Remuneration Report

INTRODUCTION BY THE CHAIRMAN OF THE NOMINATION AND COMPENSATION COMMITTEE

Dear Shareholders

On behalf of the Board of Directors (the "Board") and the Nomination and Compensation Committee (the "NCC"), I am pleased to present the Remuneration Report for 2021. It follows a similar structure to the previous year's report. Additionally, this year's Remuneration Report provides details on Group Executive Management (the "GEM") remuneration decisions related to the ongoing impact of COVID-19 on Valora Group.

In 2021, the continued COVID-19 crisis led to high planning uncertainty. Our financial performance was again negatively impacted by government restrictions which forced temporary closures of point of sales and resulted in significantly reduced mobility in key locations. Despite this, thanks to excellent work by Management, a solid financial performance was achieved.

When evaluating the GEM's short term performance for the Board it was key that the GEM's actions and decisions were clearly aiming to minimise COVID-19 disruptions to our business operations, navigate the pandemic well, and optimally position Valora to quickly benefit from a fast recovery in the interest of the company and all its stakeholders. To achieve this, the Board set challenging financial and non-financial short-term metrics to assess GEM overall performance in the context of the ongoing impact of the pandemic.

Moreover, the Board amended the long-term incentive program for 2021 and onwards to strengthen full alignment of our compensation system with the Company's strategy, culture and shareholder's long-term interest. Consequently, our remuneration system rewards performance in a balanced and sustainable manner (pay for performance) and aligns well with shareholder's interests.

Group Executive Management remuneration – Short-term variable remuneration (STB):

- Valora asserts a strict "pay-for-performance" philosophy for all its remuneration elements. During this time of crisis, short-term financial metrics alone were not adequate anymore to evaluate value creation in the interest of all stakeholders. To assess GEM's performance under the STB in 2021, the Board has therefore established a comprehensive and fact-based performance scorecard also considering ESG criteria. The scorecard consists of three main performance areas that represent key short-term actions in a crisis that drive long-term, sustainable value creation from a business and stakeholder perspective:

Performance areas	
1. Risk & Costs	How well Valora has managed to cope with the crisis through good risk and liquidity management, protection of assets and cost management
2. Market & Strategy	How well Valora has defended its leading position in the out-of-home food service and high frequency retail through development of its formats
3. Profitability & Capital Efficiency	How well Valora has defined a clear path out of the crisis and secured the future viability of the business

- For each performance area, challenging financial and quantitative non-financial performance indicators were assessed. In line with our "pay-for-performance" philosophy, this comprehensive evaluation within the performance scorecard resulted in an STB factor of 98% for the Group Executive Management.

Group Executive Management remuneration – Long-term variable remuneration (LTIP):

- The LTIP rewards Group Executive Management for long-term company performance and therefore reinforces the alignment of their interests with those of the company and our shareholders. In 2020, the LTIP design was amended to further ensure alignment with shareholders' interests and market practice. The first grant under the revised LTIP took place in 2021.
- Under the LTIP, performance share units (PSUs) are granted which are subject to a three-year performance period and based on the performance achievement of two equally weighted group level indicators. The following overview shows the most significant amendments under the revised LTIP. Further details can be found in section 5.4.

	Previous LTIP design	Amended LTIP design
Performance indicators	Return On Capital Employed (ROCE) and Earnings Per Share (EPS)	ROCE and Earnings Before Interests Taxes Depreciation and Amortisation (EBITDA) to put higher emphasis on operational performance
Vesting curve	Threshold at 50 % with a range up to 150 % of target	More robust and symmetrical vesting curve between 0 % and 200 %
Reference price	Volume weighted average of the closing share price on the last 20 trading days preceding the grant date	Fair market value measured at grant date using a fair value simulation adjusted for expected dividends during the performance period
Clawback clause	No clawback clause	Introduction of clawback clause

- To further align with shareholders' interests and incentivise Group Executive Management for a fast re-bound of the business, the LTIP grant 2021 includes the possibility to receive 0.5 matching shares for one PSU at vesting if a total shareholder return (TSR) threshold is achieved. It is important to note that the LTIP grant 2021 stays within the approved budget for the maximum total remuneration of Group Executive Management for 2021.

How our "pay-for-performance" philosophy is applied to the STB and LTIP

In 2020, despite tremendous achievements by the GEM in managing the significant impact of COVID on our business, the STB factor was set at 50% due to reflect the financial consequences of COVID-19 on our business. This reflected the Board's strict approach to pay-for-performance. For 2021, challenging financial and non-financial business metrics were established for the STB to incentivise GEM to clearly focus on sustainable value creation in the interest of all stakeholders. For the LTIP, in line with our "pay-for-performance" philosophy, the performance targets of the existing and outstanding grants 2019 and 2020 were not changed. The negative COVID-19 impact on the financial performance indicators were not mitigated at all and consequently, as designed the LTIP grant 2019 resulted in a zero vesting. That means there will be no payout after the end of the three-year performance period (2019-2021). Based on current projections also for the grant 2020 a zero vesting is expected and therefore another zero payout after the end of the three-year performance period (2020-2022). This is due to the significant negative impact of COVID-19 on the financial years 2020 and 2021 which are both included in the respective performance periods. The above results in significant reductions in future payouts for the Group Executive Management. This accentuates Valora's commitment to align management compensation with our shareholders' long-term interests even though the GEM has achieved excellent results in the face of a severe threat for the business.

- We will continue to assess our remuneration system to ensure that it is appropriate in the evolving context in which Valora operates. This includes rigorously applying our "pay-for-performance" philosophy. Furthermore, environmental protection, social responsibility and good Corporate Governance, also known as ESG topics (Environmental, Social and Governance), will continue to be an integral part of our corporate strategy and operational implementation and therefore an essential element of the overall performance assessment relevant for GEM's remuneration. With our compensation framework we will carry on supporting our commitment to creating both financial and non-financial value over the long term in the interest of all our stakeholders.
- We will also continue to pursue engagement through an open dialogue with our shareholders and their representatives. As in previous years, shareholders can express their views on the remuneration system by participating in the consultative vote on the 2021 Remuneration Report at the forthcoming AGM. At that meeting, your approval will also be sought for the proposed maximum overall remuneration for the Board during the period from the AGM 2022 to the AGM 2023 and for Group Executive Management for 2022 („Say-on-Pay").

Yours sincerely

Michael Kliger
Chairman of the NCC

REMUNERATION AT A GLANCE

Remuneration policy and principles

The philosophy behind the remuneration system is based on corporate governance best-practice and three main principles which have the interests of the company and our shareholders at the forefront:

FAIR AND TRANSPARENT

The company aims to ensure an internal and external balance regarding remuneration. Disclosure of remuneration follows governance good practice and rules.

PERFORMANCE DRIVEN

The variable remuneration is based on the achievementof business goals with challenging financial and non financial performance targets. Caps and thresholds are applied to the variable remuneration.

COMPETITIVE

The remuneration system allows the company to attract and retain the talent needed to support its strategy.

Summary of the current remuneration structure for the Board of Directors (AGM 2021–AGM 2022)

In order to ensure the independence in exercising their supervisory function, Board members receive a fixed remuneration only in the form of cash and shares blocked for a period of three years. The remuneration system for the Board does not contain any performance-related components.

FIXED REMUNERATION

Chairman	CHF 490 000
Vice-Chairman	CHF 160 000
Board member	CHF 140 000

COMMITEE FEE	Chairman	Member
NCC	CHF 25 000	CHF 12 500
Audit Committee	CHF 25 000	CHF 12 500

20 % blocked shares – 3-year blocking period

80 % cash

Remuneration in 2021
Board of Directors

The remuneration awarded to the Board in financial year 2021 amounts to CHF 1.5 million.

The remuneration disclosed in the Remuneration Report always includes the respective fiscal year (January to December). However, shareholders approve the remuneration to be paid for the period between Annual General Meetings (March/April to April/Mai). This remuneration is disclosed below, including a comparison with the compensation amount approved by the shareholders. For the term of office from the 2020 Annual General Meeting until the 2021 Annual General Meeting, the remuneration is within the limits approved by the shareholders at the Annual General Meeting (AGM). The remuneration effectively paid for the portion of the term of office included in this Remuneration Report (April 1, 2021, until December 31, 2021) is within the limit approved by the shareholders. A conclusive assessment for the entire period will be included in the Remuneration Report 2022:

Remuneration period	Authorised amount (CHF)	Effective amount (CHF)
AGM 2020 – AGM 2021	CHF 1.7 million	CHF 1.5 million
AGM 2021 – AGM 2022	CHF 1.7 million	CHF 1.6 million*

* Expected amount. The effective amount will be disclosed in the Remuneration Report for financial year 2022.

Summary of the current remuneration structure for the Group Executive Management in 2021

The remuneration of Group Executive Management consists of fixed and variable elements:

Base salary	To attract and retain highly qualified talents
STB	To reward for the annual performance of the business
LTIP	To align with shareholders interests and to promote sustainable company performance
Pension & Benefits	To cover retirement, provide for the risks of death and invalidity, to attract and retain

Remuneration in 2021
Group Executive Management

The remuneration awarded to Group Executive Management in fiscal year 2021 is within the limits approved by the shareholders at the AGM:

Remuneration period	Authorised amount (CHF)	Effective amount (CHF)
Financial year 2021	CHF 7.7 million	CHF 6.7 million

Performance in 2021

In 2021, the financial performance of Valora was again negatively impacted by government restrictions which forced temporary closures of point of sales and resulted in a significantly reduced mobility in key locations. To adequately evaluate Group Executive Management's performance in this extraordinary year, a comprehensive and fact-based performance scorecard was developed in line with our "pay-for-performance" philosophy. Within the performance scorecard, special focus was put on three performance areas that represent key topics from a business and stakeholder perspective. These include crisis management, efforts to defend Valora's leading market positioning as well as the establishment of a clear path out of the COVID-19 crisis and securing the future viability of the business. Wherever possible, robust financial metrics were used to assess performance. In other areas, reliable quantitative non-financial metrics were more adequate to capture performance comprehensively in times of crisis remediation. With a fact-based evaluation in the described performance areas, the performance scorecard resulted in an STB factor of 98 % for the Group Executive Management.

Regarding the LTIP, in line with our "pay-for-performance" philosophy, the Board did not adjust the performance targets of the outstanding grants 2019 and 2020. This is despite the negative COVID-19 impact and the fact that the LTIP constitutes a material part of total remuneration for Group Executive Management. In consequence, the grant 2019 resulted in a zero vesting, i.e., there will be no payout in 2022. Based on current projections, for the grant 2020 a zero vesting is expected in 2023 as well due to the ongoing COVID-19 impact. In addition, no amendments to the individual LTIP award amounts for the Group Executive Management were made. This accentuates Valora's commitment to align management compensation with long-term shareholder interests.

For the LTIP grant 2021, the Board has decided to further incentivise Group Executive Management regarding a fast rebound of Valora's business and to additionally align their interests with those of our shareholders during and after this crisis. For this purpose, the LTIP grant 2021 includes the possibility to receive 0.5 matching shares for one PSU that vests at the end of the three-year performance period but only if a pre-defined TSR threshold is achieved.

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The Remuneration Report provides information about the Remuneration policy, the Remuneration programs and the process of determination of Remuneration applicable to the Board and to the Group Executive Management. It also includes details on the Remuneration payments related to the 2021 financial year.

The Valora Holding AG Remuneration Report has been prepared in accordance with the Ordinance against Excessive Compensation in stock exchange listed companies (OaEC), the SIX Directive on Corporate Governance (DCG) as well as the principles of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse.

THE REMUNERATION REPORT IS STRUCTURED AS FOLLOWS:

REMUNERATION GOVERNANCE

1 RULES RELATING TO REMUNERATION IN THE ARTICLES OF INCORPORATION

The Articles of Incorporation of Valora contain provisions regarding the remuneration principles applicable to the Board and to Group Executive Management. Those provisions can be found on Valora's website (https://www.valora.com/media/investors/documents/de/documents/statuten_valora_en.pdf) and include:

	Article
EXTERNAL MANDATES: provisions regarding the maximum permissible number of external mandates for members of the Board (maximum 10 mandates, out of which four in a listed company) and for members of Group Executive Management (maximum four mandates, out of which one in a listed company).	18
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PRINCIPLES OF REMUNERATION APPLICABLE TO GROUP EXECUTIVE MANAGEMENT: Group Executive Management members receive a fixed annual base and variable remuneration. The variable remuneration is based on performance and generally includes a short-term and a long-term component. The variable remuneration at grant may not exceed 200% of the fixed annual base remuneration. The Board of Directors may determine that the variable remuneration is to be paid in full or in part in cash, in the form of restricted shares or of reversionary subscription rights to shares.	25
GENERAL PRINCIPLES OF REMUNERATION: provisions on the valuation of equity-based remuneration, payments to Board members or members of Group Executive Management in exchange for services provided to legal entities of Valora, and the indemnification of Board and Group Executive Management.	26
BINDING VOTE BY THE AGM: The AGM annually approves the maximum amount of fixed remuneration for the Board for the period until the next AGM and the maximum amount of total fixed and variable remuneration for members of Group Executive Management for the following financial year. The additional amount for each new member of Group Executive Management appointed subsequently to the AGM's approval amounts to 120% of the highest remuneration paid to a member of Group Executive Management in the financial year preceding the last AGM. Further, the Remuneration Report is presented to the AGM for a consultative vote.	27

2 NOMINATION AND COMPENSATION COMMITTEE

2.1 RESPONSIBILITIES

The NCC is a permanent committee of the Board of Valora Holding AG. It deals with those matters relating to the remuneration of members of the Board, the CEO and Group Executive Management and to personnel planning at the Board and Group Executive Management level which have been assigned to it by law, the Articles of Incorporation and the current regulations.

The NCC comprises at least three members of the Board who have no management duties in the company and have no material conflicts of interest which would prevent them from exercising their duties with the requisite independence. The members of the NCC are elected by the Annual General Meeting for a one-year term of office, ending at the next AGM. Members of the NCC may be re-elected by the General Meeting. The Board appoints one of the members of the NCC as its Chairman. As of the AGM 2021, the NCC comprised Michael Kliger (Chairman), Insa Klasing and Sascha Zahnd.

The NCC primarily assists in preparing the decision-making process by the Board and the decisions it ultimately makes. In accordance with the requirements imposed on them by law, the Articles of Incorporation and the Organisational Regulations, the NCC and the Board carry out the following duties concerning remuneration issues:

	Proposal	Recommen-dation	Approval
Determining and assessing the remuneration strategy and guidelines		NCC	Board
Determining and assessing the qualitative and quantitative criteria applied to remuneration		NCC	Board
Maximum remuneration for Group Executive Management	NCC	Board	AGM
Remuneration of the CEO and the other members of Group Executive Management		NCC	Board
Assessing the extent to which the qualitative and quantitative performance criteria for determining the variable remuneration of Group Executive Management have been met			NCC
Performance appraisals of the CEO and the other members of Group Executive Management		NCC	Board
Maximum remuneration for the Board of Directors	NCC	Board	AGM
Remuneration of the Board Chairman and the other Board members		NCC	Board
Remuneration Report		NCC	Board
Remuneration recommendations of the Board of Directors and Group Executive Management to the General Meeting		NCC	Board

The NCC meets as often as business requires, but at least three times a year. Meetings are convened by the NCC Chairman or at the request of an NCC member. In exceptional cases, they may also be convened by Board resolution. NCC meetings are generally attended, in an advisory capacity and without voting rights, by the CEO and the CFO and by the Board Secretary, who also takes minutes of the meetings. The CEO and CFO are not present when their own performance is being assessed and their remuneration is being discussed. During the meetings, each Board member refrains from voting on decisions on his own remuneration.

Minutes of the meetings are taken. At Board meetings, the NCC Chairman reports on the activities of the NCC and informs the Board of the NCC's views and recommendations on substantive matters requiring a Board decision. Every Board member receives a copy of the minutes of NCC meetings.

The NCC held three meetings in 2021. All members attended all meetings. This corresponds to an attendance rate of 100%.

2.2 BENCHMARKS AND EXTERNAL ADVISORS

The NCC may call-in external remuneration specialists to obtain independent advice and/or to get benchmarking remuneration data. In the year under review, external remuneration specialists provided advice on executive remuneration matters. These companies have no other mandates with Valora.

While the remuneration structure and levels of the Board and Group Executive Management are reviewed annually, the benchmark analyses are conducted periodically and are tailored to the relevant sectors and labour markets in which Valora competes for talents. For the purpose of comparison, the NCC relies on remuneration surveys published by independent consulting firms and on publicly available information such as the remuneration disclosures of comparable companies. Comparable companies are defined as companies with a comparable size and structure, a comparable mix of business activities, business model and geographical structure or companies of a comparable business complexity and similar size with regard to market capitalisation, sales revenue, or number of employees.

The last review of the remuneration packages of the members of Group Executive Management took place in 2017 based on an executive study carried out in cooperation with an external consulting firm, Mercer. The study showed that the total target and maximum remuneration is competitive, and that Group Executive Management receives remuneration that is in line with the market median if performance objectives are met (100% performance achievement). For the benchmark analysis two sets of data were used:

a) Data for relevant positions of comparable size from selected companies [1] in the retail and consumer goods sector in Western Europe that are relevant/comparable to Valora, and
b) Data for relevant positions of comparable size from Swiss companies (excluding financial services) in Mercer's general industry executive remuneration survey.

In financial year 2022, it is again planned to conduct a review of the remuneration packages of the Group Executive Management to ensure continued competitiveness and alignment with market practice.

The structure and level of the Board remuneration was reviewed in 2020 based on a study completed in cooperation with an external consultant, Agnès Blust Consulting. The benchmarking analysis was based on a peer group of Swiss listed companies of similar size (market capitalisation, revenue, headcount), excluding financial services:

Arbonia	DKSH	Implenia
Aryzta	Dufry	Metall Zug
Autoneum	Galenica	ORIOR
Barry Callebaut	Geberit	Rieter
Bell	Georg Fischer	Sonova
Bossard	Givaudan	Zur Rose

The benchmarking analysis showed that both the remuneration system and the remuneration levels are aligned with the market.

[1] ADEO, Amplifon, Autogrill, Axfood, Booker, Bugaboo International, Bunzl, CIE Financiere Richemont, Circle K, Compass, Coop, Debenhams, Deckers Outdoor Corporation, Diploma, Dixons Carphone, Dufry, Fossil, Greggs, Groupe Casino, ICA Gruppen, IKEA Services, J Sainsbury, Kingfisher, Koninklijke Ahold Delhaize, LVMH, Marks & Spencer, Next, Ocado, Pandora, Pendragon, QVC, Scotch & Soda, Sligro Food Group, Starbucks Corporation, Swatch, Tesco, Travis Perkins, WBA-Global Brands, WM Morrison, and Wolseley

REMUNERATION SYSTEM

3 REMUNERATION PRINCIPLES

Board remuneration: in order to strengthen their independence in exercising their supervisory duties toward Group Executive Management, Board members receive a fixed remuneration only, which is delivered in cash and in shares subject to a three-year blocking period.

Group Executive Management remuneration: the remuneration system is designed to ensure alignment with the corporate strategy, the long-term interests of the shareholders and the sustainable success of the company. It is based on the three following main principles:

FAIR AND TRANSPARENT	PERFORMANCE DRIVEN	COMPETITIVE
The company aims to ensure an internal and external balance regarding remuneration. Disclosure of remuneration follows governance good practice and rules.	The variable remuneration is based on the achievementof business goals with challenging financial and non financial performance targets. Caps and thresholds are applied to the variable remuneration.	The remuneration system allows the company to attractand retain the talent needed to support its strategy.

The remuneration system includes key features that align the interests of executives with those of the company and its shareholders and are in line with good practice in corporate governance:

	WHAT WE DO		WHAT WE DON'T DO
✓	Conduct annual reviews of the remuneration strategy and programs	✗	Provide guaranteed or discretionary remuneration payments
✓	Maintain remuneration plans designed to align executive remuneration with long-term company and shareholder interests	✗	Reward inappropriate or excessive risk taking or short-term profit maximisation at the expense of the long-term health of the company ("pay for failure")
✓	Maintain remuneration plans with a strong link between pay and performance (short-term performance and long-term success). The remuneration system allows the company to attract and retain the talent needed to support its strategy	✗	Duplicate performance indicators in the short-term bonus and the long-term incentive plans
✓	Conduct a rigorous performance management based on clearly defined, measurable and challenging performance metrics	✗	Have prearranged individual severance agreements or special change-in-control remuneration agreements
✓	Apply an upper limit on the variable remuneration		
✓	Require that the CEO and the other members of Group Management own a minimum number of Valora shares in percentage of their annual base salary		

4 REMUNERATION SYSTEM OF THE BOARD OF DIRECTORS

The Board remuneration is reviewed regularly based on competitive market practice. The last benchmarking analysis was conducted in 2020 (as mentioned under paragraph 2.2). The result of this analysis showed that the structure and level of the Board remuneration are aligned with market practice.

4.1 OVERVIEW OF THE REMUNERATION SYSTEM FOR THE BOARD OF DIRECTORS

In order to guarantee the independence of the Board members in executing their supervisory duties, their remuneration is fixed and does not contain any performance-related component. The annual remuneration for each Board member depends on the responsibilities carried out in the year under review and consists of a fixed director fee and additional committee fees paid in cash (80 %) and in shares blocked three years (20 %).

The structure of annual remuneration paid to Board members for the period from AGM to AGM is as follows:

FIXED REMUNERATION

Chairman	CHF 490 000
Vice-Chairman	CHF 160 000
Board member	CHF 140 000

COMMITEE FEE	**Chairman**	**Member**
NCC	CHF 25 000	CHF 12 500
Audit Committee	CHF 25 000	CHF 12 500

20 % blocked shares — 3-year blocking period

80 % cash

While fees are paid quarterly, the share portion of remuneration is fully paid in the quarter following the AGM. The Board remuneration is subject to regular statutory social security contributions; Board members may ask to be granted access in the collective occupational pension plan in order to be insured against risks. However, the company does not pay any contributions for them. Concretely, this means that the Board members pay for the totality of the contributions (employee and employer portion). In 2021, one Board member asked for receiving access to the collective occupational pension plan.

4.2 REGULATIONS GOVERNING THE REMUNERATION PORTION PAID IN SHARES

20% of the total remuneration of the Board members is paid out in blocked registered shares. In justified cases, the Board may decide to pay a higher or lower percentage of the total remuneration in shares. The shares are subject to a blocking period of three years. Regardless of any subsequent transfer of shares, the blocking period commences on the date of the AGM which marks the beginning of the term of office for which the remuneration is awarded. The shares remain in a Valora custody account during the blocking period. Board members are prohibited from selling, pledging or otherwise transferring the shares. After the end of the blocking period, members may dispose of the shares freely.

The number of shares paid to each Board member is determined by dividing 20% of the Board member's overall remuneration for the relevant term of office by the volume-weighted average price (VWAP) of Valora registered shares during a period of 20 trading days beginning on the trading day following the AGM.

Based on the requirements of the law, the Articles of Incorporation and the organisational regulations of Valora Holding AG, the Board decides how and on what terms the required shares will be acquired.

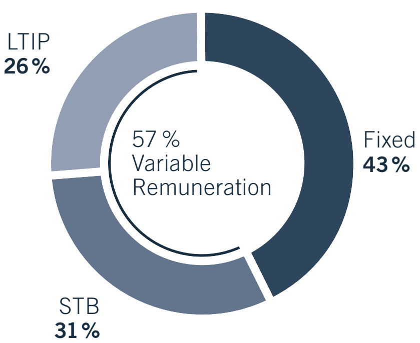
If a Board member resigns, does not stand for re-election or is not re-elected despite having stood for re-election, any pending blocking periods of more than one year's duration are generally reduced to one year. This remaining one-year period begins on the last day of the Board member's term of office. If a Board member leaves the Board because of death, invalidity or comparable circumstances, any blocking periods still in force lapse immediately. In the event of a change of control, a delisting of Valora registered shares or any similar such occurrence, any blocking periods still in force lapse immediately.

5 REMUNERATION SYSTEM OF GROUP EXECUTIVE MANAGEMENT

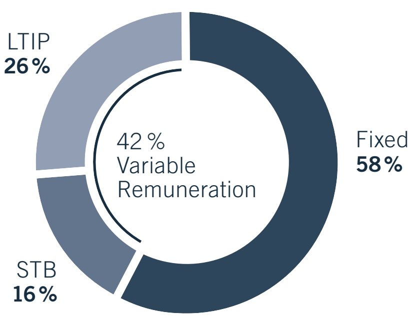
5.1 OVERVIEW

The remuneration of Group Executive Management comprises a fixed component, a performance-based Short-Term Bonus (STB) and a performance-based Long-Term Incentive Plan (LTIP). At target, the overall remuneration structure for financial year 2021 is as follows:

CEO (2021)



OTHER MEMBERS OF GROUP EXECUTIVE MANAGEMENT (2021)



The STB and LTIP are based entirely on business targets and have a defined upper limit for challenging performance criteria. In addition, the total variable remuneration may not exceed 200% of the fixed basic annual salary at time it is granted.

The table below shows the percentages of the overall remuneration paid to Group Executive Management attributable to its individual component elements assuming 100 % performance achievement:

		Fixed remuneration	Short-term bonus	Long-term variable remuneration	Retirement provisions	Additional benefits
Purpose		Attract and retain highly qualified staff	Reward the annual performance of the business	Alignment with shareholder interests, rewards the sustainable company performance	To cover retirement and provide for the risks death and invalidity	Reimbursement of expenses
Plan and form of payment		Annual salary paid in monthly cash installments	STB with annual choice between cash or shares	LTIP as PSU award with three-year performance period	Contributions to pension funds according to regulations and statutory social security contributions	Car allowance or company car, expense allowance defined in company-car regulations and expense guidelines
Performance measures			Comprehensive and fact-based Performance Scorecard	ROCE (50 %) and EBITDA (50 %)		
Percentage of total direct remuneration	**CEO**	43 %	31 %	26 %		
	Other GEM	50–60 %	10–20 %	20–30 %		

5.2 FIXED REMUNERATION

The fixed remuneration comprises a fixed salary. In addition, a car allowance or company car (which can also be used privately) is granted, and the employer's social security and pension fund contributions required by law are paid. The individual fixed salary is established based on the following factors:
– Scope, size, and responsibilities of the role, skills required to perform the role;
– External market value of the role;
– Skills, experience, and performance of the individual in the role.

To ensure market competitiveness, base salaries of the members of Group Executive Management are reviewed every year, taking into consideration market benchmark information, market movement, economic environment and individual performance.

Members of Group Executive Management also participate in benefit programs that are generally available to all Valora employees. Benefits consist mainly of retirement, insurance and healthcare plans that are designed to provide a reasonable level of protection for the executives and their dependents with respect to retirement and the risk of disability, death, and illness. All members of Group Executive Management have a Swiss employment contract and participate in the Valora Pension Fund offered to employees in Switzerland, in which base salaries and short-term bonuses are insured up to the maximum amount allowed by law.

5.3 SHORT-TERM BONUS (STB)

The STB is designed to reward the annual business performance of the company and its units. The effective payment factor ranges from 0% to a maximum of 150% of the target STB. The target STB (i.e., bonus at 100% performance achievement) is expressed as a percentage of base salary and applies to the CEO and members of Group Executive Management as follows:

2021 short-term bonus as % of fixed annual salary	Target	Maximum
CEO	70 %	105 %
Other Group Executive Management	25 %–35 %	35 %–50 %

As outlined in the introduction to this Remuneration Report, COVID-19 had a significant impact on our business performance in 2021. Especially, the continuing government restrictions on mobility and sales development at transportation hubs as well as city centres resulted in low commuting in key locations. Nevertheless, Valora is committed to a rigorous "pay-for-performance" philosophy. Therefore, for the performance year 2021, a comprehensive and fact-based performance scorecard to assess Group Executive Management's performance was established.

Within the performance scorecard, three main areas of performance were evaluated that represent key topics from a business and stakeholder perspective. These include crisis management, efforts to defend Valora's leading market positioning as well as the establishment of a clear path out of the COVID-19 crisis and securing the future viability of the business. Within each performance area, concrete quantitative performance indicators were assessed to reach a comprehensive representation of Group Executive Management's performance in 2021. Wherever possible, robust financial metrics were used to assess performance. In other areas, reliable quantitative non-financial metrics were more adequate to capture performance comprehensively in these times of crisis remediation. The respective performance areas are equally weighted and for each one an achievement factor was derived which results in an overall weighted STB factor. In alignment with our sustainability strategy, the Board also put emphasis on our three action areas, people, planet, and products to ensure that Group Executive Management's performance in those areas is adequately considered in determining the overall scorecard outcome.

The members of Group Executive Management are free to choose the form of payment of the STB – fully or partially as blocked or freely tradable shares or in cash – every year. If the right to choose is not or cannot be exercised (e.g., because the participant qualifies as an insider), the STB is paid out in cash latest in March of the year following the bonus year (i.e., the year to which the bonus relates).

Shares are allocated latest in March of the year following the bonus year and placed in a custody portfolio which is maintained in the Valora share register in the name and for the executive concerned. The number of shares allocated is determined based on the arithmetic average of the daily volume-weighted average prices of the Shares during the ten trading days ending on the grant date, without discount.

For members of Group Executive Management who join or leave the company during a calendar year, the STB is paid out in cash and pro rata based on the period of employment in the relevant financial year.

STB Plan achievement for 2021 and previous years

During the ongoing COVID-19 crisis in 2021, solely short-term financial metrics were not adequate to evaluate value creation in the interest of all our stakeholders. Still, Valora asserts a strict "pay-for-performance" philosophy. To assess GEM's performance under the STB in 2021, the Board has therefore established a comprehensive and fact-based performance scorecard also considering ESG criteria. The scorecard consists of the following three main performance areas that represent key topics from a business and stakeholder perspective.

1. Risk & Cost
To successfully overcome the second year of the COVID-19 crisis, Group Executive Management ensured adequate risk management. In that respect, a strong liquidity base was maintained due to disciplined cost management across all areas of the business. This was achieved through strict capital expenditure management, a temporary hiring freeze, and appropriate cost control related to inflation. Also, our selling, general, and administration expenses were reduced compared to the pre-COVID-19 level in 2019 by strictly managing store opening hours and staff capacity as well renegotiating partner agreements. Further, assets were protected by developing our outlets and increasing our production capacity as well as increasing the number of our point of sales with food focus by 20% compared to 2018. Our employees continue to be a key priority and their well-being and engagement lie at the heart of our strategy and culture. Therefore, Group Executive Management took all necessary measures to prevent the risk of infections. Additionally, short-time work schemes were employed to retain our esteemed workforce. At the same time, continued financial support was provided to franchise and agency partners to secure their economic viability (churn rate of partners maintained on pre-crisis level). With these tremendous efforts in proper risk management, operations could successfully be maintained all throughout 2021 and employees safeguarded against the risk of infections. Furthermore, a significant reduction of the fixed cost base was achieved in 2021. Based on the assessment of these differentiated performance indicators, an achievement of 110% was reached for the first performance area for the CEO and 89%–142% for other members of the Group Executive Management.

2. Market & Strategy
Valora's leading position was not only defended but further reinforced by gaining significant market share within out-of-home service and high frequency retail through new partnerships, network expansion, superior relative performance and mergers & acquisitions. For example, Group Executive Management achieved to significantly strengthen the service station footprint through a partnership with Moveri with 39 new outlets, expansion into the service station business in Germany at new locations in 2021, expand the BackWerk network in the Netherlands by entering into a franchise partnership with HMSHost International which will allow Valora to convert 12 HMSHost International locations at the largest Dutch train stations into BackWerk stores, and acquire the German-based snack specialist Back-Factory with its more than 80 sales outlets. Especially with the acquisition of Back-Factory, Valora highly strengthened its foodvenience core business. Measured against pre-crisis levels, the acquisition puts Valora among the top five highest-turnover catering companies and food service systems in Germany (previously among the top ten according to foodservice magazine 4/2020). Additionally, several new Press & Books locations were acquired which strengthens the extensive press offering at key locations. Moreover, continued investments in the SBB refurbishment of point of sales were conducted, loyalty programs were established and in-house digital solutions such as the avec box and vending machines in Switzerland were developed to improve customer experience and respond to new customer demands. Therefore, for the second performance area, an achievement of 99% was reached for the CEO and 95%–106% for other members of the Group Executive Management.

3. Profitability & Capital Efficiency
To prepare for a post COVID-19 recovery and secure the future viability of the business, a solid level of revenue generation and profitability was attained despite the continued impact of COVID-19 and low customer frequencies especially in high-traffic locations. EBIT was increased to CHF 30.3 million compared to CHF 14.1 million in 2020 (+115.5%), a strong free cash flow of CHF 25.1 million was generated and net working capital remained solid due to extraordinary strict capital management. Additionally, considerable investments were made to improve our systems, processes, and operations as well as optimally support our employees in order to best capture a post COVID-19 recovery. This also included streamlining part of our organisation and preparational measures with regards to upcoming strategic topics such as inflation impacts, the war for talents, e-commerce, healthy product offerings, and our long-standing strategic ESG com-

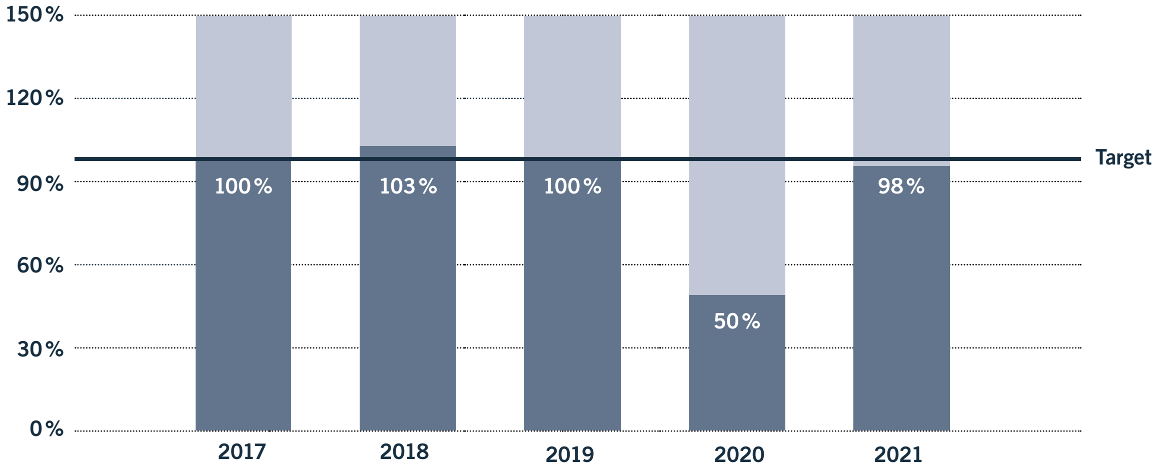
mitment. The budget targets for 2021 on a group level were fully achieved although the continued COVID-19 crisis led to high planning uncertainty and to a very difficult and challenging business environment. Moreover, the mid-term revenue and EBITDA targets are confirmed and in-line with pre-pandemic expectations demonstrating a clear path out of the crisis. Based on the evaluation of these performance indicators, an achievement of 86% was determined for the CEO and 77%–108% for other members of the Group Executive Management for the third performance area.

In line with our "pay-for-performance" remuneration philosophy, the rigorous assessment of the financial and quantitative non-financial performance indicators within the performance scorecard resulted in an overall STB factor of 97% for the CEO and 90%–114% for other members of the Group Executive Management.

Performance area		Performance topic*	Key performance indicator*	Achievement CEO	Achievement other GEM members	Weighting
1. Risk & Cost	How well has Valora managed to cope with the crisis through good risk management, protection of assets and cost management	Risk management	Availability of liquidity in 2021	110%	89%–142%	1/3
		Protection of assets	Development of employees, outlets, and production capacity in 2021			
		Cost management	Reduction of fixed cost base in 2021			
2. Market & Strategy	How well has Valora defended its leading position in out-of-home food service and high frequency retail through development of its formats	Position out-of-home service	Market share development	99%	95%–106%	1/3
		Position high frequency retail	Market share development			
		Format development	Expansion with new formats			
3. Profitability & Capital Efficiency	How well has Valora defined a clear path out of the crisis and secured the future viability of the business	Profitability and capital efficiency	Budget achievement incl. EBIT and Net Working Capital (NWC)	86%	77%–108%	1/3
		Clear path out of the crisis	Mid-term plan revenue and EBITDA			
Total STB achievement				97%	90%–114%	

* Version corrected on 16 March 2022 (p.m.) from previous version published on 16 March 2022 (a.m.): One new KPI in the first performance area and one new KPI in the third performance area have been added as the table in the previous version was mistakenly incomplete.

The historical actual attainment of the business targets for the members of Group Executive Management for the past five years is illustrated below:



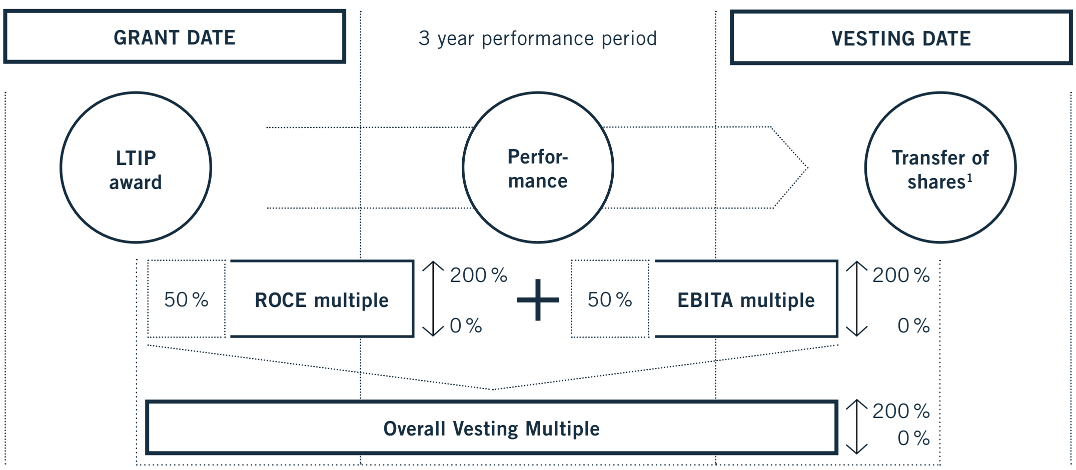
The illustration shows that the design of the STB is structured effectively and follows our strict "pay-for-performance" philosophy: In line with Valora's ambitious target–setting, substantial progress needs to be made to reach the target (100 %).

5.4 LONG-TERM VARIABLE REMUNERATION

To provide for further alignment with shareholders' interests and market practice, The LTIP was revised in 2020. The first grant under the revised LTIP occurred in financial year 2021 (for further details on the previous LTIP design, please refer to the 2020 Remuneration Report https://www.valora.com/media/investors/publications/en/reports/2020/2020_valora_annualre-port_en.pdf)

The purpose of the LTIP is to reward for the long-term performance of the company and to align the interests of Group Executive Management to those of the shareholders.

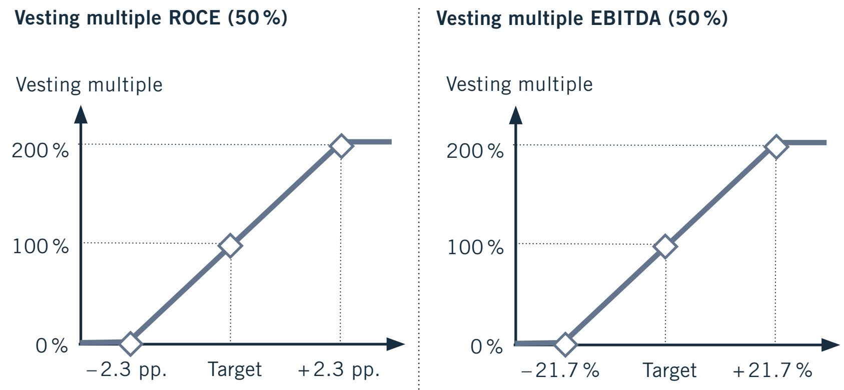
The LTIP is a PSU plan and follows the logic as illustrated below.



[1] Transfer of shares is dependent on the achievement of the pre-defined performance targets.

The LTIP target amount is pre-determined in individual contractual agreements. For the CEO, it amounts to 60 % of annual fixed salary and for other members of Group Executive Management, it ranges from 44 % to 50 % of annual fixed salary. The number of PSUs awarded every year equals the LTIP target amount divided by the fair value of the PSU on the grant date. The fair value on the grant date corresponds to the fair market value. The fair market value is measured at grant date and recognised over the period during which the members of the Group Executive Management become unconditionally entitled to the award. It is determined using a fair value simulation and is adjusted for expected dividends during the performance period. The fair market value replaces the previously used volume weighted average of the closing share price on the last 20 trading days preceding the grant date.

The PSUs are subject to a performance period of three years, after which they are converted into shares. In line with market practice, the blocking period of two years was lifted under the revised LTIP plan. The vesting multiple (ratio of conversion of PSU into shares) depends on the achievement of two equally weighted performance conditions, ROCE to focus on capital efficiency and EBITDA which replaces the formerly used EPS metric to put emphasis on Valora's operational performance. The minimum threshold for the ROCE metric is defined at –2.3 percentage points of target, while the maximum is set at +2.3 percentage points. For the EBITDA metric, the minimum lies at –21.7 % and the maximum at +21.7 % of target. The target and thresholds are based on outside-in calibrations considering risk sensitivity. Both performance metrics are based on a linear vesting curve between 0 % and 200 % which provides for a robust, symmetrical vesting corridor. The maximum overall vesting multiple is 200 %, i.e., no more than 2.0 shares per PSU may be delivered. At the beginning of the performance period, the NCC determines the targets for ROCE and EBITDA based on the mid-term plan. Targets will be disclosed retrospectively at the end of the performance period.



Vesting multiple	Min	0 %	–2.3 pp.	–21.7 %
	Target	100 %	Target	Target
	Max	200 %	+2.3 pp.	+21.7 %

After the end of the performance period, the NCC determines whether, and to which extent, the pre-set ROCE and EBITDA targets were achieved. Given the ambitious targets set by Valora, the expected objective attainment of 100 % can only be reached if significant progress is made and can only be exceeded with extraordinary performance. The NCC decides at its discretion to what extent non-budgeted acquisitions, divestments or other unplanned, extraordinary, or unforeseen events will be considered when determining the actual degree of attainment of the performance targets.

The forfeiture provisions were updated in line with market practice and are summarised in the following table:

Termination Reason	Vesting Provisions	Early Vesting	Vesting Level
Good Leaver incl. retirement	Pro-rata vesting for current year, full vesting for all PSUs granted in earlier years	No	Based on actual figures
Termination due to death or disability	Number of unvested PSUs remains unchanged	Yes	At target for all unvested PSUs
Bad Leaver	Full forfeiture	n/a	n/a
Change of control	Pro-rata vesting for current year, full vesting for all PSUs granted in earlier years	Yes	Based on actual figures for all unvested PSUs to extent available for any part of the performance period already lapsed, at target for remaining part

Further, a clawback clause was newly introduced for the LTIP which gives the company the right to revoke granted but unvested PSUs in case of criminal conduct, fraud, or other intentional violation of law which result in material damages to the company or any of its subsidiaries.

As outlined in the introduction to this Remuneration Report, COVID-19 had a negative impact on the two LTIP performance indicators which resulted in a zero vesting for the LTIP grant 2019, i.e., there was no payout in 2022. Nevertheless, the Board has decided not to adjust the ROCE and EBITDA targets for the outstanding grant of 2020, even though the LTIP represents a significant part of total remuneration for Group Executive Management. Therefore, based on current knowledge, also for the LTIP grant 2020 a zero vesting is expected at the end of the performance period (2020–2022).

LTIP Plan achievement for 2021 and previous years

In line with Valora's "pay-for-performance" philosophy, the Board did not adjust the performance targets of the outstanding grants 2019 and 2020 despite the negative COVID-19 impact and the fact that the LTIP constitutes a material part of total remuneration for Group Executive Management. In consequence, based on the performance targets for the performance years 2019–2021, the grant 2019 resulted in a zero vesting, i.e., there was no payout in 2022. The targets for the LTIP grant 2019 are disclosed retrospectively and were defined at 7.9% for the ROCE and CHF 13.40 for the EPS metric.

Further, based on current knowledge, there will also be a zero vesting under the LTIP grant 2020. This is due to the negative impact of COVID-19 on the financial years 2020 and 2021 which both affect the performance years 2020–2022 which are the basis for the LTIP granted in 2020. The concrete vesting- level of the LTIP grant 2020 will be disclosed retrospectively, starting with the Remuneration Report 2022. In addition, no amendments to the individual LTIP award amounts for the Group Executive Management were made.

This accentuates Valora's commitment to align management compensation with long-term shareholder interests. In light of the zero vesting of the LTIP grant 2019 and expected zero vesting of the LTIP grant 2020, the Group Executive Management's realised remuneration from the LTIP will be significantly lower than in previous years due to the significant negative impact of the COVID-19 crisis on the business of Valora in the years 2020 and 2021 (see table below). The alignment between company performance and LTIP vesting levels over the last years shows that Valora's strict approach to "pay-for-performance" is effective.

Plan (CEO)	Period	Plan type	Total value at grant (CHF)	Number of shares / PSUs at grant	Vesting multiple	Total value at vesting (CHF)[1]
LTIP 2019	2019–2022[2]	LTIP (Performance Share Units)	633 000	1 930	0 %[3]	0[3]
LTIP 2020	2020–2023[2]		633 000	3 271	0 %[4]	0[4]
LTIP 2021	2021–2024		633 000	3 448	n/a[5]	n/a[5]

1) Excluded possible dividend payments, Participants are eligible for under LTIP grants 2016–2020.
2) Blocking period of two years applies for LTIP grant 2019 and 2020 after vesting of PSUs.
3) LTIP grant 2019 resulted in a zero vesting in financial year 2022, i.e., there was no payout.
4) Based on current knowledge, expected zero vesting for LTIP grant 2020 due to continued COVID-19 impact.
5) Not available yet.

With regards to the LTIP grant 2021, the Board has decided to further incentivize Group Executive Management regarding a fast rebound of Valora's business and to align the interests of Group Executive Management with those of our shareholders during and after this crisis. For this purpose, the LTIP grant 2021 includes the possibility to receive 0.5 matching shares for one PSU that vests at the end of the three-year performance period but only if a pre-defined Total Shareholder Return (TSR) threshold is achieved. This supports our strategic plan to sustainably overcome the COVID-19 crisis and ensures that the final LTIP payout is in line with shareholder experience.

In total as of December 31, 2021, the equity overhang, defined as the total number of share units (PSU) and blocked shares outstanding divided by the total number of outstanding shares (4390000 registered shares) amounts to 23 126 units, 0.53 %.

5.5 COVID-19 IMPACT ON REALISED REMUNERATION OF THE CEO

To further emphasise Valora's alignment between executive remuneration and shareholders' interests, the multi-year target compared to the realised remuneration is disclosed for the CEO. While target remuneration includes the STB and LTIP grant amount at target without any performance considerations, the realised remuneration includes the actual STB and LTIP payout, based on current knowledge for the LTIP grant 2020. In line with our "pay-for-performance" philosophy, it is shown that in the last four years, realised CEO total remuneration was lower in every year than total target remuneration. Further, it is illustrated that total realised remuneration in financial year 2019 was significantly lower due to a zero vesting of the LTIP grant 2019 related to the COVID-19 impact. Further, also in financial year 2020, the total realised remuneration is well below target due to a significantly lower STB payout than in previous years and an expected zero vesting under the LTIP grant 2020 based on current market knowledge.

CEO (in CHF thousand)	Fixed basic salary	Other fixed remuner-ation[1]	STB at target	LTIP grant value	Total remunera-tion[2]	STB payout	LTIP vested value[3]	Total realised remuneration as of 31 December [4]
FY 2018	1 180.0	305.1	280.0	956.5	2 721.6	311.0	657.0[6]	2453.1
FY 2019	867.2[7]	317.4	611.1	633.0	2428.7	640.2	0[8]	1824.8
FY 2020	1 050.0	301.5	733.0	633.0	2 717.5	366.5	0[9]	1718.0
FY 2021	1 050.0	359.9	733.0	633.0	2 775.9	711.0	n/a[10]	n/a[10]

1) Other fixed remuneration comprises payments the employer is required to make by law, a contractually agreed car allowance or company car and other individual contractually agreed benefits.
2) Includes fixed basic salary, other fixed remuneration, STB value at target and LTIP value at target.
3) Excludes possible dividend payments Participants are eligible for under LTIP grants 2018–2020.
4) Includes fixed basic salary, other fixed remuneration, STB payout and LTIP value at vesting (if available).
5) Grant of blocked shares under the Share Participation Program (SPP)
6) Actual attainment after three-year lock-up period.
7) The CEO took a two-month unpaid sabbatical in 2019.
8) LTIP grant 2019 resulted in a zero vesting in financial year 2021, i.e., there was no payout.
9) Based on current knowledge, expected zero vesting for LTIP grant 2020 due to continued COVID-19 impact.
10) Not available yet.

5.6 SHARE OWNERSHIP GUIDELINES

Since the implementation of Valora's shareholding ownership guideline in 2019, the members of Group Executive Management are required to hold at least the amount of one fixed annual salary in Valora shares within five years of their appointment to Group Executive Management or within five years of the implementation of the guidelines.

In the event of a substantial increase or decrease in the share price, the Board may amend that time period accordingly. The NCC reviews compliance with the share ownership guideline on an annual basis.

5.7 EMPLOYMENT CONTRACTS OF GROUP EXECUTIVE MANAGEMENT

Employment contracts of Group Executive Management comply with the provisions of the OaEC and can be for a fixed or indefinite term. The maximum duration of a fixed-term contract is one year. The employment contracts for Group Executive Management stipulate a 12-month notice period and a non-competition provision which applies throughout the notice period.
No severance pay may be awarded.

REMUNERATION (AUDITED) AND SHAREHOLDINGS IN 2021/2020

6 REMUNERATION FOR THE BOARD OF DIRECTORS

This section is audited according to Article 17 of the OaEC.

The remuneration paid to the Board of Directors for the year 2021 in line with the remuneration system amounted to TCHF 1 513 (previous year TCHF 1 498), of which TCHF 1 103 were paid in cash (previous year TCHF 1 009), TCHF 290 in shares (previous year TCHF 290) and TCHF 120 in form of social security contributions (previous year TCHF 199). Given the COVID-19 impact on our business and stakeholders, the Board has decided on a temporary reduction of 15 % of all cash Board fees for the period from AGM 2020 to AGM 2021. Otherwise, the remuneration system for the Board remained unchanged since 2014.

At the AGM 2020, shareholders approved a maximum overall remuneration amount of TCHF 1 700 for the Board for the remuneration period from the AGM 2020 until the AGM 2021. For this period, the effective remuneration amounted to TCHF 1 571 and is thus within the approved limits.

At the AGM 2021, shareholders approved a maximum aggregate remuneration amount of TCHF 1 700 for the Board for the remuneration period from the AGM 2021 until the AGM 2022. This remuneration period is not yet completed but aggregate remuneration stays within the approved limits for such term of office. A conclusive assessment will be provided in the 2022 Remuneration Report. In the reporting year, no further remuneration was paid to members of the Board of Directors and no remuneration was paid to parties closely related to members of the Board.

Table 1
Board of Directors 2021

in CHF thousand	Fixed fee (cash) 3)	Committee fee	Portion paid in blocked shares 1)	Other remuneration 2)	Total 2021
Franz Julen Chairman	377.3	–	98.0	39.1	514.4
Sascha Zahnd Vice-Chairman	123.2	9.6	34.5	14.5	181.8
Michael Kliger Member and Chairman of Nomination and Compensation Committee	107.8	19.3	33.0	13.9	174.0
Markus Bernhard Member and Chairman of Audit Committee	107.8	19.3	33.0	13.9	174.0
Insa Klasing Member	107.8	9.6	30.5	12.8	160.7
Karin Schwab Member	107.8	9.6	30.5	12.8	160.7
Suzanne Thoma until AGM 2020	16.7	3.1	7.6	4.4	31.8
Felix Stinson Member	77.0	6.9	22.9	8.5	115.3
Total remuneration paid to Board of Directors	**1 025.4**	**77.4**	**290.0**	**119.9**	**1 512.7**

1) In 2021, Board members received 20 % of their overall remuneration in blocked shares, subject to a three-year blocking period. These have been valued at the VWAP applicable when the shares were allocated.
2) These amounts include employer contributions required by law.
3) The Board has decided to reduce its cash fees by 15 % for the period from AGM 2020 to AGM 2021.

Table 2
Board of Directors 2020

in CHF thousand	Fixed fee (cash) [4]	Committee fee [4]	Portion paid in blocked shares [1]	Other remuneration [2]	Total 2020
Franz Julen Chairman	350.4	–	98.0	66.0	514.4
Sascha Zahnd Vice-Chairman	105.0	13.1	34.5	23.6	176.2
Michael Kliger Member and Chairman of Nomination and Compensation Committee	92.2	22.5	33.0	23.0	170.7
Markus Bernhard Member and Chairman of Audit Committee	57.2	18.8	33.0	17.3	126.3
Cornelia Ritz Bossicard until AGM 2020	35.0	7.5	–	6.4	48.9
Markus Fiechter until AGM 2020	50.0	7.5	–	8.7	66.2
Insa Klasing Member	95.8	13.1	30.5	21.9	161.3
Karin Schwab Member	60.8	9.4	30.5	16.2	116.9
Suzanne Thoma Member	60.8	9.4	30.5	16.2	116.9
Ernst Peter Ditsch [3] until AGM 2020	–	–	–	–	–
Total remuneration paid to Board of Directors	**907.2**	**101.3**	**290.0**	**199.3**	**1 497.8**

[1] In 2020, Board members received 20 % of their overall remuneration in blocked shares, subject to a three-year blocking period. These have been valued at the VWAP applicable when the shares were allocated.
[2] These amounts include employer contributions required by law.
[3] Ernst Peter Ditsch waived his Board Director's fee in 2020.
[4] The Board has decided to reduce its cash fees by 15 % for the period from AGM 2020 to AGM 2021.

7 REMUNERATION FOR GROUP EXECUTIVE MANAGEMENT

This section is audited according to Article 17 of the OaEC.
The remuneration paid to Group Executive Management for the year 2021 amounted to TCHF 6691 (previous year TCHF 6354), of which TCHF 2894 were paid as fixed salary (previous year TCHF 3052), TCHF 1250 as STB (previous year TCHF 710) and TCHF 1080 in form of other remuneration (previous year TCHF 1010). TCHF 1467 were granted as performance share units (PSUs) (previous year TCHF 1582) The maximum overall remuneration for members of Group Executive Management in financial year 2021 approved by shareholders at the AGM 2020 was CHF 7.7 million. The overall remuneration effectively paid to actual and former members of Group Executive Management in 2021 amounted to TCHF 6691 and is therefore within the approved limits.

In light of the fact that (i) based on current knowledge a zero vesting of the LTIP grant 2020 will most probably take place in 2022 (due to the significant negative impact of the COVID-19 crisis on the business of Valora in the years 2020 and 2021 which are part of the three-year performance period of the LTIP 2020), and (ii) only an overall STB factor of 50% was paid out in the financial year 2020, the Group Executive Management's effectively realised overall remuneration for 2020 was significantly lower than in previous years. Compared to preceding years (before COVID-19 pandemic), this resulted in a reduction of compensation of more than 40% for the CEO and of approximately 35% for the other GEM members (at target). Further, despite the high business performance in 2019, the LTIP granted in this year also resulted in a zero vesting due to the COVID-19 impact on the performance years 2020 and 2021.

Table 3
Group Executive Management 2021

in CHF thousand	Fixed basic salary	Short Term Bonus (STB) [1]	Long-term variable remuneration (LTIP) [2]	Other fixed remuneration [3]	Total 2021
Michael Mueller CEO and highest-paid member	1 050.0	711.0	633.0	359.9	2 753.9
Other members	1 844.3	538.9	834.0	719.6	3 936.8
Total Group Executive Management remuneration	**2 894.3**	**1 249.9**	**1 467.0**	**1 079.5**	**6 690.7**

[1] These figures relate to the effective cost of the bonuses granted in respect of financial year 2021, which will be paid out in cash in 2022.
[2] The valuation of the PSUs allocated under the LTIP in 2021 complies with IFRS rules and reflects the value at grant date.
[3] Other fixed remuneration comprises payments the employer is required to make by law, a contractually agreed car allowance or company car and other individual contractually agreed benefits.

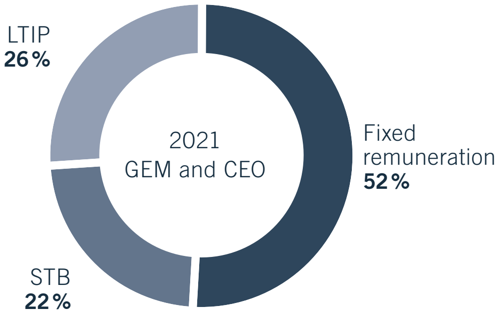
Table 4
Group Executive Management 2020

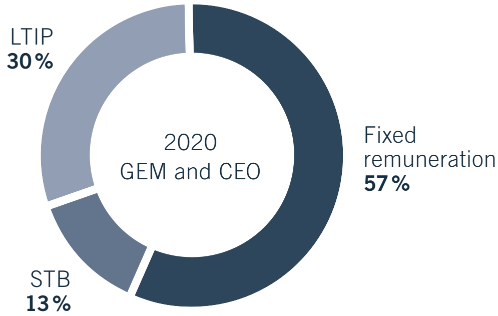
in CHF thousand	Fixed basic salary	Short Term Bonus (STB) 1)	Long-term variable remuneration (LTIP) 2)	Other fixed remuneration 3)	Total 2020
Michael Mueller CEO and highest-paid member	1 050.0	366.5	633.0	301.5	2 351.0
Other members	1 434.4	196.7	648.5	497.4	2 777.0
Actual Group Executive Management remuneration	**2 484.4**	**563.2**	**1 281.5**	**798.9**	**5 128.0**
Former members	568.0	147.0	300.0	211.4	1 226.4
Total Group Executive Management remuneration	**3 052.4**	**710.2**	**1 581.5**	**1 010.3**	**6 354.4**

1) These figures relate to the effective cost of the bonuses granted in respect of financial year 2020, which will be paid out in cash in 2021.
2) The valuation of the PSUs allocated under the LTIP in 2020 complies with IFRS rules.
3) Other fixed remuneration comprises payments the employer is required to make by law, a contractually agreed car allowance or company car and other individual contractually agreed benefits.

Explanatory comments to the remuneration table:

- The fixed base salaries have decreased by 4 % compared to the previous year. This is mainly due to the fact that the CFO position has only been filled since July 2020 and not for the whole financial year 2020. On a like-for-like basis, the CEO's fixed base salary has not increased compared to the previous year, as he was on an unpaid sabbatical during 2019.
- The "other" fixed remuneration payments have decreased by 13 % compared to the previous year. This is mainly due to the fact that the position of CFO was not filled until the second half of the year.
- The performance achievement under the STB was lower in 2020 than in 2019. Further details are provided below.
- The grant value of the LTIP has decreased by 9 % compared to previous year. This is because the CFO position has not been filled for the whole financial year 2020.
- The ratio of the fixed versus variable remuneration amounts to 51 % fixed versus 49 % variable for the CEO and to 63 % (fixed) versus 37 % (variable) for the other members of Group Executive Management on average.





8 LOANS AND CREDITS

As of 31 December 2021 and 2020, there were no outstanding loans or credits to members of the Board or Group Executive Management or to related parties. Valora Holding AG does not grant any loans or credits and therefore does not have any regulations in its Articles of Incorporation on such matters.

9 SHAREHOLDINGS

Valora carefully monitors the dilution of the share capital. As of 31 December 2021, the company's "burn rate", defined as the number of shares (1 515) and share units (7 991) granted in 2021 divided by the total number of shares outstanding was 0.22 %.

As of 31 December 2021, the members of the Board who were in office at that time and Group Executive Management held a total of 21 731 registered shares (previous year 20 247) of Valora Holding AG, which equals 0.50 % (previous year 0.46 %) of the share capital). As of 31 December 2021 and 2020, the individual members of the Board and Group Executive Management (including related parties) held the following number of shares of Valora Holding AG:

Table 5

Board of Directors	**2021 Number of shares**	**2021 Share of total voting rights in %**	**2021 of which subject to a blocking period**	2020 Number of shares	2020 Share of total voting rights in %	2020 of which subject to a blocking period
Franz Julen Chairman	4 501	0.10	1 434	4 000	0.09	1 328
Sascha Zahnd Vice-Chairman	490	0.01	490	313	0.01	313
Michael Kliger Member and Chairman of Nomination and Compensation Committee	731	0.02	474	562	0.02	424
Markus Bernhard Member and Chairman of Audit Committee since AGM 2020	551	0.01	351	382	0.01	182
Insa Klasing Member	447	0.01	447	291	0.01	291
Karin Schwab Member since AGM 2020	324	0.01	324	168	–	168
Felix Stinson Member since AGM 2021	156	–	156	n/a	n/a	n/a
Total Board of Directors	**7 200**	**0.16**	**3 676**	**5 716**	**0.14**	**2 706**

Table 6

Group Executive Management	2021 Number of shares	2021 Share of total voting rights in %	2021 of which subject to a lock-up period	2021 Number of unvested target PSUs	2021 Number of total shares and unvested target PSUs
Michael Mueller CEO	11 826	0.27	898	8 649	20 475
Beat Fellmann CFO	450	0.01	–	2 409	2 859
Thomas Eisele Head Food Service	1 570	0.04	–	3 787	5 357
Roger Vogt Head Retail	685	0.02	255	3 452	4 137
Total Group Executive Management	**14 531**	**0.34**	**1 153**	**18 297**	**32 828**

Table 7

Group Executive Management	2020 Number of shares	2020 Share of total voting rights in %	2020 of which subject to a lock-up period	2020 Number of unvested target PSUs	2020 Number of total shares and unvested target PSUs
Michael Mueller CEO	11 826	0.27	4 731	5 201	17 027
Beat Fellmann CFO since Juli 2020	450	0.01	–	775	1 225
Thomas Eisele Head Food Service	1 570	0.03	1 456	2 294	3 864
Roger Vogt Head Retail	685	0.02	685	2 036	2 721
Total Group Executive Management	**14 531**	**0.33**	**6 872**	**10 306**	**24 837**

REPORT OF THE STATUTORY AUDITOR ON THE REMUNERATION REPORT OF VALORA HOLDING AG, MUTTENZ

REPORT OF THE STATUTORY AUDITOR ON THE REMUNERATION REPORT

We have audited the remuneration report of Valora Holding AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables 1–4 and section 8 on pages 140, 141, 142, 143 and 144 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 2021 of Valora Holding AG complies with Swiss law and articles 14–16 of the Ordinance.

Ernst & Young Ltd

André Schaub Licensed audit expert (Auditor in charge)	Michel Wälchli Licensed audit expert

Basel, 22 February 2022