

# Corporate Governance

## Group structure and Shareholders

### Group structure

The Lindt & Sprüngli Group is globally active developing, producing, and selling chocolate products in the premium quality segment. The holding company, Chocoladefabriken Lindt & Sprüngli AG, with headquarters in Kilchberg ZH, is listed on the SIX Swiss Exchange. The market capitalization, based on 2021 year-end prices, amounts to approx. CHF 30.0 billion.

→ Security and securities listing numbers see page 96

The company's group structure is lean. While the Board of Directors handles management, strategy, and supervisory duties at the highest level, the Executive Chairman, the CEO and the Group Management members are responsible for operational management tasks.

→ Board of Directors see page 33

→ Group Management see page 39

The consolidation scope of Chocoladefabriken Lindt & Sprüngli AG includes national and international non-listed subsidiaries as set-out in the notes to the consolidated financial statements, along with details about these companies, such as name, domicile, share capital, participation, etc.

→ Details of subsidiaries see page 96

Chocoladefabriken Lindt & Sprüngli AG holds no interests in listed companies.

### Major shareholders

Pursuant to a disclosure notification as of August 30, 2017, BlackRock Inc., New York, as parent company has a shareholding of 6,063 registered shares (with respect to 1,092 of the 6,063 registered shares, it has only the right to exercise the voting rights at its own discretion) or 4.46% of the company's share capital. According to the share register of Chocoladefabriken Lindt & Sprüngli AG as of December 31, 2021, the "Fonds für Pensionsergänzungen der Chocolate-

fabriken Lindt & Sprüngli AG", the "Finanzierungsstiftung für die Vorsorgeeinrichtungen der Chocoladefabriken Lindt & Sprüngli AG", the "Lindt Cocoa Foundation", and the "Lindt Chocolate Competence Foundation", all in Kilchberg ZH, held, as a group, a total of 27,934 registered shares or 20.61% of the share capital and thus 20.61% of the company's voting rights (according to the last disclosure as of November 25, 2013: 29,143 registered shares respectively 21.32% of the share capital and the voting rights).

During the year under review, no disclosure notices were published on the official notices page of the SIX Swiss Exchange platform. Details and disclosures of previous years can be found on the official notices page of SIX Swiss Exchanges website.

🔗 <https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html?companyId=LINDT#/panyId=LINDT>

Chocoladefabriken Lindt & Sprüngli AG has no cross holdings.

## Capital structure

As of December 31, 2021, Chocoladefabriken Lindt & Sprüngli AG had the following capital structure:

### Ordinary capital

The ordinary capital is composed of two types of securities:

	2021
Registered shares*	CHF 13,555,200
Bearer participation certificates**	CHF 10,665,640
<b>Total ordinary capital</b>	<b>CHF 24,220,840</b>

\* 135,552 registered shares, par value of CHF 100 each

\*\* 1,066,564 bearer participation certificates, par value of CHF 10 each

The registered shares have a voting right at the General Meeting; bearer participation certificates have no voting rights. Both types of securities have the same rights to dividends and proceeds of liquidation in proportion to their par value. All securities are fully paid in. No bonus certificates ("Genussscheine") were issued.

### Authorized and conditional capital

The company has a conditional participation capital in a maximum amount of CHF 3,409,070, comprising a maximum of 340,907 bearer participation certificates with a par value of CHF 10 each. Out of this maximum total amount, 186,457 participation certificates can be used for employee participation programs; up to 154,450 participation certificates can be used for capital market transactions. The subscription rights of shareholders and participation certificate holders are excluded. Further information about the conditional participation capital can be found in Article 4bis of the Articles of Association of the company, available on the website of Chocoladefabriken Lindt & Sprüngli AG, whereby the aftermentioned and below information regarding the share on participation capital as of December 31, 2021, is not yet reflected in these Articles of Association.

<https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

The ordinary capital can be increased by way of the conditional participation capital by no more than 14.1% up to a maximum of CHF 27,629,910. There is no authorized capital besides the conditional capital.

### Changes in capital

During the past three reporting years, the following changes have occurred in the ordinary and conditional capital:

#### Ordinary capital

Year	Share capital in CHF	Registered shares (RS)*	Participation capital in CHF	No. of bearer participation certificates (PC)**
2019	13,598,800	135,988	10,726,410	1,072,641
2020	13,555,200	135,552	10,441,460	1,044,146
<b>2021</b>	<b>13,555,200</b>	<b>135,552</b>	<b>10,665,640</b>	<b>1,066,564</b>

#### Conditional capital

No. of bearer participation certificates (PC)\*\*

Year	Total	Capital market PC	Employee PC
2019	381,445	154,450	226,995
2020	363,325	154,450	208,875
<b>2021</b>	<b>340,907</b>	<b>154,450</b>	<b>186,457</b>

Number of securities, status as at December 31

\* Registered shares (RS), par value CHF 100

\*\* Bearer participation certificates (PC), par value CHF 10

### Restrictions regarding assignability and nominee entries

Both registered shares and participation certificates can be acquired without restrictions. According to Article 3, subsection 6 of the Articles of Association, however, the Board of Directors may refuse full shareholder status to a buyer of registered shares if the number of shares held by that buyer exceeds 4% of the total of registered shares as entered in the commercial register. Moreover, according to Article 685d, subsection 2 OR (Swiss Code of Obligations), the Board of Directors may refuse entry into the share register if, upon demand by the Board, the buyer does not formally state that the shares are purchased on its own behalf and for its own account.

According to Article 3, subsection 7 of the Articles of Association, corporate bodies and partnerships related to one another through capital ownership, through voting rights or common management, or otherwise linked, as well as natural persons and legal entities or partnerships acting in concert in regard to a registration restriction, are considered to be one single shareholder. Based on Article 3, subsection 9 of the Articles of Association, the Board of Directors may grant exceptions to these provisions in special cases and adopt suitable provisions for the application of these rules. The implementing provisions for these rules are defined in the regulation of the Board of Directors on “Registration of registered shares and maintaining the share register of Chocoladefabriken Lindt & Sprüngli AG”.

[https://www.lindt-spruengli.com/fileadmin/user\\_upload/corporate/user\\_upload/Investors/BOR/SHAREHOLDER\\_REGISTRY\\_REGULATIONS\\_2015\\_EN.PDF](https://www.lindt-spruengli.com/fileadmin/user_upload/corporate/user_upload/Investors/BOR/SHAREHOLDER_REGISTRY_REGULATIONS_2015_EN.PDF)

<https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

According to these regulations, particularly (1) the intention of a shareholder to acquire a long-term interest in the company or (2) the acquisition of shares as part of a long-term strategic business relationship or a merger, together with the acquisition or allocation of shares on the occasion of the acquisition by the company of a particular asset, are treated as special cases within the meaning of Article 3, subsection 9 of the Articles of Association.

In the year under review, no exceptions were granted. Based on long-term participation and with regard to the purpose of the Foundations, the Board of Directors already granted such an exception prior to the year under review for the 20.61% of the voting rights held as a group by the “Fonds für Pensions-ergänzungen der Chocoladefabriken Lindt & Sprüngli AG”, “Finanzierungsstiftung für die Vorsorgeeinrichtungen der Chocoladefabriken Lindt & Sprüngli AG”, “Lindt Cocoa Foundation”, and “Lindt Chocolate Competence Foundation”, all in Kilchberg, ZH.

A nominee shareholder will be registered in the share register as a shareholder with voting rights only up to a maximum of 2% of the registered share capital as entered in the commercial register, if such nominee agrees in writing to disclose the name, address, domicile or seat, nationality, and shareholdings of those persons on whose account it holds the shares. Over the limit of 2%, the Board of Directors will enter the shares of a nominee as shares with voting rights in the shareholder register if such nominee discloses – in writing – the name, address, domicile or seat, nationality, and shareholdings of those persons for whose accounts it holds 0.5% or more of the then outstanding share capital. However, an entry per trustor is limited to 4%, respectively to 10%, per nominee collectively. Article 3, subsection 7 of the Articles of Association is also applicable to nominees.

The implementation rules are defined in the Regulations of the Board of Directors “Registration as nominee shareholder of Chocoladefabriken Lindt & Sprüngli AG”.

[https://www.lindt-spruengli.com/fileadmin/user\\_upload/corporate/user\\_upload/Investors/BOR/REGISTRATION\\_AS\\_NOMINEE\\_EN.PDF](https://www.lindt-spruengli.com/fileadmin/user_upload/corporate/user_upload/Investors/BOR/REGISTRATION_AS_NOMINEE_EN.PDF)

<https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

A revocation of these registrations restrictions in Article 3, subsection 6 of the Articles of Association requires pursuant to Article 15, subsection 3 of the Articles of Association a resolution by the shareholders at the General Meeting with a voting majority of at least three quarters of the shares represented.

<https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

### Outstanding options and convertible bonds

Options on bearer participation certificates of Chocoladefabriken Lindt & Sprüngli AG are only outstanding within the scope of the existing employee option plan. Details concerning the number of options issued and still outstanding with the corresponding material terms and conditions are shown in the table below:

Year of allocation	Number of options issued	Strike price (CHF)	Running term	No. of rights exercised	No. of exercisable rights
2015	21,350	4,811	until 2022	20,976	374
2016	22,874	5,401	until 2023	16,098	6,776
2017	20,025	5,360	until 2024	9,554	10,835
2018	22,525	5,794	until 2025	4,265	17,760
2019	23,301	5,936	until 2026	170	23,131
2020	25,440	7,904	until 2027	100	25,340
2021	28,000	7,918	until 2028	60	27,940
<b>Total</b>	<b>180,338</b>			<b>68,182</b>	<b>112,156</b>

The options were granted at a ratio of one option to one participation certificate (1:1). The options can be exercised during a maximum term of seven years after the grant and are subject to a blocking period of three, four or five years, respectively. The option exercise price corresponds to the average amount of the closing price of the participation certificates of Chocoladefabriken Lindt & Sprüngli AG on the five trading days on the SIX Swiss Exchange prior to the grant.

In 2021, a total of 22,418 of the above employee options were exercised (previous year: 18,120). Therefore, the “ordinary” participation capital was increased in 2021 by CHF 224,180 resulting in a corresponding reduction in the “conditional” participation capital for the employee participation programs. The 112,156 options outstanding as of December 31, 2021, not yet exercised, are equivalent to 4.6% of the total capital. There were no outstanding convertible bonds of Chocoladefabriken Lindt & Sprüngli AG.

### Information regarding participation certificates

Chocoladefabriken Lindt & Sprüngli AG has decided in the year 2020 to stop issuing physical dividend vouchers (coupons) on bearer participation certificates. Holders who keep their participation certificates as certificates in physical form e.g. at home or at their bank (e.g. in a safe deposit box or in individual custody, so-called “Heimverwahrer”) were and are asked to deliver their participation certificates (including remaining coupons and talons, if any) to their bank of choice in order to book their participation certificates into their existing securities account, or one to be opened. For participation certificates which are currently not held as book-entry security, any future dividends on participation certificates will not automatically be serviced through the banking system, but only according to the applicable requirements of Swiss securities law. Holders of participation certificates which are held in physical form should be aware that dividends which are not claimed within five years will definitely be allocated to the company.

Holders who already keep their participation certificates in a securities account with their deposit bank are not affected by the change and need not act.

For further information, please refer to the Investor Relations website or contact the Investor Relations Department of the Group on phone number +41 44 716 25 37 or via e-mail [investors@lindt.com](mailto:investors@lindt.com).

## Board of Directors

### Role and function

The Board of Directors makes decisions jointly and is assisted by Board committees in certain areas. The Board’s primary function is to exercise the ultimate management of the Group; it makes strategic decisions and defines the general means for achieving the goals it has set. The Board of Directors sets the General Meeting agenda and approves the annual and half-year reports, as well as the Compensation Report. Decisions regarding the appointment of members to Group Management and the managing directors of subsidiaries, as well as resolutions on shareholders’ motions for the General Meeting, are made by the whole Board.

### Members

The Board of Directors of Chocoladefabriken Lindt & Sprüngli AG consists of at least five and not more than nine members according to Article 17 of the Articles of Association. If the number of members falls below five, the minimum number of members must only be restored at the next ordinary General Meeting.

<https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

As of December 31, 2021, the Board had six members. Ernst Tanner is Executive Chairman of the Board; all other members are non-executive members.

Name, function	First election	until
Ernst Tanner, Executive Chairman of the Board of Directors	1993	2022
Dr Rudolf K. Sprüngli, non-executive member	1988	2022
Antonio Bulgheroni, non-executive member	1996	2022
Dkfm Elisabeth Gürtler, non-executive member	2009	2022
Dr Thomas Rinderknecht, non-executive member	2016	2022
Silvio Denz, non-executive member	2018	2022

Antonio Bulgheroni was Managing Director of the Italian subsidiary Lindt & Sprüngli S.p.A. until his retirement in April 2007. None of the non-executive members of the Board of Directors have in the past three financial years been actively engaged in the management of the Group or a Group company. Further, none of the non-executive members of the Board of Directors has any material business relations with the Company or any Group company.

Members of the Board of Directors are individually elected by shareholders at the General Meeting for a one-year term of office (until the conclusion of the next ordinary General Meeting). No limitation is placed on their re-election. If a member withdraws, or if an elected member subsequently declines the appointment, the seat concerned remains vacant until the next General Meeting. In the reporting year, all six Board members have been re-elected for terms of one year until the conclusion of the next ordinary General Meeting.

**Board of Directors Chocoladefabriken Lindt & Sprüngli AG**



**Ernst Tanner**



**Antonio Bulgheroni**



**Dkfm Elisabeth Gürtler**



**Dr Rudolf K. Sprüngli**



**Silvio Denz**



**Dr Thomas Rinderknecht**

**Ernst Tanner (CH)** Mr. Tanner was elected CEO and Vice Chairman by the Board of Directors in 1993. In 1994, he became Chairman of the Board. He is a member of the Corporate Sustainability Committee. He completed a commercial education and then attended business school in London and at Harvard. Before joining Lindt & Sprüngli, Mr. Tanner held top management positions for more than 25 years with the Johnson & Johnson Group in Europe and in the USA, last as Company Group Chairman Europe. Mr. Tanner has been a member of the Board of Directors of the Swiss Swatch Group since 1995, Vice Chairman of the Board of Directors since 2011, as well as member of the Compensation Committee since 2002 and Chairman of this committee since May 2014. He also has a seat on the Advisory Boards of both the German Krombacher Brauerei GmbH & Co. KG and the Austrian SIGNA Group. As of September 30, 2016, Mr. Tanner resigned as CEO of the Lindt & Sprüngli Group and is since then Executive Chairman of the Board of Directors.

**Dr Rudolf K. Sprüngli (CH)** Mr. Sprüngli has been a member of the Board of Directors since 1988. He is the Chairman of the Compensation & Nomination Committee and the Corporate Sustainability Committee. He completed his studies with a doctorate in economics. Due to his former executive activities for the Group and for an international premium food-trading company, Mr. Sprüngli is an expert authority in the chocolate business. Today, he manages his own consulting firm. Mr. Sprüngli is also a member of the Council of the British-Swiss Chamber of Commerce, a member of the Board of Directors of Peter Halter Liegenschaften AG, an Advisory Board member at the Institut für Wirtschaftsberatung as well as Chairman of Freies Gymnasium Zurich.

**Antonio Bulgheroni (IT)** Mr. Bulgheroni has been a member of the Board of Directors since 1996 and was Lead Director from February 2009 until end of September 2016. He currently serves on the Audit Committee and Compensation & Nomination Committee. His extensive company management experience in every area of the chocolate business makes Mr. Bulgheroni a highly respected international expert in the chocolate industry. From 1993 until his retirement in April 2007, he was CEO of the Italian subsidiary Lindt & Sprüngli S.p.A. Since then, he has been Chairman of the Board of Lindt & Sprüngli S.p.A. and Caffarel S.p.A., the two Italian subsidiaries of the Group. Mr. Bulgheroni, who

holds the Order of Merit for Labor of the Italian Republic, is a member of the Board of Directors of the L.I.U.C. University, as well as the Chairman of the Board of Directors of Bulgheroni S.p.A.

**Dkfm Elisabeth Gürtler (AT)** Ms. Gürtler has been a member of the Board of Directors since 2009 and is currently a member of the Audit Committee. She completed her business science studies with a master's degree, then built up an outstanding reputation, particularly as director of the world-famous Sacher Hotels in Vienna and Salzburg, in an area where premium quality plays a key role. From 1998 till 2012, Ms. Gürtler was a member of the Supervisory Board of Erste Group Bank AG, and she was a member of the general council of the Austrian National Bank from 2004 to 2014. Currently Ms. Gürtler is a member of the Board of Directors of ATP Planungs- und Beteiligungs AG in Innsbruck and since July 2019 President of the Supervisory Board of the Tiroler Museen.

**Dr Thomas Rinderknecht (CH)** Mr. Rinderknecht has been a member of the Board of Directors since April 2016 and is currently Chairman of the Audit Committee. He has a PhD in law and was admitted to the Bar in the Canton of Zurich in 1982. From 1984 onwards, he worked as a freelance commercial attorney and has been Senior Partner with the law firm Badertscher Rechtsanwälte AG, Zurich and Zug, as of 2009. Since 1984, Mr. Rinderknecht has had numerous directorships on the boards of various unlisted companies in the healthcare/pharmaceutical/biotech branches and in the media, as well as in the industrial sector. Mr. Rinderknecht is a member of the Board of Directors of the listed company ADC Therapeutics SA. With his background as a commercial attorney, Mr. Rinderknecht's legal expertise is of particular benefit to the Board of Directors.

**Silvio Denz (CH)** Mr. Denz has been member of the Board of Directors since May 2018 and is currently member of the Compensation & Nomination Committees as well as of the Corporate Sustainability Committee. He is an entrepreneur active in the fields of luxury goods, wine, restaurants, hotels, art, and real estate. After a commercial training and professional positions in the financial, commercial, and marketing sector in Switzerland and in the USA, in 1980 he took over the management of Alrodo AG in Zurich and developed it

into the largest perfumery chain in Switzerland. In 2000, he founded Laliq Group SA (formerly Art & Fragrance SA), a company active in the creation, marketing, and worldwide distribution of luxury goods, to which crystal manufacturer Laliq belongs since 2008. Mr. Denz oversees that Group, which is listed in Switzerland, as Chairman of the Board of Directors and is its principle shareholder. He is also a member of different non-listed Swiss investment companies.

#### Number of activities permitted outside the Group

The number of mandates in senior managing bodies and boards of directors of legal entities outside the Group – which are to be entered in the Swiss commercial register or in a comparable foreign register – is according to Article 19, section 3 item 1 of the Articles of Association restricted for the members of the Board of Directors to: four mandates in listed companies, ten mandates in non-listed companies, and fifteen mandates in other legal entities, such as foundations and associations.

Where mandates are assumed in different legal entities of one corporate group, or at the behest of one corporate group, these are accounted in the aggregate as a single mandate but may not exceed forty mandates in total. The foregoing limits may be exceeded temporarily by one mandate per category at the most.

 <https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

#### Internal organization

The General Meeting elects together with the members of the Board of Directors the Chairman of the Board of Directors and the members of the Compensation Committee. In all other respects, the Board of Directors constitutes itself.

If the Chairman resigns from the Board before the end of the term of office, the Board of Directors appoints a Chairman from among its members until election at the next General Meeting. Should one or more members of the Compensation Committee retire early, the Board of Directors can appoint substitutes from among its members until the conclusion of the next General Meeting.

The Chairman presides over the General Meeting, represents the company externally and procures together with the CEO and the members of Group Management timely information to the Board of Directors on all matters important for decision-making and the monitoring of significant

Group concerns. He is responsible for preparing all matters to be dealt with by the Board of Directors, placing them on the agenda, and for convening and chairing Board of Directors' meetings. In addition, the Executive Chairman of the Board of Directors assumes the following tasks:

- Representation and positioning of the Lindt & Sprüngli Group towards the public, the authorities, and the company shareholders (communications) unless the Executive Chairman of the Board of Directors delegates this task after internal consultation between himself and the CEO of the Lindt & Sprüngli Group to the CEO;
- Responsibility for the long-term strategic direction of the Lindt & Sprüngli Group and specific strategic projects, including transactions;
- Supporting important alliances and strategic partnerships;
- Positioning the Lindt & Sprüngli Group in the area of communications and marketing;
- Overall responsibility for corporate culture;
- Additional tasks are derived from the allocation of competences and the resolutions passed by the Board of Directors.

The CEO, together with the Group Management, is entrusted with the task of managing the business. The CEO presides over Group Management and coordinates in close collaboration with the Executive Chairman of the Board of Directors on the most important decisions. Further details about the tasks of the CEO and Group Management can be found on page 38 of this Annual Report.

The Board of Directors meets regularly – as often as business requires – but at least four times a year. Meetings are convened by the Chairman, or by another member of the Board of Directors appointed to substitute him. Each member of the Board of Directors is authorized to request a meeting to be convened without delay; the purpose must be stated.

The Chairman or, in his absence, another member of the Board of Directors appointed to substitute him, presides over the meetings. Along with members of the Board of Directors, the meetings may also be attended by members of Group Management and other non-members. In the year under review, four regular meetings were held, whereby all members attended these meetings. Three regular telephone conferences were held, whereby one member did not attend one of these telephone conferences. No circular resolutions were

conducted. The regular meetings lasted around three hours. The telephone conferences lasted around one hour. Members of Group Management regularly attended these meetings, in compliance with exclusion principles. No external consultants took part in meetings of the Board of Directors.

#### Committees of the Board of Directors

The Chairman of the Board of Directors and the Board of Directors are assisted in their work by three committees: the Audit Committee, the Compensation & Nomination Committee and the Corporate Sustainability Committee. The Board of Directors may decide at any time – by a majority decision – to set up further committees. Until that time, all other tasks of the Board of Directors will be performed by the whole Board of Directors. The committees meet upon the invitation by their chairman as often as business requires, usually immediately before or after an ordinary meeting of the Board of Directors. Otherwise, the rules applicable to the Board of Directors apply *mutatis mutandis* to the meetings of the committees.

#### Audit Committee

The Audit Committee consists of at least three non-executive and independent members of the Board of Directors. Of these, at least two must possess substantial experience in finance and accounting. The members of the Audit Committee are appointed by the Board of Directors. The CFO has a consultative vote in the committee. As of December 31, 2021, members of the committee were: Dr Thomas Rinderknecht (Chairman), Antonio Bulgheroni, and Dkfm Elisabeth Gürtler. The members of the committee possess sufficient experience and professional knowledge in the areas of finance and risk management to enable them to perform their tasks effectively.

The Audit Committee supports the Board of Directors in its function of strategic supervision, particularly with respect to the main areas of audit, completeness of the financial statements/audit findings, compliance with statutory requirements and the services of external auditors. In addition, the committee assesses financial reporting expediency and effectiveness of the internal control systems and ensures ongoing communication with the external auditors. It also constantly scrutinizes the Group's risk management principles and appropriateness of risks taken, especially in the areas of investments, currencies, raw-material procurement, and liquidity.

The Audit Committee makes recommendations to the Board of Directors for important decisions in the areas discussed above, such as approval of risk management principles, adoption of the annual financial statements or proposals for the appointment of the statutory auditors. The committee itself has, except for the enactment and amendments of the Group Approval Policy, no decision-making powers. It may, however, decide independently to entrust the auditors with special assignments and approve the fee budget for audit tasks submitted by the external auditors.

The committee meets as often as business requires, but at least four times a year. In the year under review, four regularly scheduled meetings were held, whereby all members attended these meetings. The meetings generally lasted around one hour, with members of Group Management regularly attending. Auditors attended one meeting of the Audit Committee. Auditors' direct access to the Audit Committee is guaranteed at all times. No external consultants took part in meetings of the Audit Committee.

→ Information on auditors see page 43

#### Compensation & Nomination Committee

The Compensation & Nomination Committee generally consists of three and of a maximum of five members of the Board of Directors, the majority of whom shall be non-executive and independent, each of whom is elected by the General Meeting for a term of office of one year until the end of the next ordinary General Meeting. As of December 31, 2021, Committee members were: Dr Rudolf K. Sprüngli (Chairman), Antonio Bulgheroni, and Silvio Denz.

→ Information on responsibilities of the Compensation & Nomination Committee see Compensation Report page 47

#### Corporate Sustainability Committee

The Corporate Sustainability Committee generally consists of three members of the Board of Directors. These may be both executive and non-executive members of the Board. The members of the Corporate Sustainability Committee are appointed by the Board of Directors. As of December 31, 2021, Committee members were: Dr Rudolf K. Sprüngli (Chairman), Silvio Denz, and Ernst Tanner.

The Corporate Sustainability Committee supports the Board of Directors in setting the strategic direction for company activities, while aiming for comprehensive sustainable management. It has decision-making power in connection

with the definition of the sustainability strategy, monitors its implementation and approves global sustainability targets. It is also responsible for the development and adaptation of all globally valid corporate policies in this area and monitors compliance. It is also responsible for approving the annual Sustainability Report of Lindt & Sprüngli Group. The Corporate Sustainability Committee meets as often as business requires, but at least once a year. One regularly convened meeting took place in the year under review and lasted about one hour. The CEO, the CFO and the whole Board of Directors attended this meeting. No external consultants were present at this meeting.

The Sustainability Executive Team, under the lead of the CFO, is an important complement to the Corporate Sustainability Committee. It is a quarterly convened cross-functional committee, in which Corporate Sustainability, HR, Marketing, Legal, Research & Development/Quality Assurance, Operations, Procurement and Corporate Communications are represented. The Sustainability Executive Team plans, coordinates and supervises the execution of the sustainability strategy in the respective departments of the Group.

#### Allocation of competences

The essential principles for the allocation of competences and responsibilities among the Board of Directors and Group Management are set forth in the organizational regulations. Below is a summary of the basic rules:

#### Board of Directors

- Performs the non-transferable inalienable statutory tasks. The Board of Directors is therefore in particular responsible for strategic management of the company, giving necessary instructions and supervising Group Management;
- Determines strategic, organizational, accounting, and financial planning guidelines;
- Changes to the legal structure of the Group (especially incorporation of new subsidiary companies, acquisitions, joint ventures, as well as liquidation of companies);
- Appointment and dismissal of the CEO, secretary, and members of Group Management and Chief Executive Officers of subsidiary companies;
- Approves the budgets for the Group and the individual subsidiaries.

The Board of Directors has assigned the management of day-to-day business in accordance with the organizational regulations to the CEO and Group Management.

#### CEO

The CEO is the Chairman of Group Management and further responsible for procurement and forwarding of information to Group Management, the Executive Chairman of the Board of Directors, and the members of the Board of Directors. The CEO must also ensure that the decisions and instructions of the Board of Directors are executed by Group Management. Last, but not least, he is responsible for managing the operational business of the Group within the framework of its strategic objectives and for planning the overall business, and for reporting within the Group.

#### Group Management

Group Management is responsible for the implementation of the Group strategy. In addition, the individual members of Group Management must lead their allocated functional and responsibility areas within the framework of the Group policy in compliance with instructions given by the CEO and the Executive Chairman of the Board of Directors. On the basis of a matrix structure, the individual Group Management members are given line responsibility for entire country organizations and geographical areas, together with functional responsibility for specific specialist areas.

→ For details on members of Group Management see page 40

#### Information and control instruments

The Board of Directors is kept regularly informed about all important matters relating to the Group's business activity. The CEO and members of Group Management attend Board of Directors' meetings and report on the ongoing course of business, important projects, and events. Extraordinary occurrences are immediately brought to the attention of the members of the Board of Directors. To obtain a direct picture of local market situations, the Board of Directors regularly visits country subsidiaries and meets with local business management.

The Board of Directors is kept informed in writing on a regular basis through an extensive and complete Management Information System (MIS) covering profit and loss, balance sheets, cash flow, investments, and personnel of the Group and the individual subsidiaries. The information is provided on both a historical basis and as a year-end forecast.

Furthermore, members of the Board of Directors receive, on an annual basis, a detailed overall budget, together with a five-year medium-term plan with forecasts for future development of individual subsidiaries and the consolidated group of companies, covering profit and loss, balance sheet, cash flow, investments, and personnel. Furthermore, an annually updated Group-wide analysis of strategic, operational, and financial risks – including assessments, as well as actions taken to limit risks, and responsibilities – is also submitted to the Board of Directors. In order to assess the Group risk parameters, the Audit Committee also receives a quarterly report on securities and cash investments, currencies, raw-material procurement, and liquidity (risk control reporting). Members of Group Management regularly attend Audit Committee meetings.

The Group does not have an internal audit department; nevertheless, the internal financial control system, management information and risk management reporting of the Group is given very high attention.

Instead of an internal audit department, the so-called “Lindt internal control system” (LICS) serves as information and control instrument within Chocoladefabriken Lindt & Sprüngli AG. As part of the Lindt internal control system the Group determines so-called financial reference controls for the subsidiaries, which are tailored by the subsidiaries to local circumstances and risks.

The existence and effectiveness of these controls are self-assessed annually by the subsidiaries. The results of these annual assessments are supervised centrally by the group. Based on the observed results, a report regarding the financial internal control processes in the various corporate functions of subsidiary companies (amongst others IT, Procurement, Production, Sales, Salary Payments, Treasury, HR, and Financial Reporting) is submitted annually to the Audit Committee. Supervised by the group, subsidiaries then develop measures in order to react to control weaknesses and deficiencies.

Moreover, the external auditors PricewaterhouseCoopers AG act as an additional control instrument by, inter alia, testing the existence of the internal control system, i.e. the “LICS”. In the course of the yearly audit, the Audit Committee may also charge the auditors with special assignments, which go above and beyond legal and statutory requirements.

### Conflicts of interest

The members of the Board of Directors, the CEO and the members of Group Management are obliged to inform the Chairman of the Board of Directors or the CEO, respectively, immediately if any business is being dealt with that affects or could affect their own interests or the interests of individual persons or legal persons which are related to them. The Chairman of the Board of Directors or the CEO, respectively, or in its case the Board of Directors as a whole, decides on appropriate measures, including deliberations in absence of the affected person. As a rule, however, the concerned members of the Board of Directors and members Group Management are entitled to present their view to the relevant body before they step out. The relevant rules are reflected in the organizational regulations of Chocoladefabriken Lindt & Sprüngli AG.

As Executive Chairman, Mr. Ernst Tanner supports, advises and provides guidance to the Board of Directors and especially to the CEO of the Group. With his long-term engagement of over 28 years and therefore his in-depth knowledge of the FMCG market, Mr. Tanner is representing the Group on key strategic deliveries. He therefore works in an executive capacity, directly employed by the Group.

### Group Management

As of December 31, 2021, Chocoladefabriken Lindt & Sprüngli AG’s Group Management had seven members:

Name, responsibility	At Lindt & Sprüngli since
Dr Dieter Weisskopf Chief Executive Officer	1995
Martin Hug Chief Financial Officer	2004
Rolf Fallegger Country Responsibility, International Marketing	1997
Dr Adalbert Lechner Country Responsibility, Global Retail	1993
Alain Germyquet Country Responsibility, International Sales	2007
Dr Jennifer Piconi Group General Counsel & Corporate Secretary	2007
Guido Steiner Group Operations	1990

**Dr Dieter Weisskopf (CH)** lic. rer. pol. – Mr. Weisskopf started his career at Swiss Union Bank. After gaining additional experience in the banking sector in South America, he then changed to the food industry, joining the Jacobs Suchard Group. At Jacobs Suchard and at Klaus Jacobs Holding, he held executive management positions in the area of finance, lastly as CFO in Canada and Switzerland. Mr. Weisskopf joined the Lindt & Sprüngli Group in 1995 as Head of Finance, Administration, IT, Purchasing and Sustainability. Since 2004, he has also been responsible for production. As of October 1, 2016, he took over as CEO of the Lindt & Sprüngli Group and is responsible for Group Communications and Group HR.

**Martin Hug (CH)** Economist, MA – Mr. Hug started his career in various roles with a leading global coffee trading company in Latin America (Costa Rica, Ecuador, and Honduras), lastly as Finance Director in Costa Rica, before he joined Lindt & Sprüngli (International) AG in 2004 as Senior Controller. Only a short time later, he was promoted to CFO at Lindt & Sprüngli UK. From 2011 to the end of 2016, he held the position of CFO at Ghirardelli Chocolate Company in California (USA). As of January 1, 2017, he has been Group CFO and a member of Group Management, where he is responsible for Finance, IT, Procurement and Sustainability.

**Rolf Fallegger (CH)** lic. oec. HSG – Mr. Fallegger began his career in 1991 in marketing with Procter & Gamble in Geneva, the UK, and Belgium. He joined Lindt & Sprüngli (Schweiz) AG as Marketing Manager in 1997. He was then appointed CEO of the Lindt & Sprüngli subsidiary companies in the UK and France. In 2009, he returned to Swiss headquarters and was a member of the Extended Group Management from 2011 to 2014. In 2014, he was promoted to member of the Group Management, where he is responsible for the development of specific markets as well as International Marketing, Digital and Consumer & Market Intelligence.

**Dr Adalbert Lechner (AT)** PhD in Law – After receiving his doctorate in law, Mr. Lechner held several management positions in marketing and sales with L'Oréal and Johnson & Johnson. He joined the Lindt & Sprüngli Group as CEO of the Austrian subsidiary company in 1993. He has been CEO of the German subsidiary Chocoladefabriken Lindt & Sprüngli GmbH since 1997. He was a member of Extended Group Management from 2011 until 2016. As of January 1,

2017, he is a member of Group Management, where he is responsible for the development of specific markets and Global Retail.

**Alain Germiquet (CH)** lic. oec. – Mr. Germiquet started his career in the Sales division of two notable mineral oil companies before joining Hiestand in 1999, where he was promoted from Marketing Director to Managing Director in a short time. In 2005, he became Commercial Director at Nestlé and in 2007, he joined Lindt & Sprüngli first as CEO of Lindt & Sprüngli UK and then as CEO of Lindt & Sprüngli France from 2009 to 2016. On January 1, 2017, he joined Group Management, where he is responsible for the development of specific markets and International Sales.

**Dr Jennifer Picenoni (CH)** lic. iur. – Ms. Picenoni started her career as an attorney in a law firm in 2002 after having completed her doctorate. She joined Lindt & Sprüngli (International) AG in 2007 as Senior Legal Counsel. In 2008, she was promoted to Head Corporate Legal and in 2014 to Group General Counsel. In 2017, Ms. Picenoni took over the additional responsibility as Corporate Secretary of the Group. Since January 2020, she has been a member of the Group Management, responsible for Group Legal, Intellectual Property and Compliance.

**Guido Steiner (CH)** Dipl. Lm-Ing. ETH – Mr. Steiner began his career as assistant at the Chair for Business Administration at ETH in Zurich. In 1990, he joined Lindt & Sprüngli as Assistant Manager Group Production Planning. Two years later he was promoted to Group Production Planning Manager. From 1998 until 2003, he was Vice President Operations at Lindt & Sprüngli USA. In 2003, he returned to headquarters as Vice President Operations. As of January 1, 2017, he is member of Group Management and continues to be in charge of Group Operations.

In addition to the above-mentioned assignments, members of Group Management are currently not active in other major national and international management or supervisory bodies. They hold neither managing nor consulting functions with major Swiss or foreign interest groups, nor do they hold public functions or political office. There are no management agreements regarding management functions between the Lindt & Sprüngli Group and legal entities or natural persons outside the Group.

## Group Management



**Dr Dieter Weisskopf**



**Martin Hug**



**Rolf Fallegger**



**Dr Adalbert Lechner**



**Alain Germiquet**




**Dr Jennifer Piconi**



**Guido Steiner**

### Number of permitted activities outside the Group

The number of mandates in senior management bodies and boards of directors of legal entities outside the Group – which are to be entered in the Swiss commercial register or in a comparable foreign register – is according to Article 19, subsection 3 item 2 of the Articles of Association restricted for members of Group Management – always subject to approval by the Board of Directors – to not more than two mandates in listed companies, five mandates in non-listed companies, and fifteen mandates in other legal entities such as foundations and associations.

 <https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>


### Compensation, equity participations and loans

→ Details Compensation Report see page 46

### Shareholders' rights of participation

#### Restrictions of voting rights and proxy

The recognition of an acquirer of registered shares as a shareholder with voting rights, as well as the registration of nominees as shareholders with voting rights are subject to certain restrictions. According to Article 3, subsection 6 of the Articles of Association in particular, the Board of Directors may refuse full shareholder status to an acquirer of shares to the extent the number for registered shares held by that acquirer exceeds 4% of the total number of registered shares as entered in the commercial register. Details regarding the registration restrictions for registered shares, limitations of nominee registrations, the Group clause included in the Articles of Association and the rules for granting exceptions, may be found on page 31 of this Annual Report and in the respective regulation of the Board of Directors “Registered Share and Shareholder Registry Regulations Lindt & Sprüngli AG”.

 [https://www.lindt-spruengli.com/fileadmin/user\\_upload/corporate/user\\_upload/Investors/BOR/SHAREHOLDER\\_REGISTRY\\_REGULATIONS\\_2015\\_EN.PDF](https://www.lindt-spruengli.com/fileadmin/user_upload/corporate/user_upload/Investors/BOR/SHAREHOLDER_REGISTRY_REGULATIONS_2015_EN.PDF)

 <https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

According to Article 12, subsection 3 of the Articles of Association, no shareholder may combine, in the aggregate, directly or indirectly, through shares held or shares represented, more than 6% of the votes of the existing share capital when exercising voting rights at the General Meeting. Natu-

ral persons or legal entities, which are related to each other through capital or voting rights or in any other way or are under common custody, are considered as one shareholder. In special cases, the Board of Directors may grant exceptions from the voting rights restrictions. In the reporting year, the Board of Directors granted no such exception.

The voting rights restriction does not apply to the exercise of voting rights by the independent proxy and by shareholders who are registered with more than 6% of the voting rights in the share register. Because the “Fonds für Pensionsergänzungen der Chocoladefabriken Lindt & Sprüngli AG”, “Finanzierungsstiftung für die Vorsorgeeinrichtungen der Chocoladefabriken Lindt & Sprüngli Aktiengesellschaft”, “Lindt Cocoa Foundation”, and “Lindt Chocolate Competence Foundation”, all Kilchberg ZH, have been entered as a group in the share register with a shareholding interest of more than 6%, the voting rights restriction does not apply to them.

A revocation of the statutory restrictions of voting rights requires pursuant to Article 15 subsection 3 of the Articles of Association a resolution of the General Meeting of shareholders with a three-quarter majority of the shares represented. Pursuant to Article 12, subsection 2 of the Articles of Association, a shareholder may be represented at the General Meeting by another shareholder or by the independent proxy on the basis of a written power of attorney. A general instruction is permitted with respect to motions announced or unannounced in the invitation.

 <https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

#### Statutory quorum

The General Meeting passes its resolutions by an absolute majority of the votes cast, not including abstentions, unless the Articles of Association or the law provide otherwise. According to Article 15, subsection 3 of the Articles of Association, amendments of the Articles of Association concerning a change in the company's registered office, the conversion of registered shares into bearer shares, the transfer of registered shares, representation of shares at the General Meeting, the amendment of Article 15, subsection 3 of the Articles of Association, as well as the dissolution or a merger of the company require a three-quarter majority of the shares represented.

 <https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

### Announcement of the Annual General Meeting, agenda and share register

Shareholders are invited to the General Meeting by the Board of Directors at least 20 days prior to the date of the General Meeting via publication in the Swiss Official Gazette of Commerce.

A shareholder who is registered in the share register with at least 2% of the share capital of the company may request that an item be placed on the agenda. Such a request must be made in writing to the Board of Directors at the latest 60 days before the General Meeting and shall specify the agenda items and the proposals made. The request and proposal must be brought before the General Meeting, together with a comment by the Board of Directors.

Motions made within the scope of the agenda items do not need prior announcement. In the invitation to the General Meeting, the Board of Directors announces in accordance with Article 13 of the Articles of Association the cut-off date for registration in the share register, which is relevant for the entitlement to attend and to exercise voting rights.

<https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

### Change in control and defensive measures

In the event of a change in control, employee options granted can be exercised without observing the three to five years blocking period. The rules regarding change in control are also applicable in case employees are leaving the company. Other than that, there are no special agreements concerning a change in control in favor of either the members of the Board of Directors, Group Management, or any other company management members. The Articles of Association contain no provision regarding “opting out” or “opting up” pursuant to Article 125 or 135 FinfraG, respectively.

## Auditors

### Mandate

The General Meeting appointed PricewaterhouseCoopers AG, Zurich, for the first time as its statutory auditors in April 2002. According to Article 27 of the Articles of Association of the company, the auditors must be newly appointed or confirmed, respectively, each year by the General Meeting. The 2021 reporting year is the second year for the responsible lead auditor (in charge since 2020). Pursuant to the provisions of the Swiss Code of Obligations, the responsible lead auditor may not hold office for more than seven years.

<https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

### Audit fee

The total audit fees billed by the audit company in the reporting year 2021 amounted to CHF 1.8 million.

### Additional fees

The total sum of additional fees – mainly related to tax and EDP advice – billed by the audit company in the reporting year 2021 amounted to CHF 0.3 million.

### Supervisory and controlling bodies

Supervision and control regarding the assessment of the auditors is exercised by the whole Board of Directors. The Audit Committee supports the entire Board of Directors in this task. The committee also ensures the ongoing communication with the auditors and regularly discusses with their representatives the results of audit activities in the accounting areas as well as the suitability of the internal control systems. Before the interim audit, the auditors prepare an audit plan, which is then submitted to Audit Committee members. Based on an analysis of current business and audit risks, the main points to be audited are proposed in this plan. The audit plan is approved by the Audit Committee and then also by the Board of Directors. The appropriateness of the audit fee as well as possible additional fees for “non-audit” services, are also reviewed on this occasion. The report on the final audit of the annual financial statements is submitted to all members of the Board of Directors. It is first discussed in the Audit Committee with the auditors and then finally approved by the whole Board of Directors at the meeting or in the circular resolution, respectively, regarding the adoption of the

Annual Report. In 2021, the auditors attended one meeting of the Audit Committee. Auditors' direct access to the Audit Committee is guaranteed at all times. Information about the organization and scope of duties of the Audit Committee can be found on page 37 of this Annual Report.

### Closed periods

During certain periods, trading restrictions for Insiders apply. The Board of Directors has set out the relevant regulations in the "Insider Directive" dated October 19, 2019.

#### Addressees and scope of the Insider Directive

The Insider Directive and the corresponding trading restrictions apply to all directors, officers and employees of any legal entity belonging to the Lindt & Sprüngli Group (the Insiders), including third parties if they are in possession of insider information and have knowledge of the Insider Directive and its content. The relevant Insiders may not trade in Securities of the Lindt & Sprüngli Group during certain periods as set out in the Insider Directive. According to section 4 of the Insider Directive, such Securities in within the meaning of the Insider Directive are all current or future securities issued by any legal entity belonging to the Lindt & Sprüngli Group, such as shares, participation certificates, (convertible) bonds, options, warrants or notes, as well as derivative financial instruments relating to securities issued by any legal entity belonging to the Lindt & Sprüngli Group, regardless of whether the derivative financial instruments were issued by the Lindt & Sprüngli Group or a third part (the Securities).

### General closed periods

Pursuant to section 6.1 of the Insider Directive, Insiders may not acquire or dispose of, directly or indirectly, for their own account or for the account of third parties, Securities of the Lindt & Sprüngli Group during the following periods:

- 10 calendar days before December 31 and June 30, respectively, until 24 hours (one trading day) after publication of the (preliminary) results of the Lindt & Sprüngli Group; or
- 20 calendar days before the planned publication of (i) the annual or semi-annual report and (ii) the key items of the agenda of a general meeting of the company (such publication usually occurs together with the annual report) until 24 hours (one trading day) after publication of the results and key agenda items, respectively.

General closed periods apply irrespective of whether or not they were specially communicated and irrespective of whether or not an Insider has any insider information.

### Special closed periods

In addition to the general closed periods, a special closed period may apply either automatically due to a project or transaction (in accordance with section 5.4 of the Insider Directive) or upon determination by the CEO or the CFO in specific circumstances and may apply to (i) a specified group of directors, officers or employees and/or (ii) specific securities of other listed companies and for the period as communicated, usually ending within 24 hours (one trading day) after the publication of the relevant insider information or such project having been finally terminated. Special closed periods apply irrespective of whether or not an Insider has insider information.

### Permitted trading

An Insider may trade in Securities of the Lindt & Sprüngli Group outside the closed periods, but only if he or she has no insider information relating to the Securities of the Lindt & Sprüngli Group.

In order to avoid inadvertent violations of the Insider Directive, Insiders who manage their securities through an asset manager must instruct the asset manager to refrain from trading in Securities of the Lindt & Sprüngli Group unless specifically instructed otherwise by the relevant Insider.

## Shareholder information

Chocoladefabriken Lindt & Sprüngli AG issues business-related shareholder communications as follows:

Mid-January	Net sales of the previous year
Early March	Income statement and full-year results
End of April	Annual General Meeting
End of July	Half-year Report

→ For details refer to “Information” on page 156

The statutory publication organ is the Swiss Official Gazette of Commerce. Information about the company is also published and processed by selected media and leading international banks. All data about the business is also available on the company website. Company press releases can also be found on that website. For news and ad hoc communications, a push system is also available on the company website.

↳ <http://www.lindt-spruengli.com/media-center>

Interested parties can obtain a free copy of the Annual Report, as well as the Compensation Report of Chocoladefabriken Lindt & Sprüngli AG from the Group headquarters at Seestrasse 204, 8802 Kilchberg.

For further information, contact the Investor Relations Department of the Group via the phone number +41 44 716 25 37 or via e-mail [investors@lindt.com](mailto:investors@lindt.com).

# Compensation Report

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## Dear Shareholders

On behalf of the Board of Directors and as Chairman of the Compensation & Nomination Committee, I am pleased to present you with the Compensation Report for the financial year 2021.

Since the 2015 General Meeting, the General Meeting approves in separate votes the proposals of the Board of Directors for the maximum aggregate compensation for the members of the Board of Directors until the next Annual General Meeting, and for the maximum aggregate compensation for Group Management for the respective forthcoming financial year. The Compensation Report for the previous financial year is also submitted to the shareholders for approval by way of a non-binding advisory vote. At the 2021 General Meeting you expressed your support for the Board of Directors and the Compensation & Nomination Committee's activities as well as all compensation-related resolutions proposed. In this regard, I would like to thank you on behalf of the entire Board of Directors for your continued trust.

Despite recurring pandemic-related restrictions, Lindt & Sprüngli achieved strong results in 2021. The annual corporate financial targets for the financial year as set by the Compensation & Nomination Committee were overachieved and each member of Group Management also achieved its annual individual qualitative targets by showing great leadership, embracing change and continuous innovation.

The Board of Directors is convinced that this 2021 Compensation Report gives you, our valued shareholders, a comprehensive and integral overview regarding the compensation of the senior management at Lindt & Sprüngli Group. On your behalf, I would also like to thank each member of our global team for their commitment and achievements.



Dr R. K. Sprüngli  
Chairman of the Compensation & Nomination Committee

## Compensation Report 2021

The Compensation Report describes the underlying basics, governing principles and elements of the compensation of the senior management of the Lindt & Sprüngli Group and also contains information on the actual compensation paid to the members of the Board of Directors and Group Management. The information provided refers in each case to the financial year ending on December 31, 2021 (where required with comparative figures for the previous financial year). The Compensation Report also incorporates the disclosure obligations set out in article 14 et seqq. VegüV and article 663c para 2 OR, the requirements of Section 5 of the Annex to the Directive on Information relating to Corporate Governance (Corporate Governance Directive) of SIX Swiss Exchange and the recommendations of the “Swiss Code of Best Practice for Corporate Governance” issued by *economiesuisse* in its last published version of February 29, 2016.

This Compensation Report is structured as follows:

- I. Compensation governance
- II. Compensation of the Board of Directors
- III. Compensation of Group Management
  - i. Compensation goals and principles
  - ii. Compensation system
  - iii. Compensation elements
  - iv. Compensation
  - v. Supplementary amount
- IV. Employment contracts
- V. Participations
- VI. Additional fees, compensation, and loans to governing bodies
- VII. Compensation to former members of corporate bodies

### I. Compensation governance

Article 24bis paragraph 2 of the Articles of Association of Chocoladefabriken Lindt & Sprüngli AG assigns the following tasks and competencies to the Compensation Committee, i.e. the Compensation & Nomination Committee (CNC):

*“The Compensation & Nomination Committee shall concern itself with compensation policies, particularly at the most senior levels of the company. It shall have the tasks, decision-making powers, and authority to present motions accorded to it by the organizational regulations and the Compensation & Nomination Committee regulations. In particular, it shall assist the Board of Directors in determining and evaluating the remuneration system and the principles of remuneration, and in preparing the proposals to be presented to the General Meeting for approval of remuneration pursuant to Art. 15bis of the Articles of Association. The Compensation & Nomination Committee may submit to the Board of Directors proposals and recommendations in all matters of remuneration.”*

The Articles of Association of the company are available on the website of Chocoladefabriken Lindt & Sprüngli AG.

 <https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

Pursuant to the corresponding regulations, the responsibilities of the CNC include inter alia the approval of employment contracts for members of the Group Management and the submission to the Board of Directors of the employment contract for the CEO for approval. The CNC also submits proposals to the Board of Directors for motions to the General Meeting relating to compensation and with respect to potential occupational benefits and pensions outside the scope of occupational benefits or similar schemes abroad, in each case to be granted by the company or by its subsidiary companies to members of the Board of Directors and Group Management within the limits defined by the Articles of Association. The CNC is also responsible for drawing up a proposal for the Compensation Report for the attention of the Board of Directors.

Within the framework of the compensation principles, the Articles of Association, and the resolutions of the General Meeting regarding compensation, the CNC determines upon proposal by the CEO the amount and composition of the compensation for individual members of Group Management and submits the CNC's proposals for the individual compensation of the CEO and the members of the Board of Directors to the full Board of Directors. Individual members of the Board of Directors and Group Management are excluded from the deliberations and from voting in the CNC and the Board of Directors, respectively, when it comes to their own compensation. Once a year, the CNC informs the Board of Directors about the procedure for the determination of compensation and the outcome of the compensation process. The CNC meets at least twice each year. Two regular meetings were held in the reporting year. The CEO attended these meetings unless it concerned his compensation. The CNC has general authority to consult external advisors for the performance of its tasks. In 2021, the consulting services of a well-known advisor were used in connection with the benchmarking of the compensation paid to the Executive Chairman and the Group Management.

Pursuant to Article 15bis paragraph 1 of the Articles of Association, the General Meeting annually approves the proposals submitted by the Board of Directors concerning the maximum amounts of remuneration paid to the Board of Directors for the period until the next ordinary General Meeting, and of remuneration paid to Group Management for the coming financial year. The Board of Directors may submit to the General Meeting for approval proposals concerning the maximum total amounts or individual components of remuneration for other time intervals, and/or concerning supplementary amounts for special remuneration components, as well as other, conditional proposals (Article 15bis paragraph 2 of the Articles of Association).

 <https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

The following table provides an overview of the approval system for the compensation for the Board of Directors, the CEO, and the Group Management.

#### Approval system for the compensation of the Board of Directors, the CEO and the Group Management

	CEO	CNC	Board of Directors	General Meeting
Maximum aggregate compensation Board of Directors		Proposal to BoD	Proposal to GM	Decision (prospective)
Individual compensation Board of Directors		Proposal to BoD	Decision	
Maximum aggregate compensation Group Management	Proposal to CNC	Proposal to BoD	Proposal to GM	Decision (prospective)
Individual compensation CEO		Proposal to BoD	Decision	
Individual compensation for rest of Group Management members	Proposal to CNC	Decision		
Advisory vote on Compensation Report		Proposal to BoD	Proposal to GM	Decision (retrospective)

## II. Compensation of the Board of Directors

The principles governing the compensation of members of the Board of Directors are set out in Article 21 paragraph 2 of the Articles of Association.

<https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

No member of the Board of Directors is currently entitled to any variable compensation or any allocation of option rights or other equity interests (shares or participation certificates). The non-executive members of the Board of Directors receive compensation in the form of a fixed flat-rate fee of CHF 145,000 which is paid out in cash after the respective Annual General Meeting for the preceding term. The Executive Chairman of the Board of Directors receives a fixed compensation in the form of a salary of CHF 2 million per year, which is paid out in cash on a monthly basis.

The amount of total compensation is regularly reviewed by way of external benchmarking and involves a comparison of the level and structure of Board of Directors compensation with, most recently, 21 industrial companies from the SMI and SMIM that are similar to Lindt & Sprüngli in terms of market capitalization and sales. The last benchmarking for the Board of Directors compensation was undertaken in December 2021.

The following compensation was effectively paid to the members of the Board of Directors in the financial years 2020 and 2021.

### Compensation of the Board of Directors (audited)

Function on 31.12.2021		2021		2020	
CHF thousand		Fixed cash compensation <sup>1</sup>	Other compensation <sup>2</sup>	Fixed cash compensation	Other compensation
E. Tanner	Executive Chairman of the Board of Directors, member of the CSC <sup>3</sup>	2,000	23	2,000	23
A. Bulgheroni	Board member, member of the Audit Committee and CNC	145	40	145	40
Dkfm. E. Gürtler	Board member, member of the Audit Committee	145	12	145	12
Dr R. K. Sprüngli	Board member, Chairman of the CNC and the CSC	145	12	145	12
Dr T. Rinderknecht	Board member, Chairman of the Audit Committee	145	12	145	12
S. Denz	Board member, member of the CNC and CSC	145	14	145	12
<b>Total</b>		<b>2,725</b>	<b>113</b>	<b>2,725</b>	<b>111</b>

1 Total compensation in the form of a fee respectively salary for E. Tanner as member of the Board of Directors and Executive Chairman of the Board of Directors of CHF 2 million (accrual-basis). The non-executive members of the Board of Directors received an unchanged fixed flat-rate fee of CHF 145,000.

2 AHV share of the employee on salary respectively fees paid by the employer (including that of the employer, that establishes or increases social insurance or pension contributions). The compensation shown for the year 2021 paid to E. Tanner includes a lump-sum expense allowance of CHF 18,000 (previous year: CHF 18,000). A. Bulgheroni also received a gross fee of CHF 28,000 (previous year: CHF 27,800) for his function as Chairman of the Board of Directors of Lindt & Sprüngli S.p.A and Caffarel S.p.A.

3 CSC: Corporate Sustainability Committee.

The amount of CHF 3.2 million approved by the General Meeting of April 24, 2020, as the maximum aggregate amount of compensation for the Board of Directors for the period until the General Meeting 2021 was not exceeded. The same amount of CHF 3.2 million was approved by the General Meeting of May 4, 2021, as the maximum aggregate amount of compensation for the Board of Directors for the period until the General Meeting 2022. The amount effectively paid out for the financial year 2022 will be disclosed in the Annual Report 2022.

No loans and credits were granted to current or past executive or non-executive members of the Board of Directors.

### III. Compensation of the Group Management

#### i. Compensation goals and principles

Compensation plays a central role in recruitment and retention of employees. Thus compensation also influences the company's future success. Lindt & Sprüngli is committed to performance-based compensation in line with the market standards aligning the long-term interests of shareholders, employees, and customers. Therefore, the compensation system at Lindt & Sprüngli pursues the following five goals:

1. Long-term motivation of employees,
2. long-term retention of key personnel in the company,
3. appropriateness of the cost of compensation in relation to the results,
4. ensuring that the activities of the management are aligned with the long-term interests of the owners, and
5. attract talent and be an attractive employer.

Lindt & Sprüngli attaches great importance to employee retention, which manifests itself particularly in the exceptionally low turnover rate over many years. This is of great importance for a premium product manufacturer with a long-term strategy. Compensation principles at Lindt & Sprüngli are meant to have a medium and long-term effect and to be sustainable. Continuity is a high priority.

The principles governing the compensation (including performance-based compensation) of the members of the Group Management and the allocation of equity securities, conversion, and option rights to members of the Group Management are set out in Article 26bis paragraphs 3–7 of the Articles of Association. Regulations governing the amount of pension benefits outside the occupational pension scheme for members of the Group Management are set out in Article 26bis paragraph 8 of the Articles of Association.

 <https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

#### ii. Compensation system

The compensation of the members of Group Management consists of a combination of a fixed compensation (1) (base salary and other compensation/ancillary benefits), a short-term performance-based compensation (2) (cash bonus) and a long-term performance-based compensation (3) in the form of options for participation certificates, in each case consistent with their respective positions.

## Overview of compensation components for members of Group Management

	Fixed compensation (1)		Variable compensation	
	Base salary	Other compensation/ ancillary benefits	Short-term performance-based compensation (2) (cash bonus)	Long-term performance-based compensation (3) (option plan <sup>1</sup> )
Plan duration				Up to 7 years
Drivers	Functional level, competencies, and experience	SMI and SMIM market practice	Pay for performance	Alignment with shareholders' experience
Settlement	Cash (immediate)	Pension, insurances, cash	Cash	Participation certificates
Performance period			1 year	3 years, 4 years, or 5 years
Payout range			0–200% of individual target cash bonus	0–200% of individual grant level of base salary
Share price impact	No	No	No	Yes
Forfeiture rules	No	No	Yes	Yes
Clawback	Yes	No	Yes	Yes

<sup>1</sup> Options on participation certificates

Lindt & Sprüngli seeks to ensure that actual compensation of the members of Group Management is linked to the business performance by delivering a substantial portion of compensation in the form of variable performance-based compensation.

## Relation between fixed and variable compensation of Group Management

	Fixed compensation		Variable compensation		
	Base salary	Short-term performance-based compensation (cash bonus)	Payout range as % of target cash bonus	Max. cash bonus in % of base salary	Long-term performance-based compensation (option plan)
CEO	100%	Target cash bonus in % of base salary	0–200%	200%	0–200%
Group Management	100%	30–90%	0–200%	60–180%	0–200%

The aggregate amount of target compensation is based on the requirements and responsibilities of the recipient and is regularly reviewed within the Group by means of horizontal and vertical internal comparisons. In addition, when new appointments are made, the CNC considers comparative data for the consumer goods sector, with respect to the specific vacancy for the appointment.

The periodic external benchmarking involves a comparison of the level and structure of Group Management compensation with, most recently, 21 industrial companies from the SMI and SMIM that are similar to Lindt & Sprüngli in terms of market capitalization and sales. The last benchmarking for the Group Management compensation was undertaken in December 2021.

### iii. Compensation elements

#### **Fixed compensation (Base salary) and other compensation/ancillary benefits**

The fixed compensation (1) (base salary) essentially reflects the particular functional level, competencies, and experience of each of the members of Group Management. It is paid out on a monthly basis in twelve or thirteen, respectively, equal cash installments.

In addition, members of Group Management receive other compensation and ancillary benefits, including entitlement to a company vehicle and participation in pension plans.

#### **Short-term performance-based compensation (cash bonus)**

The realization of the short-term performance-based compensation (2) is tied to the achievement of clearly defined targets on the one hand corporate financial targets, and on the other hand individual, qualitative targets for the respective financial year. The amount of the individual short-term performance-based compensation is determined by multiplying the individual target cash bonus with a target achievement degree. The payment in cash occurs in spring of the following year once the achievement of targets has been determined.

The individual target cash bonus is defined as a percentage of base salary. For the CEO it is set at 100% of base salary. For the other members of Group Management it is set between 30% and 90% of base salary. In 2021, the total amount of the aggregate cash bonuses awarded to the members of Group Management amounted to CHF 3.981 million (previous year: CHF 1.287 million).

A target achievement degree is determined based on a scorecard and ranges from 0% to 200% (maximum degree of target achievement). In other words, the maximum cash bonus paid out is limited to twice the target cash bonus and cannot exceed 200% of base salary for the CEO and 60% to 180% for members of Group Management, respectively.

For the CEO and the members of Group Management, the target achievement degree largely depends on the achievement of corporate financial targets for the financial year (65%) and to a smaller extent on the achievement of annual personal qualitative targets (35%), which are set by the CNC at its discretion. The financial targets are determined annually and correlate with the long-term strategy, which strives for achieving sustainable organic sales growth accompanied by continuous improvement in profitability.

For those members of Group Management who have responsibility on regional or country level, respectively, financial targets on regional or country level, respectively, are also taken into account, along with Group targets. Non-financial targets depend on the individual function and refer to the implementation of the strategy and to defined leadership and conduct criteria, including promotion of Environment Social Governance (ESG) and Diversity & Inclusion (D&I) efforts. In order to support the achievement of our sustainability goals, from 2022 onwards, three to four individual qualitative targets will be defined for each member of Group Management which are linked to our strategic goals, e.g. living and breathing our Lindt values (Excellence, Innovation, Entrepreneurship, Responsibility, Collaboration), focussing on internal talent development, promoting women in leadership positions or supporting our transformation agenda. For each member of Group Management, at least one goal will be linked to our sustainability goals.

### Calculation of the short-term performance-based compensation (cash bonus) for the CEO and Group Management



Internal financial and individual qualitative targets under the short-term performance-based compensation plan are considered commercially sensitive information. For this reason, the disclosure of the latter is not warranted explicitly, but rather a general comment pertaining to the performance achievements is attained.

In the financial year 2021, Lindt & Sprüngli achieved strong results in an economically challenging year impacted by the Corona pandemic. The corporate financial targets set for the year under the short-term performance-based compensation program were overachieved. All members of Group Management also achieved their annual individual qualitative targets by showing great leadership, embracing change and continuous innovation. For all members of Group Management, the effectively paid individual cash bonuses for 2021 correspond on average to 71% of the base salary (36% in 2020), and for the CEO 121% (0% in 2020 as for the year 2020, the CEO has waived any cash bonus).

Forfeiture of unsettled short-term compensation and clawback provisions for settled short-term compensation apply in a range of events, enabling the company to seek repayment where appropriate.

#### Long-term performance-based compensation (option plan)

The long-term performance-based compensation (3) consists of an option plan awarded to Group Management and selected key employees with expert knowledge at the annual discretion of the Board of Directors, with respect to the CEO, or, respectively, the CNC, with respect to the other members of Group Management. It strengthens the shareholder orientation and aligns the interests of Group Management with those of the company's shareholders in the long term by awarding the long-term increase of the value of the company.

Grant levels are determined by the CNC or, respectively, the Board of Directors (upon proposal by the CNC), based on multiple factors, including the employee's position and influence on the long-term success of the company, yet not depending on the company's previous year's performance. The individual grant levels are based on a number of options on participation certificates valued by using the binomial model for the determination of option prices. The resulting CHF amount is however capped and may not exceed 200% of the base salary for each member in any year. In 2021, the total of the option grants awarded to the members of Group Management (other than the CEO), amounted to CHF 3.110 million (previous year: CHF 3.568 million). The option grant awarded to the CEO amounted to CHF 1.583 million (previous year: CHF 1.223 million).

Each option carries the right to subscribe to one participation certificate (subscription ratio 1:1). The option exercise price corresponds to the average amount of the closing price of the participation certificates of Chocoladefabriken Lindt & Sprüngli AG on the five trading days on the SIX Swiss Exchange prior to grant.

Option rights have an exercise period of up to seven years from grant and have vesting periods for the exercise of three (35%), four (35%), or five (30%) years.

Forfeiture of unsettled or unexercised long-term compensation and clawback provisions for settled awards apply in a range of events, enabling the company to seek repayment where appropriate.

#### iv. Compensation

Compensation of the members of Group Management for the years 2021 and 2020 is shown in the following table. The valuation of the option-based compensation for 2021 and 2020 is based on the respective market values at the time of grant.

##### Compensation for the Group Management (audited)

CHF thousand	Fixed gross compensation <sup>1</sup>	Variable cash compensation <sup>2</sup>	Options <sup>3</sup>	2021
				market value Total compensation
Dr Dieter Weisskopf, CEO	1,263	1,450	1,583	4,296
Other members of Group Management <sup>4</sup>	3,916	2,531	3,110	9,557
<b>Total</b>	<b>5,179</b>	<b>3,981</b>	<b>4,693</b>	<b>13,853</b>

CHF thousand	Fixed gross compensation <sup>1</sup>	Variable cash compensation <sup>2</sup>	Options <sup>3</sup>	2020
				market value Total compensation
Dr Dieter Weisskopf, CEO	1,265	0	1,223	2,488
Other members of Group Management <sup>5</sup>	3,845	1,287	3,568	8,700
<b>Total</b>	<b>5,110</b>	<b>1,287</b>	<b>4,791</b>	<b>11,188</b>

1 Total of paid-out gross compensation, including pension fund and social insurance contributions paid by the employer, that establishes or increases employee benefits.

2 Expected pay-out (accrual basis) in April of following year according to the proposal of the CNC to the BoD (excluding social charges paid by employer). D. Weisskopf waived his cash bonus for the year 2020.

3 Option grants on Lindt & Sprüngli participation certificates under the terms and conditions of the Lindt & Sprüngli employee share option plan (see also note 28). The valuation reflects the market value at the time granted. The total number of granted options in 2021 to D. Weisskopf was 2,800 options (1,800 options in 2020) and in total to all other members of the Group Management 5,500 options (5,250 options in 2020).

4 There have been six other Group Management members as of December 31, 2021.

5 There have been six other Group Management members as of December 31, 2020.

An amount of CHF 18 million was approved by the General Meeting of April 24, 2020, as the maximum aggregate amount of compensation for 2021 for the Group Management, whereby approx. CHF 14 million were utilized in 2021. The total compensation of the Group Management for 2021 was higher than for the previous year due to full achievement of the relevant targets, which resulted in higher payouts under the short-term performance-based compensation, while the number of Group Management members remained unchanged.

No use was made of the supplementary amount pursuant to Article 15bis paragraph 5 of the Articles of Association. No loans and credits were granted to current or past executive and non-executive members of Group Management.

#### v. Supplementary amount

Pursuant to Article 15bis paragraph 5 of the Articles of Association, the company and its Group affiliates are authorized with respect to any member of Group Management who enters the Group Management during a period for which approval of the remuneration for Group Management has already been given, of a supplementary amount for that period, where the total amount already approved is not sufficient for such remuneration; such supplementary amount shall in no case exceed 40% of the maximum total amount already approved for the remuneration of Group Management.

<https://www.lindt-spruengli.com/amfile/file/download/id/2852/file/Articles%20of%20Association-20210225-E.pdf>

#### IV. Employment contracts

The employment contracts of the members of Group Management contain notice periods of a maximum of twelve months and do not provide for severance payments. The maximum duration for a prohibition on competition for members of Group Management is twelve months, provided that the agreed consideration may not exceed the amount of the basic salary paid for the preceding twelve months. In case of option- or share-based compensation, neither vesting periods nor exercise periods are shortened upon withdrawal.

The procedure with respect to unsettled or unexercised compensation in the event of a change of control is governed by the respective compensation plans, whereby the rights of members of Group Management are identical to those of all other employees.

For details refer to “Change in control and defensive measures” on page 49.

#### V. Participations

The following table provides information on the registered shares and participation certificates, respectively, of Chocolade-fabriken Lindt & Sprüngli AG and options on participation certificates held by members of the Board of Directors and the Group Management as of December 31, 2021.

		Number of registered shares (RS)		Number of participation certificates (PC)		Number of options	
		2021	2020	2021	2020	2021	2020
E. Tanner	Executive Chairman	3,067	3,067	8,327	10,191	2,500	2,500
A. Bulgheroni	Member of the Board	1,000	1,000	295	295	–	–
Dkfm E. Gürtler	Member of the Board	1	1	50	50	–	–
Dr R. K. Sprüngli	Member of the Board	1,092	1,092	–	–	–	–
Dr T. Rinderknecht	Member of the Board	–	–	–	–	–	–
S. Denz	Member of the Board	11	11	–	–	–	–
Dr D. Weisskopf	Group Management	5	7	3,000	2,850	8,350	7,225
Dr J. Piconi	Group Management	1	1	–	–	2,350	1,600
R. Fallegger	Group Management	25	25	850	–	3,950	4,326
A. Germiquet	Group Management	7	7	500	400	4,222	3,646
Dr A. Lechner	Group Management	7	7	56	56	4,700	5,000
M. Hug	Group Management	6	1	–	–	3,850	3,200
G. Steiner	Group Management	2	2	–	–	3,730	3,410
<b>Total</b>		<b>5,224</b>	<b>5,221</b>	<b>13,078</b>	<b>13,842</b>	<b>33,652</b>	<b>30,907</b>

## **VI. Additional fees, compensation, and loans to governing bodies**

Apart from the benefits listed in this report, no other compensation was granted in the reporting year 2021 – neither directly nor indirectly – to the executive and non-executive members of the Board of Directors, the members of Group Management, to former members of Group Management or the Board of Directors or to related persons of the aforementioned persons. In addition, as per December 31, 2021, no loans, advances or credits were granted by the company or by any of its subsidiaries to this group of persons.

## **VII. Compensation to former members of corporate bodies**

No other compensation, apart from the benefits listed in this report, was paid in 2021 to former members of corporate bodies of the company.



# Report of the statutory auditor

## to the General Meeting of Chocoladefabriken Lindt & Sprüngli AG

### Kilchberg

We have audited the compensation report of Chocoladefabriken Lindt & Sprüngli 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 labeled 'audited' on pages 49 and 54 of the compensation report.

#### Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

#### Auditor's responsibility

Our responsibility is to express an opinion on the compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14–16 of the Ordinance.

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

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

#### Opinion

In our opinion, the compensation report of Chocoladefabriken Lindt & Sprüngli AG for the year ended 31 December 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Gerhard Siegrist  
Audit expert  
Auditor in charge

Josef Stadelmann  
Audit expert

Zürich, 7 March 2022