic is now scheduled to be introduced in 2021. Compared to the total fixed compensation of CHF 1 324 414 actually paid to the members of the Executive Committee for fiscal year 2020, the proposed maximum total amount of fixed compensation for fiscal year 2022 represents a potential average increase of approx. 4.7% per year.

Compared to the total fixed compensation actually paid to members of the Executive Committee for the fiscal year 2020, the proposed maximum total fixed compensation for the current year corresponds to a theoretical potential increase of +17.0%, or approx. 3.8% when compared to actual compensation paid over the past two fiscal years. From today's standpoint, it is already very unlikely that – even after taking the aforementioned stock ownership plan and possibly negative exchange rate developments into consideration – the maximum amount of CHF 1.55 million will be awarded to the three current members of the Executive Committee.

Stock awards and stock purchase agreement for the members of the Executive Committee

Under the terms of the agreement on the allocation and purchase of Company shares, the members of the Executive Committee may receive up to 30% of their individual variable compensation in shares (allocation). The calculated price of the shares corresponds to the volume-weighted average price paid for ORIOR shares on the SIX during the preceding six months, less a discount of 25%. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance. The shares are subject to a holding period of three years beginning on the date of grant. No shares were awarded to members of the Executive Committee between 1 January 2020 and 31 December 2020. Compensation was paid entirely in cash.

Members of the Executive Committee may, in addition to their regular compensation, be offered the opportunity to purchase shares at a discount to the market price (stock purchase plan) within the framework of the stock ownership plan (see stock ownership plan, p. 54 f). No shares were allocated to members of the Executive Committee within the framework of the stock ownership plan between 1 January 2020 and 31 December 2020.

Change in discount rate

The discount rate applied to stock awards and allocations subject to an unrevised blocking period of 3 years was changed to 16% (previously: 25%). The same parameters now also apply to purchases under the stock purchase plan. The revised

discount rate is congruent with the valuation principles recognised by tax authorities for equity-based compensation subject to a blocking period of 3 years. This new rate will apply to all stock awards and allocations as of 1 January 2021.



Options

The Company has no stock option plans.

Other compensation and remuneration

No other compensation or remuneration was paid to members of the Executive Committee in 2020.

Loans and credit facilities

In accordance with Art. 20 of the Company's Articles of Association, loans and credit facilities may be extended to members of the Executive Committee only in exceptional cases that are well justified. Moreover, the total amount of such loans and credit facilities must not exceed CHF 200 000 per member. All loans extended to members of the Executive Committee will be on market terms. ORIOR Group did not provide any loans, credit facilities, cash advances or credit to the members of the Executive Committee or parties closely related to them in 2019 and 2020. The accounts receivable listed in Note 35 of the financial statements have arisen from operating activities with a related party at standard market conditions.

Contracts with Executive Committee members

In accordance with Art. 22 of the Company's Articles of Association, contracts with members of the Executive Committee may be fixed-term or permanent. The maximum duration of fixed-term contracts is one year. The notice period for an unlimited term contract may not exceed one year.

Compensation paid to former members of the Executive Committee

In 2020, no compensation or other fees or loans, credit facilities, advances or guarantees were paid out or extended to former members. In 2019, compensation of CHF 141 257 was paid to a former member of the Executive Committee; no other compensation, loans, credit facilities, advances or collateral were paid out or granted, nor are any such items from previous periods still outstanding.

5. Shares held by members of governing bodies

As of 31 December 2020, the members of the Board of Directors and the Executive Committee held the following shares:

Name and function	Freely disposable shares as of 31.12.2020	Restricted shares as of 31.12.2020 ¹	Total number of shares as of 31.12.2020	in %	Total number of shares as of 31.12.2019
Rolf U. Sutter, Chairman of the Board of Directors	107 633	350	107 983	1.66%	107 983
Markus R. Neuhaus, Vice Chairman of the Board of Directors ²	580	0	580	0.01%	580
Monika Friedli-Walser, Member of the Board of Directors	3 755 ³	350	4 105	0.06%	1 050
Walter Lüthi, Member of the Board of Directors	150	350	500	0.01%	500
Monika Schüpbach, Member of the Board of Directors	257	0	257	0.00%	0
Markus Voegeli, Member of the Board of Directors	200	0	200	0.00%	0
Daniel Lutz, CEO ORIOR Group	2 000	1 200	3 200	0.05%	3 200
Andreas Lindner, CFO ORIOR Group	755	0	755	0.01%	0
Filip De Spiegeleire, Head ORIOR Europe and Culinor	7 100	800	7 900	0.12%	7 900
Total	122 430³	3 050	125 480	1.93%	121 213
Total ORIOR Shares			6 517 499	100.00%	6 517 499

¹ Shares held under the stock ownership plan (see "Employee stock ownership plan," p. 54 f).

² Appointed Vice Chairman of the Board of Directors of ORIOR AG effective 25 February 2020.

³ Including participation of a closely related person.

A former member of the Board of Directors holds 350 ORIOR shares that were purchased in 2018 within the framework of a stock ownership programme; these shares are restricted until 31 July 2021. Under the same programme a former member of the Executive Committee purchased 1 100 ORIOR shares, restricted until 31 July 2021.

The members of the Board of Directors and the Executive Committee are not offered any special terms for purchasing shares other than in the aforementioned stock purchase plan.

Introduction of minimum stock ownership guidelines for members of the Board of Directors and the Executive Committee

As part of the revision of the stock ownership and compensation policies of ORIOR Group, it was decided to introduce minimum stock ownership guidelines for the members of the Board of Directors and the Executive Committee from 1 January 2021 onwards. The minimum requirement for each role is listed below. The minimum ownership level can be achieved by means of stock awards (partial payment of variable compensation in shares), by means of stock purchase offers (e.g. through the stock ownership plan) or through purchases in the

open market. All individuals will have three years to satisfy these requirements and should satisfy at least half of the applicable requirement within two years after becoming subject to the requirements. This proposal and the disclosures that are of interest to the public will be formulated in the organisational regulations of ORIOR Group.

Role	Minimum ownership
Chairman of the Board	1.5x base salary
Members of the Board of Directors	1.0x base salary
CEO of ORIOR Group	1.5x base salary
Members of the Executive Committee	1.0x base salary



6. Share purchase agreement for members of the Board of Directors and the Executive Committee

In addition to the other forms of compensation, the members of the Board of Directors and the Executive Committee can, by means of the share purchase agreement, be given the opportunity to purchase ORIOR shares at a discount. The number of shares that can be purchased at a discount is specified by the Board of Directors. The purchase price of these shares corresponds to the volume-weighted average price paid for ORIOR shares on the SIX during the preceding six months, less a discount of 25%. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance. Under the share purchase agreement, a two-month purchase period will commence on the day the share purchase offer is made. The shares purchased will be subject to a holding period of three years beginning on the date of purchase. If a party to the share purchase agreement leaves the Company during the three-year holding period, the Board of Directors will decide whether to maintain or terminate the holding period. During the year under review, no shares were sold to members of the Board of Directors and members of the Executive Committee through the aforementioned stock ownership plan.

Transactions with members of the Board of Directors or the Executive Committee

Transactions with members of the Board of Directors or the Executive Committee (if any) are made on arm's length terms.

Transactions with closely related entities and persons

The members of the Board of Directors of ORIOR AG, the members of the Executive Committee of ORIOR AG, shareholders exercising significant influence, and the Group's pension plans are regarded as closely related entities or persons. All transactions with closely-related entities and persons are conducted on the same market terms as with independent third parties.

7. Employee stock ownership plan

The stock ownership plan approved by the Board of Directors of ORIOR AG for members of the executive boards of the competence centres and certain employees of ORIOR Group came into effect on 3 January 2012. Responsibility for the employee stock ownership plan and the definition thereof, and the setting of the offer periods, the share offers and the lock-in periods, rests with the Board of Directors. The Board of Directors can delegate the administration of the plan to a plan committee defined by the Board of Directors and consisting of two or more persons. Shares can be offered annually under special conditions to employees who are entitled to participate in the stock ownership plan, in addition to the compensation due under the terms of their employment contract. The Board of Directors specifies the two-month subscription period and the subscription rights of the individual participants annually within the framework of the present plan. The number of shares offered to each participant is at the discretion of the Board of Directors, which bases its decision on (alongside other considerations) how well the employee has achieved the quantitative and qualitative targets set out in the individual annual performance agreement.

The shares that are to be issued in the context of this plan can be acquired by ORIOR on the stock exchange or created by means of authorised, conditional or ordinary capital increases. The maximum number of shares to be issued in the context of this or any similar plan may not exceed 3% of the share capital of ORIOR. The Board of Directors is empowered to adjust the maximum number of shares to be issued in the context of the plan at its own discretion. The share purchase price corresponds to the volume-weighted average price paid for ORIOR shares on SIX during the preceding six months, prior to the start of the two-month offer period, minus a discount of 25%. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance.

During the year under review, no shares were sold to employees within the framework of the employee stock ownership plan. Below is an overview of the total number of shares issued pursuant to the employee stock ownership plan, the date of issue, the discount granted, and the mandatory holding period:

Year	Number of employees	Number of shares sold	Issue date/Transfer	Discount granted	Blocking period ends
2020	-	-	-	-	-
2019	-	-	-	-	-
2018	78	19 445	1 August 2018	25%	31 Juli 2021

Revision and launch of new employee stock ownership plan

The employee stock ownership plan established in 2012 was reviewed in detail and its provisions and principles revised. The basic framework of the revised stock ownership plan was devised and is given at right. Together with the now launched ORIOR 2025 Strategy, the employee stock ownership plan will be introduced in the current year. This will render the previously applicable principles and policy for stock ownership plans null and void. During the initial

phase, the individuals ultimately responsible for formulating and executing the Company Strategy will be covered by the new plan. From 2022 onwards, additional employees would be covered by the plan.

Basic framework	Old	New
Blocking period	3 years	3 years
Discount	25%	16%
Separation policy	At the discretion of the Board of Directors	Conditions for Good leavers and Bad leavers





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To the General Meeting of
Orior Ltd, Zürich

Basle, 09 March 2021

Report of the statutory auditor on the remuneration report

We have audited the remuneration report of Orior Ltd for the year ended 31 December 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) on pages 44 to 51 of the remuneration report.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. 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 remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

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

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



Opinion

In our opinion, the remuneration report for the year ended 31 December 2020 of Orior Ltd complies with Swiss law and articles 14–16 of the Ordinance.

Ernst & Young Ltd

Martin Gröli
Licensed audit expert
(Auditor in charge)

Hortense Pfammatter
Licensed audit expert