

Corporate Governance

Group structure and Shareholders

Group structure

The Lindt & Sprüngli Group is a globally operating Group with activities in the area of 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 2022 year-end prices, amounts to approx. CHF 22.7 billion.

→ Security and securities listing numbers see page 110

The management structure of the Group is lean. While the Board of Directors handles management, strategy, and supervisory duties at the highest level, the CEO, as supported by the Executive Chairman, and the Group Management members are responsible for operational management tasks. The Board of Directors elects a Vice-Chair from among its members and it may designate an experienced, independent member of the Board of Directors as Lead Independent Director in order to support adequate control mechanisms, if deemed appropriate and in the best interests of the Group. The Board of Directors is further supported by Committees in specific areas.

In addition to the Articles of Association, the regulations governing the organization, duties and composition of the Board of Directors, including the Executive Chairman and the Lead Independent Director (if appointed), the Committees of the Board of Directors, the CEO and the Group Management, namely the Organizational Regulations and the Committee Charters, are available on the website of Chocoladefabriken Lindt & Sprüngli AG.

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Spruengli-Organizational-Regulations.pdf>

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7188/file/Lindt-and-Spruengli-Audit-Committee-Charter.pdf>

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Spruengli-Compensation-and-Nomination-Committee-Charter.pdf>

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7194/file/Lindt-and-Spruengli-Sustainability-Committee-Charter.pdf>

→ Regarding the duties of the Board of Directors see page 33

→ Regarding the Committees see page 39

→ Regarding the duties of the Group Management see page 42

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 110

Chocoladefabriken Lindt & Sprüngli AG holds no interests in listed companies within its consolidation scope.

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 the right to exercise the voting rights at its own discretion) or 4.49% of the company's share capital. According to the share register of Chocoladefabriken Lindt & Sprüngli AG as of December 31, 2022, the "Fonds für Pensionsergänzungen der Chocoladefabriken 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 corresponding to 20.68% of the share capital and the voting rights of the company (according to the last disclosure as of November 25, 2013 the group held 29,143 registered shares respectively 21.32% of the share capital and the voting rights).

During the reporting year, 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 Exchange website.

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

Chocoladefabriken Lindt & Sprüngli AG has no cross shareholdings.

Capital structure

As of December 31, 2022, Chocoladefabriken Lindt & Sprüngli AG had the following capital structure:

Ordinary capital

The ordinary capital is composed of two types of securities:

	2022
Registered shares *	CHF 13,509,900
Bearer participation certificates **	CHF 10,439,560
Total ordinary capital	CHF 23,949,460

* 135,099 registered shares, par value of CHF 100 each

** 1,043,956 bearer participation certificates, par value of CHF 10 each

The registered share has one voting right at the General Meeting, while the bearer participation certificates have no voting rights. Both types of securities have the same rights to dividends and proceeds of a 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 3,259,450, comprising a maximum of 325,945 bearer participation certificates with a par value of CHF 10 each. Of this maximum total amount, 171,495 participation certificates can be used for employee participation programs, and 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, which are available on the website of Chocoladefabriken Lindt & Sprüngli AG, whereby the above and following information regarding the status of the participation capital and the number of bearer participation certificates, respectively, as of December 31, 2022 are not yet reflected in the currently valid Articles of Association due to the exercise of options and increases out of the conditional participation capital during the year.

 https://www.lindt-spruengli.com/amfile/file/download/id/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

The ordinary capital can be increased by means of the conditional participation capital by no more than 13.6% up to a

maximum of CHF 27,208,910. Besides the conditional participation capital, there is neither a conditional share capital nor an authorized share capital or participation 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)**
2020	13,555,200	135,552	10,441,460	1,044,146
2021	13,555,200	135,552	10,665,640	1,066,564
2022	13,509,900	135,099	10,439,560	1,043,956

Conditional capital

No. of bearer participation certificates (PC)**

Year	Total	Capital market PC	Employee PC
2020	363,325	154,450	208,875
2021	340,907	154,450	186,457
2022	325,945	154,450	171,495

Number of securities, status as at December 31

* Registered shares (RS), par value CHF 100

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

Restrictions on 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 registered shares held by that buyer exceeds 4% of the total number of registered shares as entered in the commercial register. Moreover, according to Article 685d, subsection 2 of the Swiss Code of Obligations, the Board of Directors may refuse entry into the share register if, on 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, legal entities 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_REGISTRATION_REGULATIONS_2015_EN.PDF

https://www.lindt-spruengli.com/amfile/file/download/id/6829/file/10_LIN_AoA_EN_28.04.22_1.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, as well as the acquisition or allocation of shares in the course of an acquisition of a particular asset by the company, are treated as special cases within the meaning of Article 3, subsection 9 of the Articles of Association.

In the reporting year, no exceptions were granted. Due to their long-term participation and with regard to the purpose of the Foundations, the Board of Directors had already granted such an exception before the reporting year for the 20.68% of the voting rights held as a group by the “Fonds für Pensionsergänzungen 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 up to a maximum of 2% of the registered share capital as entered in the commercial register, provided that 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. Above 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 outstanding share capital, whereby the entry per trustor is limited to 4% and in total to 10%, per

nominee. 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/amfile/file/download/id/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

A revocation of these registration 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/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

Outstanding options and convertible bonds

Options for bearer participation certificates of Chocoladefabriken Lindt & Sprüngli AG are outstanding only within the scope of the existing employee option plan. Details concerning the number of options issued during the reporting year and previous years, which are either still outstanding or have been exercised, in each case with their 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
2016	22,874	5,401	until 2023	20,660	2,214
2017	20,389	5,360	until 2024	13,255	7,134
2018	21,902	5,794	until 2025	7,713	14,189
2019	22,894	5,936	until 2026	2,827	20,067
2020	24,704	7,904	until 2027	220	24,484
2021	27,310	7,918	until 2028	160	27,150
2022	23,763	10,251	until 2029	0	23,763
Total	163,836			44,835	119,001

All options were granted at a ratio of one option to one participation certificate (1:1). The option rights have an exer-

cise period of maximum seven years from the grant and are subject to blocking periods for exercise (vesting) of three, four and five years, respectively. The exercise price of the options corresponds to the average amount of the closing price of the participation certificates of Chocoladefabriken Lindt & Sprüngli AG on SIX Swiss Exchange during the five trading days before the grant.

In the reporting year 2022, a total of 14,962 of the above listed employee options were exercised (previous year: 22,418). Therefore, the “ordinary” participation capital was increased in 2022 by CHF 149,620, resulting in a corresponding reduction of such portion of the “conditional” participation capital that is reserved for employee participation programs. The 119,001 options outstanding as of December 31, 2022, which have not yet been exercised, correspond to 5% of the total capital. There were no outstanding convertible bonds of Chocoladefabriken Lindt & Sprüngli AG in the reporting year.

Information on participation certificates

Chocoladefabriken Lindt & Sprüngli AG decided in 2020 to stop issuing physical dividend vouchers (coupons) for bearer participation certificates. Holders who keep their participation certificates as certificates in physical form, for example at home or at their bank (in a safe deposit box or in individual custody, “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 have their participation certificates booked into their existing securities account, or one to be opened. For participation certificates that are currently not held as book-entry securities, 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 held in physical form should be aware that dividends that are not claimed within five years will 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.

Board of Directors

Role and function

The Board of Directors makes decisions jointly and is assisted by board committees (Committees) in certain areas. The Board of Directors’ primary function is to exercise the ultimate management of the Lindt & Sprüngli Group and to issue the necessary instructions. The Board of Directors makes material 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 report, including the financial and non-financial reporting, the Compensation Report and the half-year report. Decisions regarding the appointment of members to Group Management and the managing directors of certain subsidiaries, as well as resolutions on shareholders’ motions for the General Meeting, are made by the whole Board of Directors.

Members

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

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As of December 31, 2022, the Board had seven members. Ernst Tanner is Executive Chairman of the Board of Directors and Dr Dieter Weisskopf was elected as Vice-Chair of the Board of Directors on October 27, 2022. With the exception of Dr Dieter Weisskopf, who acted as CEO of the Lindt & Sprüngli Group up until September 30, 2022, all other members are non-executive members.

Board of Directors Chocoladefabriken Lindt & Sprüngli AG



Antonio Bulgheroni, Silvio Denz, Dr Rudolf K. Sprüngli, Dkfm Elisabeth Gürtler, Ernst Tanner, Dr Thomas Rinderknecht and Dr Dieter Weisskopf visiting the Lindt Home of Chocolate of the Lindt Chocolate Competence Foundation.

Name, function	First election	until
Ernst Tanner, Executive Chairman of the Board of Directors	1993	2023
Dr Dieter Weisskopf executive, Vice-Chair since October 27, 2022	2022	2023
Dr Rudolf K. Sprüngli, non-executive member	1988	2023
Antonio Bulgheroni, non-executive member	1996	2023
Dkfm Elisabeth Gürtler, non-executive member	2009	2023
Dr Thomas Rinderknecht, non-executive member	2016	2023
Silvio Denz, non-executive member	2018	2023

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 has in the past three financial years been actively engaged in the management of the Group or any 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 elected individually by the shareholders at the General Meeting for a one-year term of office, in each case until the conclusion of the next Annual General Meeting. Re-election is permitted. If a member withdraws, or if an elected member subsequently refuses to accept the election, the seat concerned remains vacant until the next General Meeting. In the reporting year, all six previous members of the Board of Directors were re-elected for terms of one year until the conclusion of the next Annual General Meeting. Dr Dieter Weisskopf was elected as a member of the Board of Directors for the first time in the reporting year.

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 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, a 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 since then has been Executive Chairman of the Board of Directors.

Dr Dieter Weisskopf (CH) Mr. Weisskopf has been a member of the Board of Directors since April 2022 and chair of the Sustainability Committee. Furthermore, he was appointed as Vice-Chair of the Board of Directors on October 27, 2022. He graduated in economics (lic. rer. pol.) and subsequently obtained a doctorate in the field of business administration. 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, latterly as CFO in Canada and Switzerland. Mr. Weisskopf joined the Lindt & Sprüngli Group in 1995 as Head of Finance, Administration, IT, Purchasing and Sustainability. In 2004, he was also responsible for manufacturing. From October 2016 until September 2022, he acted as CEO of the Lindt & Sprüngli Group and was responsible for the functions Group Communications, Group HR and Transformation.

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. 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 and is an active Chairman and Board Member in various food- and non-food companies, including a member of the Board of Directors of Peter Halter Liegenschaften AG, an Advisory Board Member at Felix Partner AG, Chairman of the Board of Directors of Pusta Invest AG, Chairman of Trufo Hungary Kft. and Advisory Board Member at the Institut für Wirtschaftsberatung.

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., the Italian subsidiary of the Group (until December 31, 2021 also Chairman of the Board of Directors of Caffarel S.p.A.). Mr. Bulgheroni, who holds the Order of Merit for Labor of the Italian Republic, is a member of the Board of Directors of L.I.U.C. University, and 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 to 2012, Ms. Gürtler was a member of the Supervisory Board of Erste Group Bank AG and 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 Museums.

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, he worked as a freelance commercial attorney and has been Senior Counsel with the law firm Badertscher Rechtsanwälte AG, Zurich and Zug, since 2021. Since 1984, Mr. Rinderknecht has had numerous directorships on the boards of various listed and non-listed companies in the healthcare/pharmaceutical/biotech sectors, in the media and in the industrial sector. 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 a member of the Board of Directors since May 2018 and is currently a member of the Compensation & Nomination Committees and of the

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 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 Lalique Group SA (formerly Art & Fragrance SA), a company active in the creation, marketing, and worldwide distribution of luxury goods, to which crystal manufacturer Lalique has belonged 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.

Succession planning

The short-term and long-term succession planning for the Board of Directors is prepared by the Compensation & Nomination Committee in cooperation with the Chairman of the Board of Directors. The Compensation & Nomination Committee and the Chairman of the Board of Directors work closely together on all nomination-related activities, including succession planning and the evaluation of the performance of the Board of Directors and its Committees. In the course of nominations to the Board of Directors, the Compensation & Nomination Committee annually evaluates the appropriateness of the composition of the Board of Directors, in particular taking into account the required experience and competencies, gender representation and other diversity aspects, independence and the views contributed by the Company's stakeholders, including its shareholders. Similarly, the Compensation & Nomination Committee annually evaluates the appropriateness of the applied definition of independence and the external mandates held by the members of the Board of Directors. The decision on the proposal to the Annual General Meeting regarding the election of the members of the Board of Directors is taken by the whole Board of Directors.

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, subsection 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 15 mandates in other legal entities, such as foundations and associations. Any new mandates of members of the Board of Directors in companies outside the Lindt & Sprüngli Group require the prior approval of the Chairman of the Board of Directors and the chair of the Compensation & Nomination Committee in accordance with article 10.12 of the Organizational Regulations. 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 40 mandates in total. These limits may be exceeded temporarily, but in any case not by more than one mandate per category. Members of the Board of Directors may not be personally compensated for mandates in other companies held on request of the company or in companies controlled by the Group. Any potential exceptions must be approved by the Compensation & Nomination Committee (see article 10.13 of the Organizational Regulations).

🔗 https://www.lindt-spruengli.com/amfile/file/download/id/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.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 & Nomination Committee. In all other respects, the Board of Directors constitutes itself. The Board of Directors elects a Vice-Chair and, if necessary, a Lead Independent Director from among its members for a term of office of one year until the end of the next Annual General Meeting. The functions of Vice-Chair and Lead Independent Director may be performed by two different members of the Board of Directors or by one member of the Board of Directors (combined role). The duties of the Vice-Chair and a Lead Independent Director, if any, are governed by the Organizational Regulations (see articles 5 and 6 of the Organizational Regulations).

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

Details concerning the internal organization of the Board of Directors and its Committees can be found in the Organizational Regulations and the Committee Charters, which are available on the website of Chocoladefabriken Lindt & Sprüngli AG.

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

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🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Sprungli-Compensation-and-Nomination-Committee-Charter.pdf>

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7194/file/Lindt-and-Sprungli-Sustainability-Committee-Charter.pdf>

If the Chairman resigns from the Board of Directors before the end of the term of office, the Board of Directors appoints a new Chairman from among its members until the election at the next General Meeting. Should one or more members of the Compensation & Nomination Committee retire early, the Board of Directors can appoint substitutes from among its members until the conclusion of the next General Meeting. If the Vice-Chair and/or, if previously appointed, the Lead Independent Director and/or a Committee chair position is vacant, the Board of Directors designates a successor from among its members.

The Chairman leads the Board of Directors in the exercise of its non-transferable duties and is, in coordination with the CEO, responsible for the preparation of the agenda, the organization and the lead of the meetings of the Board of Directors in accordance with the provisions of the law, the Articles of Association and the Organizational Regulations. He acts as a link between the Board of Directors and the CEO, ensures the proper information flow to the Board of Directors and the alignment of the Committees to the strategy of the Board of Directors. Furthermore, the Chairman has the following powers and duties:

- Lead the Board of Directors and chair the General Meetings;
- Take a leading role in designing the Group's corporate governance;
- Work closely with the Compensation & Nomination Committee in all nomination-related activities including succession planning and with respect to evaluations of

performance of the Board of Directors and its Committees;

- Oversee the Group's reputation and take an active role in representing the Group towards stakeholders, as agreed with the Board of Directors and the CEO;
- Receive the agenda, documents and minutes of the Group Management meetings, whereby he may request information about any matters relating to the company, and examine reports, proposals and minutes of meetings of any functions or Committees, markets or businesses.

As an exception, urgent decisions falling within the authority of the Board of Directors may, in accordance with the Organizational Regulations, be taken by the Chairman. Such decisions must be brought to the attention of the Board of Directors as soon as possible.

The Board of Directors may entrust the Chairman with additional duties and appoint him as Executive Chairman of the Board of Directors. The individual executive duties and the division of duties between the Chairman and the CEO and the other members of the Group Management are set out in the employment contract and the relevant directives of the Board of Directors.

If and as long as the Chairman of the Board of Directors is unable to perform his functions, or if and to the extent that there is a conflict of interest of the Chairman, the Vice-Chair assumes all duties of the Chairman of the Board of Directors. In order to support appropriate control mechanisms, the Board of Directors may appoint an experienced, independent member of the Board of Directors as Lead Independent Director if it deems this appropriate and in the interest of the Group. In particular, the Lead Independent Director convenes and chairs meetings of the Board of Directors in the event of a conflict of interest of the Chairman of the Board of Directors and the Vice-Chair. In the case of a matter requiring separate consideration or a decision or act on behalf of the independent members, the Lead Independent Directors convenes and chairs meetings of some or all independent members of the Board of Directors.

According to the Organizational Regulations, the CEO is, with support from the Group Management, the company's and the Group's supreme executive authority, subject to the powers and duties reserved to the Board of Directors, the Committees and the Chairman of the Board of Directors. The CEO presides over Group Management, and the company's and the Group's whole organization and staff are

subordinated to the CEO. Further details about the tasks of the CEO and Group Management can be found on page 42 of this Annual Report and the Organizational Regulations.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

The Board of Directors meets as often as necessary, but at minimum four times a year on invitation by the Chairman of the Board of Directors, the Vice-Chair, or in the event of their absence, another member of the Board of Directors. In addition, the Board of Directors must be convened without delay on written request for a meeting by a member of the Board of Directors to the Chairman, stating the reasons for doing so.

The Chairman 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. The Chairman decides whether non-members may participate in meetings of the Board of Directors, unless the whole Board of Directors decides otherwise. In the reporting year, ten ordinary meetings were held, four of which were held physically and six of which were held as conference calls. All physical meetings of the Board of Directors were attended by all elected members (Dr Dieter Weisskopf as of his election to the Board of Directors). Four conference calls were attended by all elected members of the Board of Directors (Dr Dieter Weisskopf as of his election to the Board of Directors), while one or two members, respectively, were absent in each case from one conference call. The average attendance rate at the meetings of the Board of Directors was approximately 95% and varied between 80% and 100% for the individual members.

No circular resolutions were taken. The physical meetings lasted around three hours each. The telephone conferences lasted around one hour. Members of Group Management regularly attended these meetings in compliance with exclusion principles. No external consultants attended 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 permanent committees: the Audit Committee, the Compensation & Nomination Committee and the Sustainability Committee. The Board of Directors may decide at any time – by a majority

decision – to set up further or dissolve existing committees (except for the Compensation & Nomination Committee). Until that time, all other tasks of the Board of Directors will be performed by the whole Board of Directors. The committees meet on the invitation by their chairman as often as business requires, usually immediately before or after an ordinary meeting of the Board of Directors. The practices of the Committees are governed by the respective Committee Charters, which are available on the website of Chocolade-fabriken Lindt & Sprüngli AG. Otherwise, the rules applicable to the Board of Directors apply mutatis mutandis to the meetings of the Committees.

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7188/file/Lindt-and-Spruengli-Audit-Committee-Charter.pdf>

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Spruengli-Compensation-and-Nomination-Committee-Charter.pdf>

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7194/file/Lindt-and-Spruengli-Sustainability-Committee-Charter.pdf>

Audit Committee

The Audit Committee consists of at least three independent members of the Board of Directors, whereby the Chairman of the Board of Directors may not be the chairman of the Audit Committee. Of the members of the Audit Committee, at least two must possess substantial expertise and experience in finance and accounting (financial literacy). The others must be familiar with the matters of accounting and audit. The members of the Audit Committee are appointed by the Board of Directors. As of December 31, 2022, the members of the committee were: Dr Thomas Rinderknecht (Chairman), Antonio Bulgheroni, and Dkfm Elisabeth Gürtler. The members of the Audit 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 duties, particularly with respect to the main areas of audit, completeness and accuracy of the financial statements, assessment and monitoring of audit findings, compliance with statutory requirements regarding the qualification of the external auditors and the individual auditors (including their independence), the performance of the external auditors and the risk management of the Group. In addition, the Audit Committee assesses the quality of the financial report-

ing and the effectiveness of the internal control systems, and ensures ongoing communication with the external auditors. It also scrutinizes the Group's risk management principles and the appropriateness of risks taken, particularly in the areas of investments, currencies, raw material procurement, and liquidity.

The Audit Committee reviews the annual financial statements of the company and the consolidated financial statements of the Group for the attention of the Board of Directors and makes a proposal to the Board of Directors regarding their approval and submission for approval to the General Meeting. The Audit Committee reviews and discusses any fraud or fraudulent activities (including potential fraud or fraudulent activities), whether or not material, that involve members of the Board of Directors, members of the Group Management or other employees who have a significant role in the Group's internal controls. Further, the Audit Committee ensures that the Board of Directors is fully informed in the areas the Audit Committee oversees. Additionally, the Audit Committee, with respect to the sustainability report, or, once integrated in the Annual Report, with respect to sustainability reporting, assess the accuracy, completeness and compliance of sustainability related financial disclosures and the non-financial disclosures, which are subject to audit or assurance, and provides recommendations with regard to the approval to the Sustainability Committee. Similarly, the Audit Committee assesses the accuracy, completeness and compliance of the financial aspects of the Compensation Report that are subject to audit, and provides recommendations with regard to the approval to the Compensation & Nomination Committee. The Audit Committee undertakes preparatory tasks and 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 auditor. It discusses the CFO's reporting on the risks taken, on risk-limiting measures, and on the justifiability of the risks taken and reviews the regular risk reports. The Audit 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 auditor with special assignments and approve the fee budget for audit tasks submitted by the external auditor. The Audit Committee itself does not perform any direct professional auditing.

A detailed description of the Audit Committee's duties is included in the Audit Committee Charter, which is available on the website of Chocoladefabriken Lindt & Sprüngli AG.

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7188/file/Lindt-and-Sprungli-Audit-Committee-Charter.pdf>

The committee meets as often as business requires, but at least four times a year. In the reporting year, four regularly scheduled meetings were held, whereby all members attended these meetings. The meetings generally lasted around one hour each, with members of Group Management in regular attendance. The auditor attended one meeting of the Audit Committee. The auditor's direct access to the Audit Committee is guaranteed at all times. No external consultants took part in meetings of the Audit Committee. All minutes of the Audit Committee are made available to all members of the Board of Directors. The chairman of the Audit Committee also reports to the Board of Directors after each meeting of the Audit Committee in the form of a brief summary of the Audit Committee's activities and findings.

→ Information on the auditors see page 48

Compensation & Nomination Committee

The Compensation & Nomination Committee consists, subject to the election of its members by the General Meeting, of a minimum of three and of a maximum of five members of the Board of Directors, the majority of whom must be independent. Each member is elected individually by the General Meeting for a term of office of one year until the end of the next Annual General Meeting. As of December 31, 2022, the Committee members comprised: Dr Rudolf K. Sprüngli (Chairman), Antonio Bulgheroni, and Silvio Denz. If necessary, the Compensation & Nomination Committee consults external advisors to perform its duties.

The Compensation & Nomination Committee supports the Board of Directors in its function of succession planning of the Board of Directors, regarding the appointment, dismissal and succession planning of the CEO and other members of the Group Management and matters relating to the compensation of the Board of Directors and the Group Management. To the extent that their own compensation is directly affected (other than the compensation of the Board of Directors in general), the relevant member of the

Compensation & Nomination Committee is excluded from the discussion and voting.

The Compensation & Nomination Committee reviews the company's compensation policies and programs for market compatibility, effectiveness and compliance with the Articles of Association, the law and best practices, and submits them or any amendments thereto to the Board of Directors for decision or, where required by law or the Articles of Association, submission to the General Meeting for approval. It reviews the Compensation Report, in collaboration with the Audit Committee with respect to financial disclosures and with the Sustainability Committee with respect to aspects of sustainability, and makes recommendations to the Board of Directors regarding the approval and submission to the General Meeting.

Furthermore, the Compensation & Nomination Committee undertakes an annual assessment of the independence of the members of the Board of Directors. Unless expressly provided for otherwise, the Compensation & Nomination Committee assists the Board of Directors with preparatory and supporting activities and issues proposals and recommendations to the Board of Directors.

A detailed description of the duties with regard to both succession planning and compensation can be found in the Compensation & Nomination Committee Charter, which is available on the Company's website.

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Sprungli-Compensation-and-Nomination-Committee-Charter.pdf>

The Compensation & Nomination Committee meets as often as business requires, but at least three times a year. In the reporting year, three regularly scheduled meetings were held, whereby all members attended these meetings. The meetings generally lasted around one hour. All minutes of the Compensation & Nomination Committee are made available to all members of the Board of Directors. The chairman of the Compensation & Nomination Committee also reports to the Board of Directors after each meeting of the Compensation & Nomination Committee in the form of a brief summary of the Compensation & Nomination Committee's activities and findings.

→ Information on responsibilities of the Compensation & Nomination Committee see Compensation Report page 40

Sustainability Committee

The Sustainability Committee consists of a minimum of three members of the Board of Directors. These may be both independent and non-independent members of the Board of Directors. The members of the Sustainability Committee are appointed by the Board of Directors. As of December 31, 2022, the Committee members comprised: Dr Dieter Weisskopf (Chairman), Silvio Denz and Ernst Tanner.

The Sustainability Committee supports the Board of Directors in setting strategies, targets and internal policies to ensure compliance with applicable legal requirements and the long-term sustainability of the company in its social and environmental aspirations, and taking into consideration the economic dimension. The Sustainability Committee further supports the Board of Directors in setting the strategic direction and sustainability targets for company activities, aligning the financial interests and, business strengths of the company, and social and environmental interests.

The Sustainability Committee guides the Board of Directors with regard to setting up a governance structure and internal policies and processes to ensure compliance with applicable laws and the implementation of the social and environmental sustainability targets and strategies. The Sustainability Committee assesses the accuracy, completeness and compliance of the sustainability-report, or, once integrated in the Annual Report, the sustainability reporting, in each case with respect to sustainability related financial disclosures and the non-financial disclosures that are subject to audit or assurance based on the recommendation of the Audit Committee, and recommends the report(ing) to the Board of Directors for approval, and where applicable, for submission for approval to the Annual General Meeting. It also reviews sustainability-related aspects in the Compensation Report and makes a recommendation regarding the approval to the Compensation & Nomination Committee.

A detailed description of the duties can be found in the Sustainability Committee Charter, which is available on the Company's website.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7194/file/Lindt-and-Sprungli-Sustainability-Committee-Charter.pdf>

The Sustainability Committee met at least once a year until 2022. As of 2023, the Sustainability Committee will meet as often as business requires, but at least three times a year.

One regularly convened meeting took place in the reporting year and lasted about two hours. The CEO, the CFO and the whole Board of Directors attended this meeting. No external consultants were present at this meeting. All minutes of the Sustainability Committee are made available to all members of the Board of Directors. The chairman of the Sustainability Committee also reports to the Board of Directors after each meeting of the Sustainability Committee in the form of a brief summary of the Sustainability Committee's activities and findings.

In order to achieve effective sustainability governance, an additional committee has been created at the Group Management level. In this sense, the Executive Sustainability Committee is an agile body whose members act as sustainability experts on behalf of the Group Management. In addition, the Sustainability Leadership Team is a cross-functional body at Group level that meets regularly and is composed of various functions, chaired by the Head of Group Sustainability.

Annual performance evaluation

The Board of Directors and its permanent Committees undertake an annual self-evaluation of their performance. In the course of this self-evaluation, they are supported accordingly by the Compensation & Nomination Committee.

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.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

Below is a summary of the basic rules:

Board of Directors

The Board of Directors is the supreme governing body of the company. The Board of Directors resolves on all matters that are not reserved for the General Meeting or another corporate body of the company by law, the Articles of Association or the Organizational Regulations (including the Committee Charters). This in particular includes:

- Performance of the non-transferable and inalienable statutory tasks. The Board of Directors is therefore in particular responsible for the strategic management of the

company, the necessary instructions and supervision of Group Management;

- Determination of the strategic, organizational, accounting, and financial planning guidelines;
- Changes to the legal structure of the Group (particularly incorporation of new subsidiary companies, acquisitions, joint ventures, and liquidation of companies);
- Appointment and dismissal of the CEO, secretary, and members of Group Management and certain chief executive officers of subsidiary companies;
- Approval of the consolidated budget for the coming financial year and the five-year mid-term plan of the company;
- Decision on the mission statement and the individual business policy principles.

The schedule of the Board of Directors regularly includes items that inform the Board of Directors on evolving subjects and emerging risks, with particular attention paid to the areas of ESG and information security.

The Board of Directors has assigned the management of day-to-day business in accordance with the Organizational Regulations to the CEO, with support by the Group Management.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

CEO

The CEO is the chairman of Group Management and further responsible for the procurement and forwarding of information to the Group Management, the Executive Chairman of the Board of Directors and the Board of Directors. The company's and the Group's whole organization and staff are subordinated to the CEO. The CEO must also ensure that the decisions and instructions of the Board of Directors are executed by the members of the Group Management. Last, but not least, he is responsible for management of the operational business of the Group within the framework of its strategic objectives, for planning the overall business, and for reporting within the Lindt & Sprüngli Group.

Group Management

Under the lead of the CEO, the Group Management prepares the Group strategy and a respective roadmap for the attention of and approval by the Board of Directors. It is further 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 Board of Directors. Based on 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 within the framework of the strategic goals and plans of the Group.

→ For details on members of Group Management see page 44

Information and control instruments

The Board of Directors is kept regularly informed about all important matters relating to the Lindt & Sprüngli Group's business activity. The CEO and the CFO, as well as other members of Group Management as required, attend meetings of the Board of Directors and report on the ongoing course of business, important projects, and events. Extraordinary occurrences are immediately brought to the attention of the Chairman 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 whole 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, statement balance sheet, cash flow, investments, and personnel of the Lindt & Sprüngli 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 the future development of individual subsidiaries and the consolidated group of companies, covering profit and loss, statement balance sheet, cash flow, investments, and personnel. In addition, the Board of Directors receives an annually updated Group-wide analysis of strategic, operational, and financial risks – including assessments and actions taken to limit risks and responsibilities.

In order to assess the Lindt & Sprüngli 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 Au-

dit Committee meetings. Instead of a formal internal audit department, the Lindt & Sprüngli Group maintains the Lindt internal control system (LICS), which oversees the internal financial control system, management information and risk management reporting of the Group.

As part of the Lindt internal control system, the Group determines 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 (including 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 auditor PricewaterhouseCoopers AG acts as an additional control instrument by, *inter alia*, testing the existence and adequacy of the internal control system; i.e. the LICS. In the course of the annual audit, the Audit Committee may also charge the auditor with special assignments that go above and beyond legal and statutory requirements.

Lindt & Sprüngli is committed to conducting its business with fairness and integrity and to respecting laws and the values of the Lindt & Sprüngli Group. Similar behaviour is expected from all third parties, such as suppliers, contractors, and subcontractors, with which the Lindt & Sprüngli Group engages. These obligations and expectations are set out in the Lindt & Sprüngli Code of Conduct and in important policies such as the Human Rights Policy and the Speak Up Policy. Under the Speak Up Policy, Lindt & Sprüngli operates a Speak Up Line that enables employees and workers of Lindt & Sprüngli companies, and also companies, suppliers, and business partners, whether openly or anonymously, to report incidents or circumstances that could constitute a violation or possible violation of the Code of Conduct, Lindt & Sprüngli policies, laws, or other regulations. This includes health and safety risks, harassment and discrimination in the workplace, and environmental concerns. In the event of critical concerns, these are reported to the Board of Directors.

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, in the case of the Chairman of the Board of Directors, the whole Board of Directors, or, in the case of members of Group Management, the CEO, respectively, immediately if any business arises that affects or could affect their own interests or the interests of individual persons or legal entities related to them. The Chairman of the Board of Directors or the CEO, respectively, or the whole Board of Directors, decides on appropriate measures, including deliberations in absence of the concerned person. As a rule, however, the concerned members of the Board of Directors and members of Group Management are entitled to present their view to the relevant body. The relevant rules are reflected in the Organizational Regulations of Chocoladefabriken Lindt & Sprüngli AG.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

As Executive Chairman of the Board of Directors, Mr. Ernst Tanner supports, advises and guides the Board of Directors and in particular the CEO of the Lindt & Sprüngli Group. Due to his long-term engagement of over 29 years within the Group and thus his in-depth knowledge of the FMCG market, Mr. Tanner represents the Group on key strategic decisions. He therefore works in an executive capacity and is directly employed by the Group. Due to this executive function, particular attention is paid to any potential conflicts of interest. The Board of Directors decided in the reporting year to reintroduce the function of Lead Independent Director in addition to the function of the Vice-Chair. The Board of Directors has not yet appointed a Lead Independent Director in the reporting year.

Group Management

As of December 31, 2022, Chocoladefabriken Lindt & Sprüngli AG's Group Management had seven members:

Name, responsibility	At Lindt & Sprüngli since
Dr Adalbert Lechner Chief Executive Officer, Global Retail, Group Communications, Group HR, Transformation	1993
Martin Hug Chief Financial Officer	2004
Rolf Fallegger Country Responsibility	1997
Alain Germiquet Country Responsibility, International Sales	2007
Daniel Studer Country Responsibility, International Marketing	2003
Dr Jennifer Picenoni Group General Counsel & Corporate Secretary	2007
Guido Steiner Group Operations	1990

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 was then appointed CEO of the German subsidiary Chocoladefabriken Lindt & Sprüngli GmbH in 1997. He was a member of Extended Group Management from 2011 until 2016. Since January 1, 2017, he has been a member of Group Management. On October 1, 2022, he took over as CEO of the Lindt & Sprüngli Group. The Group functions Group Communications, Group HR, Global Retail and Transformation report directly to him.

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.

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.

Daniel Studer (CH) lic. iur. – Mr. Studer started his professional career at Unilever in Brand Marketing before he joined the Lindt & Sprüngli Switzerland subsidiary in 2003, where he held various leadership roles in sales, followed by the position of Head of International Sales at the Group's headquarters. In 2009, he was appointed to Country Manager of Lindt & Sprüngli Mexico. Two years later, he transferred to the USA, where he was first appointed VP Sales and then CEO of Lindt & Sprüngli USA in 2016. As of September 1, 2022, he has been a member of the Group Management and is responsible for the development of specific markets and Global Marketing.

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 Legal Compliance.

Group Management



Dr Adalbert Lechner



Martin Hug



Rolf Fallegger



Alain Germiquet



Daniel Studer



Dr Jennifer Picononi



Guido Steiner

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. Since January 1, 2017, he has been member of Group Management and continues to be in charge of Group Operations.

The members of Group Management currently do not exercise any other activities in important Swiss or foreign management or supervisory bodies, apart from the above-mentioned mandates. Furthermore, they have no management or advisory functions at important Swiss or foreign interest groups, nor do they hold public 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.

Succession planning


The Compensation & Nomination Committee, together with the Chairman of the Board of Directors, reviews the short-term and long-term succession planning of the CEO and the other members of the Group Management and submits proposals to the Board of Directors regarding the appointment, promotion, dismissal and succession planning of the CEO and other members of the Group Management. The Compensation & Nomination Committee annually reviews and considers the adequacy of the composition of the Group Management, in particular in consideration of the required professional competencies and the needs of the Group, gender representation and other diversity aspects, as well as the external mandates held by the members of the Group Management, and considers these aspects in nominations for Group Management.

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 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 to not more than two

mandates in listed companies, five mandates in non-listed companies and 15 mandates in other legal entities such as foundations and associations. Any new mandates of members of the Group Management in companies outside the Lindt & Sprüngli Group require the prior approval of the Chairman of the Board of Directors and the chair of the Compensation & Nomination Committee in accordance with article 10.12 of the Organizational Regulations.

 https://www.lindt-spruengli.com/amfile/file/download/id/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Sprungli-Compensation-and-Nomination-Committee-Charter.pdf>

The members of Group Management may not be personally compensated for mandates in other companies held on request of the company or in companies controlled by the company. Any potential exceptions must be approved by the Compensation & Nomination Committee (see article 10.13 of the Organizational Regulations).


Compensation, equity participations and loans

→ Details Compensation Report see page 52

Shareholders' rights of participation

Restrictions of voting rights and proxy

The recognition of an acquirer of registered shares as a shareholder with voting rights, and 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 of 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 regulations of the Board of Directors "Registered Shares 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/amfile/file/download/id/6829/file/10_LIN_AoA_EN_28.04.22_1.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. Natural persons or legal entities that are related to each other through capital or voting rights or in any other way or are under common control are considered as one shareholder. In special cases, the Board of Directors may grant exceptions to 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 registered with more than 6% of the voting rights in the share register. As the "Fonds für Pensionsergänzungen der Chocoladefabriken Lindt & Sprüngli AG", "Finanzierungss-

tiftung 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/6829/file/10_LIN_AoA_EN_28.04.22_1.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, and the dissolution or merger of the company require a three-quarter majority of the shares represented.

 https://www.lindt-spruengli.com/amfile/file/download/id/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

Convocation 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 before the date of the General Meeting via publication in the Swiss Official Gazette of Commerce.

Shareholders that, alone or jointly, are registered in the share register with at least 2% (as of January 1, 2023, 0.5% as a result of the new Swiss corporate law entering into force) of the share capital or the voting rights 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 must specify the agenda items and the proposals made. Under the same conditions, shareholders may request that motions relating to items on the agenda be included in the notice convening the General Meeting. The request and proposal must be brought before the General Meeting, together with a comment by the Board of Directors. Shareholders may submit a brief statement of reasons together with the agenda items or motions. This must be included in the notice convening the General Meeting. Motions made within the scope of the agenda items at the General Meeting 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 relevant to the entitlement to attend and exercise voting rights.

 https://www.lindt-spruengli.com/amfile/file/download/id/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

Change in control and defensive measures

In the event of a change in control, employee options granted can be exercised without observance of the three to five years blocking period. The rules regarding change in control are also applicable if employees leave 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.

Auditor

Mandate

The General Meeting appointed PricewaterhouseCoopers AG, Zurich, for the first time as its statutory auditor in April 2002. According to Article 27 of the Articles of Association of the company, the auditor must be newly appointed or confirmed, respectively, each year by the General Meeting. The reporting year is the third 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/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

Audit fee

The total audit fees billed by the audit company in the reporting year 2022 amounted to CHF 2.0 million.

Additional fees

The total sum of additional fees – mainly related to tax and advisory – billed by the audit company in the reporting year amounted to CHF 0.5 million.

Supervisory and controlling instruments

Supervision and control regarding the assessment of the auditor is exercised by the whole Board of Directors. The whole Board of Directors is supported by the Audit Committee in this task. The Audit Committee also ensures the ongoing communication with the auditor and regularly discusses with its representatives the results of audit work in the area of financial reporting and the adequacy of the internal control systems. Before the interim audit, the auditor prepares an audit plan for the attention of the members of the Audit Committee. Based on a current analysis of the business and audit risks, the focal points of the audit are proposed. The audit plan is approved by the Audit Committee and subsequently also by the whole Board of Directors. The appropriateness of the audit fees and possible additional fees for “non-audit” services are also reviewed on this occasion. The final report on the audit of the annual financial statements is submitted to all members of the Board of Directors. It is discussed in advance with the auditor in the Audit Committee and then finally approved by the whole Board of Directors.

tors at the meeting or in the circular resolution, respectively, regarding the adoption of the Annual Report. In 2022, the auditor attended one meeting of the Audit Committee. The auditor's 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 39 of this Annual Report.

Closed periods

During certain periods, trading restrictions for specific persons (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, including third parties if they are in possession of insider information and have knowledge of the Insider Directive and its content. The relevant persons 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 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 party (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 half-year report and (ii) the key items of the agenda of a general meeting of the company (such pub-

lication 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 on 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 publication of the relevant insider information or final termination of such project. 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 they have 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 Insider.

Taxes

The Group operates in accordance with the tax principles adopted by the Board of Directors for the entire Lindt & Sprüngli Group. These principles provide policies and guidance in the following areas: governance and organization, tax planning, national and international tax compliance and relationships with authorities. Responsibility for the tax principles lies with the whole Board of Directors and is exercised by the Audit Committee. The Audit Committee monitors adherence to the tax principles by defining and implementing appropriate processes and controls. Tax topics are discussed regularly in the Audit Committee.

The companies of the Lindt & Sprüngli Group pay taxes in those countries in which they operate their respective business, create value and – if relevant for tax purposes – own intellectual property. Lindt & Sprüngli complies with both national and international tax laws and regulations, in particular the OECD standards. A main focus is placed on establishing transfer pricing guidelines that ensure all inter-company transactions are performed at arm's length.

Important tax topics are discussed proactively with the tax authorities. If possible, the results are formally documented in Tax Rulings or Advance Pricing Agreements.

Lindt & Sprüngli files the Country-by-Country Report in Switzerland and implements the Council Directive (EU) 2018/822 of 25 May 2018, which amends Directive 2011/16/EU in the mandatory automatic exchange of information in the field of taxation in relation to the disclosure of reportable cross-border arrangements (DAC 6).

Cyber security

The CEO and CFO of the Group are regularly informed by the Head of Group IT on cyber security topics (CFO every four months; CEO at least once a year). In addition, the Group's Head of Global Operations is informed on cyber security topics specifically related to the operational area at the monthly Group IT meeting, as required. The Audit Committee is also informed at least once a year about progress and developments in the area of cyber security. In urgent cases, the required Group level is informed without delay.

The Audit Committee also evaluates the future approach and the need to adapt processes within the Group regarding reporting in the area of cyber security. Furthermore, a pilot project is underway conducted to raise awareness of cyber security issues within the Group, which is expected to

be implemented Group-wide in the business year 2023.

A Security Operation Center has also been established within the Group to monitor potential threats to the Group's digital presence and procedures have been implemented to respond to cyber security incidents within the Group. Furthermore, cyber security is part of the existing risk management process within the Group and is continuously further developed. There were no significant cyber security incidents within the Group in the reporting year.

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 172

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 and 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.

Compensation Report

Dear Shareholders

On behalf of the Board of Directors and as Chairman of the Compensation & Nomination Committee (CNC), I am pleased to present you with the Compensation Report for the financial year 2022.

Since the General Meeting 2015, the General Meeting has approved 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 means of a non-binding advisory vote. At the General Meeting 2022, you expressed your support for the Board of Directors and the CNC'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.


In the course of 2022, the CNC on behalf of the Board of Directors carefully reviewed the compensation framework, including its elements, structure, and processes, with the aim of matching the opted compensation approach to Lindt & Sprüngli's internal values and priorities. For example, the Board of Directors, on the recommendation of the CNC, has made it a priority in the upcoming year to further strengthen Lindt & Sprüngli's performance culture and to further align the pay-for-performance philosophy inherent in our variable compensation elements and the compensation of the Group Management to the strategy and shareholder interests of the Lindt & Sprüngli Group.

As a result of this review, the Board of Directors, on the recommendation of the CNC, has decided on certain advancements to the compensation framework of the Lindt & Sprüngli Group. In this Compensation Report, the Board of Directors provides further explanations of the general compensation framework and a more transparent disclosure related to the Group Management compensation. Changes have in particular been made within the following topic areas:

- 1) **Key performance indicators (KPIs)** for allocations under the short-term performance-based compensation (Cash Bonus) and grants under the long-term performance-based compensation (Option Plan)
- 2) **Ex-post disclosure regarding the achievements of performance targets** for the Cash Bonus
- 3) **Possible grant levels and payout opportunities** with respect to the Cash Bonus and under the Option Plan
- 4) **Performance considerations** under the Option Plan

While certain disclosure-related enhancements have been implemented already in this Compensation Report, more fundamental changes to the underlying compensation framework will become applicable as of 2023. More details on these changes and the underlying motivation are provided in the chapter "Summary of advancements to the compensation framework for 2022 & 2023" on page 53 and the chapter "Outlook to the compensation framework 2023" on page 69.

Moreover, the Board of Directors and the CNC have reviewed their own internal governance processes. The Board of Directors will propose to the General Meeting that as of the Annual General Meeting 2023, the CNC will be composed of at least three members of which the chairperson and one additional member should fulfill Lindt & Sprüngli's independence criteria. For more details regarding the CNC, please also refer to the updated charter of the CNC (CNC Charter) which is in effect since December 1, 2022.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Sprungli-Compensation-and-Nomination-Committee-Charter.pdf>

The Board of Directors is convinced that this Compensation Report 2022 gives you, our valued shareholders, a comprehensive and integral overview of the compensation of the Group Management and the Board of Directors. We are looking for-

ward to engaging with you and receiving your feedback at the upcoming AGM. On behalf of the entire CNC and the Board of Directors, 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 2022

The Compensation Report describes the underlying basics, governing principles, and elements of the compensation of the Group Management and the Board of Directors of the Lindt & Sprüngli Group (Lindt & Sprüngli) 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, 2022 (where required with comparative figures for the previous financial year). The Compensation Report incorporates the disclosure obligations set out in Article 734 et seqq. OR (formerly Article 14 et seqq. VegüV and Article 663c para 2 OR), which entered into force on January 1, 2023 (in each case if and as applicable), 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 the version published on February 6, 2023.

This Compensation Report is structured as follows:

- I. Summary of advancements to the compensation framework for 2022 & 2023
- II. Compensation Governance 2022
- III. Compensation of the Board of Directors 2022
- IV. Compensation of the Group Management 2022
 - i. Compensation goals and principles
 - ii. Compensation framework
 - iii. Compensation elements
 - iv. Compensation
- V. Participations
- VI. Other compensation-related aspects
 - i. Supplementary amount
 - ii. Employment contracts
 - iii. Additional fees, compensation, and loans to governing bodies
 - iv. Compensation to former members of corporate bodies
- VII. External mandates of the members of the Board of Directors and Group Management
- VIII. Outlook to the compensation framework 2023

I. Summary of advancements to the compensation framework for 2022 & 2023

The Board of Directors and the CNC highly welcome the feedback received from shareholders on our 2021 Compensation Report and continuously review potential adaptations to the compensation framework, system, and processes. During the reporting year, the CNC conducted an overall holistic review of the compensation philosophy on behalf of the Board of Directors. Based on this review, the Board of Directors resolved upon certain amendments to the compensation framework. A summary of these advancements to our processes and approaches is provided below and in more detail in the relevant

chapters of this Compensation Report. While some of these have been applied already in this Compensation Report, others will only become effective as of the reporting year 2023. For more details regarding the changes as of 2023, please refer to the chapter “Outlook to the compensation framework 2023” on page 69.

1) **Key performance indicators (KPIs)** for allocations under the short-term performance-based compensation (Cash Bonus) and grants under the long-term performance-based compensation (Option Plan)

Advancements	2022	<p>To increase transparency on decisions regarding the allocation of compensation:</p> <ul style="list-style-type: none"> – Cash Bonus: Compensation Report to include certain additional information on the scorecard (incl. financial and qualitative KPIs), which is used to assess the Group Management members’ performance and determine the payout under the Cash Bonus. – Option Plan: Compensation Report to provide more insights into the CNC’s considerations when determining the individual grant amounts under the Option Plan to the Group Management members.
	2023	<p>To further strengthen the link between the implementation of strategic priorities, company performance outcomes as well as pay decisions:</p> <ul style="list-style-type: none"> – Cash Bonus: We further streamlined and formalized the scorecard to measure the Group Management’s performance relevant for the Cash Bonus, also giving more weight to quantitative KPIs. – Option Plan: We will elaborate on the criteria used to assess the Group Management members’ performance (emphasizing multiple aspects of operational performance) relevant to determining individual grant amounts under the Option Plan.

2) **Ex-post disclosure regarding achievements of performance targets** for the Cash Bonus

Advancements	2022	<ul style="list-style-type: none"> – Cash Bonus: To make the connection between compensation outcomes and realized performance more comprehensible to shareholders, the Compensation Report to provide further insights into the outcomes of performance assessment for the previous year by way of a description of the financial and qualitative target achievements.
	2023	<ul style="list-style-type: none"> – Cash Bonus: Based on the advancements on the scorecard for the Cash Bonus mentioned above, the new structure will also further facilitate transparent ex-post performance disclosure as of the Compensation Report 2023.

3) **Possible grant levels and payout opportunities** with respect to the Cash Bonus and under the Option Plan

Advancements	2023	<ul style="list-style-type: none"> – Cash Bonus: Going forward, the minimum and maximum payout percentages of the Cash Bonus in relation to the Base Salary will generally be limited to a range of 0–100% (and up to a maximum of 130% in extraordinary cases) for the CEO and, in each case depending on the function, to a range of 0–70–90%, as applicable (and up to a maximum of 130% in extraordinary cases) for the other Group Management members, respectively. – Option Plan: The grant amounts under the Option Plan in relation to the respective Base Salary will generally be limited to a range of 0–100% (and up to a maximum of 180%) for each of the Group Management members, including the CEO.
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4) Performance-considerations under the Option Plan

Advancements	<ul style="list-style-type: none"> – Adequacy of options: Following careful considerations, the Board of Directors believes that options for participation certificates with vesting periods of up to 5 years still constitute an optimal instrument to reward Group Management members for their contributions to the growth and long-term value creation of Lindt & Sprüngli and hence align their interests with those of the shareholders of Lindt & Sprüngli. – Taking into account market performance at vesting: The options granted under the Option Plan are subject to staggered vesting periods between three and five years with the exercise price being determined at grant based on the average closing prices of the participation certificates of Chocoladefabriken Lindt & Sprüngli AG on the five trading days on the SIX Swiss Exchange prior to grant. Therefore, at the time of vesting, the benefits represented by the options at vesting are already subject to the performance of Lindt & Sprüngli, which is reflected in the then current market price of the participation certificates and registered shares of Lindt & Sprüngli. – Taking into account operational performance criteria at grant: The individual amounts granted under the Option Plan are determined based on multiple factors which include different operational performance aspects.
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II. Compensation Governance 2022

i. Overview

Pursuant to the Articles of Association of Chocoladefabriken Lindt & Sprüngli AG, the organizational regulations issued by the Board of Directors and the CNC Charter, which are all available on the website of Chocoladefabriken Lindt & Sprüngli AG, the authorities and responsibilities with regard to the compensation of the Board of Directors, the CEO and the Group Management are allocated among the Board of Directors, the CNC, the CEO, and the General Meeting.

 https://www.lindt-spruengli.com/amfile/file/download/id/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Sprungli-Compensation-and-Nomination-Committee-Charter.pdf>

While the Board of Directors is generally responsible for determining and evaluating the remuneration system and the principles of remuneration as well as other compensation-related resolutions, including the submission of compensation-related motions to the General Meeting for approval pursuant to the Articles of Association, the CNC supports the Board of Directors with respect to all matters relating to the compensation of the Board of Directors and the Group Management as well as regarding nomination matters, including succession planning of the Board of Directors and the appointment, dismissal and succession planning of the CEO and other members of Group Management. Unless explicitly provided otherwise, in particular in the organizational regulations or the CNC Charter, the CNC supports the Board of Directors through preparatory and supporting activities and issues proposals and recommendations to the Board of Directors.

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/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

The following table provides an overview of the approval system for the compensation for the Board of Directors, the CEO, and the other members of Group Management, including an outline of the main responsibilities of the CNC, within the framework of the compensation principles, the Articles of Association, and the resolutions of the General Meeting regarding compensation.

Authorities and responsibilities with regard to the compensation of the Board of Directors, the CEO, and the Group Management

	CEO	CNC	Board of Directors	Annual General Meeting
Maximum aggregate compensation Board of Directors		Proposal to the Board of Directors	Proposal to AGM	Decision (prospective)
Individual compensation Board of Directors		Proposal to the Board of Directors	Decision	
Maximum aggregate compensation Group Management	Proposal to CNC	Proposal to the Board of Directors	Proposal to AGM	Decision (prospective)
Individual compensation of the CEO		Proposal to the Board of Directors	Decision	
Individual compensation of the other members of Group Management	Proposal to CNC	Decision		
Advisory vote on Compensation Report		Proposal to the Board of Directors	Proposal to AGM	Decision (retrospective)
Employment contracts of the other members of the Group Management	Proposal to CNC	Decision		
Employment contract of the CEO		Proposal to the Board of Directors	Decision	
Potential occupational benefits and pension outside the scope of occupational benefits or similar schemes abroad for the members of Group Management or the Board of Directors		Proposal to the Board of Directors	Decision	

ii. Compensation & Nomination Committee

Article 24bis paragraph 2 of the Articles of Association of Chocoladefabriken Lindt & Sprüngli AG assigns the following tasks and competencies to the 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/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

The CNC consists, subject to the election by the Annual General Meeting, of at least three and a maximum of five members of the Board of Directors, the majority of whom shall be independent. The members of the CNC, are annually elected by the Annual General Meeting on an individual basis and with a term until the end of the next Annual General Meeting. In its

meeting of October 27, 2022, the Board of Directors approved the revised CNC Charter, setting out the purpose, authority, responsibilities, and procedures of the CNC. The CNC meets as often as business requires and at the request of any of its members, but at least three times a year. The CNC chair may ask members of management or internal or external matter experts to attend the meetings. To the extent that their own compensation is directly affected (unless the discussion and decisions are about the compensation of the Board of Directors in general), the relevant member of the CNC is excluded from discussions and voting. The CNC informs the Board of Directors regularly about the procedure for the determination of compensation and the outcome of the compensation process.

The CNC Charter is available on the website of Chocoladefabriken Lindt & Sprüngli AG.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Sprungli-Compensation-and-Nomination-Committee-Charter.pdf>

As of December 31, 2022, the CNC consisted of the following members: Dr Rudolf K. Sprüngli (chair), Antonio Bulgheroni, and Silvio Denz. Three regular meetings were held in the reporting year, which were attended by all members. The CEO attended these meetings but excused himself when his own compensation was concerned. In 2022, the consulting services of HCM International Ltd. were used in connection with the benchmarking of the compensation paid to the Board of Directors and the Group Management.

The topics discussed by the CNC with regard to compensation during the reporting year included, amongst others, the evaluation and appointment of the new CEO, the compensation of the Board of Directors and the Group Management, a global salary review within the Group, the review and update of the CNC Charter, the setup of a new bonus and compensation structure for the Group Management as of the year 2023, the approval of the scorecards with regard to the achievement of the performance targets for the CEO and other Group Management members, the Compensation Report as well as the relevant recommendations to the Board of Directors and the discussion and review of feedback on compensation matters received from shareholders.

The CNC further regularly reviews the appropriateness of the compensation system and approaches for the Group Management and the Board of Directors, with the support of an external consultant, HCM International Ltd. The last such review was done in 2022 and led to the advancements summarized in the first chapter “Summary of advancements to the compensation framework for 2022 & 2023” on page 53 of this Compensation Report. Apart from advising the CNC on matters regarding the compensation of the Board of Directors and Group Management (incl. Benchmarking), HCM International Ltd. had no other mandates with the Lindt & Sprüngli Group in the reporting year.

III. Compensation of the Board of Directors 2022

The principles governing the compensation of the 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/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

All members of the Board of Directors are compensated exclusively in cash. 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) to ensure independent oversight and avoid conflicts of interests. The amount of total compensation paid to the members of the Board of Directors 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, 15 Swiss listed companies that are similar to Lindt & Sprüngli in terms of size (based on market capitalization, taking into account companies with a market capitalization between 0.4 – 1.7x Lindt & Sprüngli’s market capitalization of approx. CHF 30 bn as of end of 2021) and industry affiliation

(understood in a broader sense, approximated by non-financial companies). The peer companies for this benchmark were Alcon, Barry Callebaut, Emmi, Ems-Chemie, Geberit, Givaudan, Kühne + Nagel, Lafarge Holcim, Schindler, SGS, Sonova, Straumann, Swatch, Swisscom, VAT (Peer Group).

The last benchmarking for the Board of Directors compensation was undertaken in 2022 based on data of year end 2021 and confirmed that the current compensation approach is comparable to the approach taken by the Peer Group and that compensation levels are within the targeted range (meaning that they are at the market median or below), hence no changes to the approach and compensation levels were suggested by the CNC after the latest benchmarking. Overall, the compensation level of the non-executive members of the Board of Directors has remained stable for over 25 years. The compensation of the Executive Chairman was reduced over the past three years in order to further align such compensation with market practice.

The non-executive members of the Board of Directors receive compensation in the form of a fixed flat-rate fee of CHF 145,000 per year which is paid out in cash for the preceding term after the respective Annual General Meeting. To steer their focus on the long-term success of the company, all non-executive members of the Board of Directors receive the same fixed compensation, regardless of any committee membership or chairmanship role. During the reporting period, one non-executive member (A. Bulgheroni) additionally received a gross fee of CHF 13,000 (previous year: CHF 28,000, including Caffarel S.p.A., Italy) for his function as chairman of the board of directors of Lindt & Sprüngli S.p.A., Italy.

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 in twelve equal installments. The Chairman leads the Board of Directors and coordinates its committees in determining the strategy and overall governance set up of the Group as well as in exercising its oversight and supervision responsibilities. He takes a leading role in designing the Group's corporate governance. Further, he promotes close collaboration towards achieving sustainable value creation for Lindt & Sprüngli, oversees the Group's reputation and, together with the CEO, represents the Group externally in the engagement with shareholders and stakeholders. Pursuant to the latest benchmarking, the compensation paid to the Chairman is in line with the remuneration paid to other Executive Chairmen of the Peer Group (see above).

The following compensation was effectively paid to the members of the Board of Directors in the financial years 2021 and 2022.

Compensation of the Board of Directors (audited)

Function on 31.12.2022		2022		2021	
CHF thousand		Fixed cash compensation ¹	Other compensation ¹	Fixed cash compensation	Other compensation
E. Tanner	Executive Chairman of the Board of Directors, member of the SC ²	2,000	23	2,000	23
Dr D. Weisskopf ³	Vice-Chairman of the Board of Directors (since October 2022; Board member since April 2022, Chairman of the SC (since April 2022))	0	0	–	–
A. Bulgheroni	Board member, member of the Audit Committee and CNC	145	25	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	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 SC	145	12	145	14
Total		2,725	96	2,725	113

¹ 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 2022 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 13,000 (previous year: CHF 28,000) for his function as Chairman of the Board of Directors of Lindt & Sprüngli S.p.A (previous year: Lindt & Sprüngli S.p.A and Caffarel S.p.A.).

² SC: Sustainability Committee.

³ D. Weisskopf received no compensation as Board member for the financial year 2022. His compensation as CEO for the financial year 2022 is included in the table “Compensation for the Group Management” on page 65.

The amount of CHF 3.2 million 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 was not exceeded. The same amount of CHF 3.2 million was approved by the General Meeting of April 28, 2022, as the maximum aggregate amount of compensation for the Board of Directors for the period until the General Meeting 2023. The amount effectively paid out for the financial year 2023 will be disclosed in the Annual Report 2023.

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

IV. Compensation of the Group Management 2022

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, which were refined and updated in 2022:

- (i) Ensure the alignment of management activities with the long-term interests of shareholders,
- (ii) Anchor Lindt & Sprüngli's strategy in the compensation landscape,
- (iii) Attract and retain highly qualified talent and be an attractive employer,
- (iv) Motivate employees to excellent performance in the long term,
- (v) Emphasize “pay-for-performance” by considering appropriateness of cost of compensation in relation to results.

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 for Lindt & Sprüngli.

The rules and principles governing the compensation (including performance-based compensation) of the members of the Group Management and the allocation of equity securities, conversion rights, or 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/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

ii. Compensation framework

The compensation of the members of Group Management consists of a combination of (1) fixed compensation (Base Salary, allowances, and other benefits as well as pension benefits), (2) a short-term performance-based compensation (Cash Bonus) and (3) a long-term performance-based compensation (Option Plan) 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			Variable compensation*	
	Base salary	Allowances and other benefits	Pension benefits	Short-term performance-based compensation Cash Bonus	Long-term performance-based compensation Option Plan
Plan duration				1 year	Up to 7 years
Drivers	Functional level, competencies, and experience	SMI and SMIM market practice	SMI and SMIM market practice	Pay for performance	Alignment with shareholders' experience
Settlement	Cash (immediate)	Cash	Pension	Cash	Participation Certificates
Performance period				1 year	3 to 5 years
Payout resp. grant range of individual base salary*				CEO: 0–200% Other members: 0–180%	CEO: 0–200% Other members: 0–200%
Share price impact	No	No	No	No	Yes
Forfeiture rules	No	No	No	Yes	Yes
Clawback	No	No	No	Yes	Yes

* For 2023, the possible payout / grant levels for the variable compensation of the Group Management, in each case in proportion to the individual base salary, were amended. For details, see the chapter “Outlook to the compensation framework 2023” of this Compensation Report starting on p. 69.

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. Additionally, a significant part of the variable compensation is deferred and vests only after a vesting period of up to five years (as illustrated below), further underlining the importance of long-term success and value creation for our shareholders.

Illustrative example, not scaled	Grant Option Plan	Deferral period				Vesting (30%)	Remaining exercise period after full vesting	
		Deferral period			Vesting (35%)			
		Deferral period		Vesting (35%)				
	Target Cash Bonus	Payout						
	Base Salary							
	Current year	t+1	t+2	t+3	t+4	t+5	t+6	t+7

The following table illustrates the split of the total compensation of the members of the Group Management. At target level, the total compensation consists of 26% fixed compensation and 74% variable compensation for the CEO (prior year: 28% fixed compensation and 72% variable compensation) and 34% fixed compensation and 66% variable compensation for the other members of the Group Management (prior year: 38% fixed and 62% variable), assuming a target level of the grant under the Option Plan of 100% of Base Salary.

Fixed and variable compensation of Group Management in terms of base salary*

Fixed compensation		Variable compensation, performance-based		
		Cash Bonus		Option Plan
In % of base salary	Base salary	Target	Maximum	Grant
CEO	100%	100%	200%	0–200%
Group Management	100%	30–90%	60–180%	0–200%

* For 2023, the possible payout/grant levels for the variable compensation of Group Management, in each case in proportion to the individual base salary, were amended. For details, see the chapter “Outlook to the compensation framework 2023” of this Compensation Report starting on p. 69.

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. Generally, the CNC reviews the compensation level of Group Management members on an annual basis, considering responsibility, contribution, competitiveness, experience, and external benchmarks, and issues recommendations to the Board of Directors.

The periodic external benchmarking involves a comparison of the level and structure of Group Management compensation with, most recently, 15 Swiss listed companies that are similar to Lindt & Sprüngli in terms of size (based on market capitalization, taking into account companies with a market capitalization between 0.4–1.7x Lindt & Sprüngli’s market capitalization of approx. CHF 30bn as of end of 2021) and industry affiliation (understood in a broader sense, approximated by

non-financial companies). The peer companies for this benchmark were the same as for the Board of Directors mentioned above, i. e. Alcon, Barry Callebaut, Emmi, Ems-Chemie, Geberit, Givaudan, Kühne + Nagel, Lafarge Holcim, Schindler, SGS, Sonova, Straumann, Swatch, Swisscom, VAT (Peer Group).

The last benchmarking for the Group Management compensation was undertaken in 2022 and confirmed that the Group Management compensation level (calculated based on the assumption of the satisfaction of all targets) is broadly in line with the target range as defined by the CNC (at median) and that the current compensation approach does not significantly deviate from market practice. Specifically, the benchmarking showed that the total compensation level of the CEO (calculated based on the assumption satisfaction of all targets) is positioned at median within the Peer Group, as targeted by the CNC. Irrespective of the latest benchmarking, certain structural changes were resolved to be made to the Group Management compensation framework and will be applicable starting from 2023 (see the chapter “Outlook to the compensation framework 2023” on page 69 for details).

iii. Compensation elements

a) Fixed compensation: Base Salary, allowances, and other benefits and pension benefits

The Base Salary reflects the particular functional level, competencies, and expertise, as well as experience and a baseline level of sustained expected performance of each member of the 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 allowances and other benefits in line with competitive market practice, including entitlement to a company vehicle and to participate in the company’s pension plans.

b) Short-term performance-based compensation: Cash Bonus

The goal of the Cash Bonus is to reward individuals for collective as well as individual achievements of annually set targets in relation to predetermined key performance indicators (KPIs). The KPIs are derived from the annual business plan and the business strategy focusing on sustainable organic sales growth accompanied by continuous improvement in profitability. The individual performance achievements for the Cash Bonus are measured predominantly (65%) based on quantitatively measurable financial KPIs and to a lesser extent (35%) based on qualitative targets related to overall responsibility and leadership. Financial KPIs comprise the main metrics of annual Group performance for the relevant year, being growth (organic sales growth) and profitability (EBIT margin increase) aspects. For those members of Group Management who have responsibility on regional or country level, financial targets on regional or country level, respectively, are also taken into account, along with Group targets. These include metrics such as net trade sales (NTS) and controllable operating profit (COOP). Qualitative KPIs include elements relating to overall responsibility (such as setting strategic priorities, advancing business opportunities, and organizational topics) as well as leadership and conduct-related focus areas (including embracing of change, facilitation of communication and collaboration as well as talent management). Non-financial targets may depend on the individual function and in particular refer to the implementation of the strategy as well as to defined leadership and conduct criteria, including promotion of Environment Social Governance (ESG) and Diversity & Inclusion (D&I) efforts.

KPIs*	Weight	Metrics	
Financial	65%	Group	Profitability (EBIT margin increase)
			Organic growth of Net trade sales (NTS)
		Regional/Country	NTS (Net trade sales)
			Controllable operating profit (COOP)
Qualitative	35%	Overall responsibility	
		Leadership & Conduct, including ESG and D&I efforts	

* For 2023, the KPIs regarding the Cash Bonus were redefined. For details, see the chapter “Outlook to the compensation framework 2023” of this Compensation Report starting on p. 69.

The relevant targets for each of the underlying KPIs and metrics against which performance is measured at the end of the annual performance period are set by the CNC and, for the CEO, by the Board of Directors, respectively, on an annual basis, taking into account the current performance of the Group, the immediate strategic priorities as well as the short-term requirements to fulfill longer-term visions. Internal financial and individual qualitative targets for the short-term performance-based compensation are considered commercially sensitive information. For this reason, the explicit disclosure of the latter in the Compensation Report is not warranted, but please find a review on the achievement of the performance targets for the financial year 2022 in the following chapter.

The potential payout range for the Cash Bonus is defined for each member of Group Management as a percentage of its Base Salary and the actual amount paid out can vary between a minimum amount and a maximum amount, each defined as a percentage of the Base Salary, as summarized in the table below.

In % of base salary*	Minimum	Target	Maximum
CEO	0%	100%	200%
Group Management	0%	30–90%	60–180%

* For 2023, the potential payout ranges for the Cash Bonus were reduced substantially. For details, see the chapter “Outlook to the compensation framework 2023” of this Compensation Report starting on p. 69.

In general, the target level will be paid out in case the predefined targets of the relevant KPIs are fully achieved. In case target KPIs are not achieved, the Cash Bonus is reduced and may even be zero. This means that there may be no (guaranteed) bonus if (collective or individual) targets are not fully or partially met. Should KPI targets be overachieved, the payout of the Cash Bonus may also be above the target payout level, but the payout is in any case capped by the maximum amount, being an amount equal to 200% of Base Salary for the CEO and an amount between 60–180% of the individual Base Salary for other Group Management members. Translating these percentages into an implied upside potential, the maximum Cash Bonus that may be paid out for a specific financial year is capped at 200% of the target Cash Bonus for the CEO and members of Group Management.

The payment of the Cash Bonus in cash is made in spring of the following year once the determination regarding the level of achievement of the performance targets has been made. Forfeiture of unsettled short-term compensation and claw-back provisions for settled short-term compensation apply in a range of events, enabling the company to seek repayment where appropriate.

c) Long-term performance-based compensation: Option Plan

The purpose of the Option Plan is to reward sustained business success, to incentivize the creation of overall shareholder value and hence to align Group Managements’ interests with those of shareholders, and to retain key members of the Group’s senior management.

Under the Option Plan, a certain value of stock options may be awarded to members of the Group Management and other selected key employees (the Participants). Each option carries the right to subscribe to one participation certificate (subscription ratio 1:1) and becomes exercisable during a predefined exercise period following the expiration of a pre determined vesting period (as further described below). Based on the assumption that the strategic efforts of Group Management result in a long-term growth of the share price of the company, options are considered by the Board of Directors as an optimal instrument to achieve a stringent pay-for-performance approach and remunerate members of the Group Management in line with the shareholders’ experience.

The total amount in Swiss Francs available to be awarded under the Option Plan for a given financial year is determined by the Board of Directors, upon recommendation of the CNC, annually at the beginning of the year. Options are typically granted in January and transferred to the Participants under the Option Plan in April. For each member of the Group Management, the grant levels as amounts in Swiss Francs are determined on an individual basis and can range between 0 – 200% of the relevant Base Salary*.

* For 2023, the possible grant levels under the Option Plan were amended. For details, see the chapter “Outlook to the compensation framework 2023” of this Compensation Report starting on p. 69.

The individual grant levels for a particular year are determined by the Board of Directors (upon proposal by the CNC) with respect to the CEO, and, by the CNC with respect to the other members of the Group Management, in each case based on multiple factors, mostly assessed on an individual level, including*

- (i) the overall Group performance during the preceding financial year,
- (ii) the performance of the Group company headed by the Participant or at which the Participant is employed,
- (iii) importance of the Group company's profit contribution to the entire Lindt & Sprüngli Group, and
- (iv) the profit development of the Group company in relation to the other Group companies.

* For 2023, the criteria for the determination of the grant levels under the Option Plan were amended. For details, see the chapter "Outlook to the compensation framework 2023" of this Compensation Report starting on p. 69.

The price at which options may be exercised corresponds to the average closing prices of the participation certificates of Chocoladefabriken Lindt & Sprüngli AG on the five trading days on SIX Swiss Exchange prior to grant in the month of January of the respective year. In accordance with the Option Plan, options are subject to vesting periods of three (35%), four (35%), and five (30%) years and can be exercised during an exercise period of seven years from when they were initially granted. Options which are not exercised during the exercise period become forfeited. Therefore, Participants will only be able to benefit from the options granted under the Option Plan if the market price of the participation certificates has increased over the applicable vesting period. The Board of Directors is of the opinion that the Option Plan with its respective link to the company's share price leads to a very strong long-term alignment of Group Management with the shareholders' interest. The value per option at the time of grant is determined by way of binomial statistical models in accordance with the relevant accounting standards (see also note 27 Share-based payments in the Financial Report). The number of options to be granted to each member of Group Management is calculated by dividing the individual grant level amount in Swiss Francs awarded to the respective Participant by the aforementioned value per option at the time of grant.

According to the Option Plan, any granted but unvested options are forfeited immediately in the event that notice of termination is given at any time and for any reason, with or without cause, by the employer or the employee, whereas any vested options remain exercisable for a limited period of time. 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 2022 and 2021 is shown in the following table. The valuation of the option-based compensation for 2022 and 2021 is based on the respective market values at the time of grant.

Compensation for the Group Management (audited)

						2022 market value
		Fixed compensation			Variable compensation	
CHF thousand	Base salary ¹	Allowances ²	Pension benefits ³	Cash Bonus ⁴	Option Plan ⁵	Total compensation
Dr Dieter Weisskopf, CEO (CEO until 30 September 2022) ⁶	1,200	18	45	1,650	1,688	4,601
Other members of Group Management ⁷	4,003	195	343	3,462	4,153	12,156
Total	5,203	213	388	5,112	5,841	16,757

						2021 market value
		Fixed compensation			Variable compensation	
CHF thousand	Base salary ¹	Allowances ²	Pension benefits ³	Cash Bonus ⁴	Option Plan ⁵	Total compensation
Dr Dieter Weisskopf, CEO	1,200	18	45	1,450	1,583	4,296
Other members of Group Management ⁸	3,533	60	323	2,531	3,110	9,557
Total	4,733	78	368	3,981	4,693	13,853

¹ Total of paid-out gross compensation.

² Including lump-sum expense allowances (CEO: CHF 18,000 respectively CHF 12,000 for other members of Group Management). For Dr Adalbert Lechner and Daniel Studer including one-time relocation allowance of CHF 75,000 respectively CHF 45,000, and for Rolf Fallegger including an anniversary of service award of CHF 5,000.

³ Including pension fund and social insurance contributions paid by the employer, that establishes or increases employee benefits.

⁴ Expected pay-out (accrual basis) in April of following year according to the proposal of the CNC and the decision of the Board of Directors, respectively (excluding social charges paid by employer).

⁵ Option grants on Lindt & Sprüngli participation certificates under the terms and conditions of the Lindt & Sprüngli employee share option plan (see also note 27 share-based payments in the Financial Report). The valuation reflects the market value at the time of grant. The total number of granted options in 2022 to D. Weisskopf was 2,000 options (2,800 options in 2021) and in total to all other members of the Group Management 4,920 options (5,500 options in 2021).

⁶ Compensation for performance 2022, employed until 31 March 2023, no separate fee as Board Member during employment.

⁷ There were six other Group Management members as of December 31, 2022. The compensation of Dr Adalbert Lechner (CEO as of 1 October 2022) is included in the compensation for the other members of Group Management.

⁸ There were six other Group Management members as of December 31, 2021.

An amount of CHF 18 million was approved by the General Meeting of May 4, 2021, as the maximum aggregate amount of compensation for 2022 for the Group Management, whereby approx. CHF 17 million were utilized in 2022. The total compensation of the Group Management for 2022 was higher than for the previous year due to full achievement of the relevant targets, which resulted in higher payouts of Cash Bonuses, as well as due to replacements and appointments of members of the Group Management, while the aggregate number of Group Management members at the end of the reporting year compared to the end of the previous year 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.

In 2022, the total amount of the aggregate Cash Bonuses awarded to the members of Group Management amounted to CHF 5.112 million (previous year: CHF 3.981 million). For Dr Dieser Weisskopf (CEO until 30 September 2022), the effectively paid Cash Bonus amounted to CHF 1.650 million, corresponding to 138% of his Base Salary (121% in 2021). For the other Group Management members, the effectively paid cash bonus was on average 80% of the relevant Base Salary (71% in 2021). In the financial year 2022, the corporate financial targets set for the year under the short-term performance-based compensation program were overachieved. Specifically, regarding profitability and organic sales growth. All members of Group Management also achieved their annual individual qualitative targets by showing great leadership, embracing change, and continuous innovation.

In 2022, the total amount of the option grants awarded under the Option Plan to the members of Group Management (other than the previous CEO), amounted to CHF 4.153 million (previous year: CHF 3.110 million). For each of the mem-

bers of the Group Management (other than the CEO), this corresponds to a grant of on average 100% of the relevant Base Salary (in the previous year, on average 89% of the relevant Base Salary). The individual levels of grant were determined by the CNC based on the criteria mentioned above.

The option grant awarded to the former CEO (until 30 September 2022) under the Option Plan amounted to CHF 1.688 million (previous year: CHF 1.583 million), corresponding to 141% of his Base Salary (previous year: 132% of his Base Salary). The Board of Directors decided upon recommendation of the CNC.

For details on outstanding options, refer to chapter Participations of this Compensation Report.

The total remuneration of the former CEO (in function until 30 September 2022, employed until 31 March 2023) amounted to CHF 4,601 million in 2022 (previous year: CHF 4.296 million), with this amount being in line with the median pay-out of the Peer Group.

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, 2022.

		Number of registered shares (RS)		Number of participation certificates (PC)		Number of options	
		2022	2021	2022	2021	2022	2021
E. Tanner	Executive Chairman	3,067	3,067	9,796	8,327	-	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	1,090	1,092	-	-	-	-
Dr T. Rinderknecht	Member of the Board	-	-	-	-	-	-
S. Denz	Member of the Board	11	11	-	-	-	-
Dr D. Weisskopf	Member of the Board (formerly Group Management)	5	5	2,013	3,000	8,500	8,350
Dr A. Lechner	Group Management	7	7	56	56	5,700	4,700
R. Fallegger	Group Management	25	25	950	850	4,750	3,950
A. Germiquet	Group Management	7	7	500	500	3,690	4,222
M. Hug	Group Management	6	6	-	-	4,650	3,850
G. Steiner	Group Management	3	2	-	-	4,110	3,730
Dr J. Piconi	Group Management	1	1	-	-	2,950	2,350
D. Studer ¹	Group Management	1	-	-	-	1,895	-
Total		5,224	5,224	13,660	13,078	36,245	33,652

¹ D. Studer was appointed to Group Management as per September 1, 2022, therefore no participation was reported for 2021.

VI. Other compensation-related aspects

i. 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 to 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/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

ii. Employment contracts

The employment contracts of the members of Group Management contain notice periods of a maximum of twelve months (12 months for the CEO and 6 months for the other Group Management members) and do not provide for severance payments. As regards the treatment of granted options under the Option Plan in case of termination, refer to “Long-term performance-based compensation: Option Plan” on page 63.

The maximum duration for a post-contractual prohibition on competition for members of Group Management is twelve months, provided that the agreed consideration may not exceed the amount of the Base Salary paid for the preceding twelve months. This is in line with the applicable provisions of the Articles of Association (Article 26bis paragraph 2) and is only granted on a case-by-case basis as considered necessary by the Board of Directors.

 https://www.lindt-spruengli.com/amfile/file/download/id/6829/file/10_LIN_AoA_EN_28.04.22_1.pdf

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 48.

iii. Additional fees, compensation, and loans to governing bodies

Apart from the benefits listed in this Compensation Report, no other compensation was granted in the reporting year 2022 – 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, former members of the Board of Directors, or to related persons of the aforementioned persons. In addition, as per December 31, 2022, no loans, advances or credits were granted by the company or by any of its subsidiaries to this group of persons.

iv. Compensation to former members of corporate bodies

No other compensation, apart from the benefits listed in this Compensation Report, was paid to former members of corporate bodies of the Company in 2022.

VII. External mandates of the members of the Board of Directors and Group Management

In accordance with Article 734e OR, the following table sets out the external mandates which the members of the Board of Directors and the members of Group Management hold in comparable functions at other companies with an economic purpose within the meaning of Article 626 paragraph 2 cipher 1 OR (including companies which belong to the same group):

Member of the Board of Directors	Company name	Function
E. Tanner	The Swatch Group AG	Vice-chairman of the board of directors
	The Swatch Group AG	Chairman of the compensation and nomination committee
	Krombacher Brauerei GmbH & Co. KG	Member of the supervisory board
	Signa Holding GmbH	Member of the advisory board
A. Bulgheroni	L.I.U.C. University	Member of the board of directors
	Bulgheroni S.p.A.	Chairman of the board of directors
	Centromarca – Associazione Italiana dell'Industria di Marca	Member of the executive committee
Dkfm E. Gürtler	ATP Planungs- und Beteiligungs AG	Member of the supervisory board
	Tiroler Landesmuseen-Betriebsgesellschaft m.b.H.	Chair of the supervisory board
	MAK – Österreichisches Museum für angewandte Kunst	Vice-chair of the curatorship
	MAK – Österreichisches Museum für angewandte Kunst	Vice-chair of the audit committee
	Kreditschutzverband von 1870	Member of the executive board
	Österreich-Werbung	Member of the chairmanship
Dr R. K. Sprüngli	Peter Halter Liegenschaften AG	Member of the board of directors
	Freies Gymnasium Zürich	Chairman of the board of directors
	Institut für Wirtschaftsberatung Niggemann, Fischer & Partner GmbH	Member of the advisory board
	PUSTA INVEST AG	Chairman of the board of directors
	Felix Partner Architektur AG	Member of the advisory board
	Felix Partner Design AG	Member of the advisory board
	Felix Partner Entwicklung AG	Member of the advisory board
	TRUFO HUNGARY Kft.	Chairman of the board of directors
Dr T. Rinderknecht	Marquard Media Group AG	Member of the board of directors
	SpanSet Inter AG	Chairman of the board of directors
	Miralco Holding AG	Chairman of the board of directors
	Twin Dolphins Holding AG	Chairman of the board of directors
	NorseSatCom Group (Bahamas)	Member of the board of directors
	iJet Technologies Inc. (Seattle)	Member of the board of directors
	NEST AS (Norway)	Member of the board of directors
	Turtle Capital Investment Inc. (BVI)	Member of the board of directors
	Veritas Trust AG	Member of the board of directors
	Fundmaster AG	Member of the board of directors
	Hôtel de la Paix SA	Member of the board of directors
	Munich Partners AG	Chairman of the board of directors
	Munich Partners Invest AG	Chairman of the board of directors
	First 4G AG	Chairman of the board of directors
	First SALT AG	Chairman of the board of directors
	First ELF AG	Chairman of the board of directors
	PlusFour AG	Chairman of the board of directors
S. Denz	Lalique Group SA (Switzerland)	Chairman of the board of directors
	Lalique SA (France)	Chairman of the board of directors
	Alrodo AG (Switzerland)	Chairman of the board of directors
	Art & Terroir SA (Switzerland)	Member of the board of directors
	CIRON S.A. (Switzerland)	Chairman of the board of directors
	Lalique Art SA	Chairman of the board of directors
	Lalique Maison SA (Switzerland)	Chairman of the board of directors
	Madura (Schweiz) AG (Switzerland)	Member of the board of directors
	Lalique Asia Limited (Hong Kong)	Chairman of the board of directors
	Glenturret Holding AG	Chairman of the board of directors
	Villa Florhof AG	Member of the board of directors
	Florhof Immobilien AG	Chairman of the board of directors
Member of the Group Management	Company name	Function
A. Germiquet	SunnySpot AG	Chairman of the board of directors
G. Steiner	Steiner Flughafefack AG	Vice-chairman of the board of directors

VIII. Outlook to the compensation framework 2023

As mentioned at the beginning of this Compensation Report, the CNC on behalf of the Board of Directors reviewed the compensation framework of Lindt & Sprüngli in 2022. As a result of this review, the Board of Directors, upon recommendation of the CNC, has decided to implement certain amendments to the compensation framework of the Group Management that are applicable as of 2023. This chapter provides a summary outlook to the approved changes taking effect as of 2023 onwards.

Short-term performance-based compensation, Cash Bonus

As of 2023, the possible minimum, target, and maximum payouts for the CEO as well as the other members of the Group Management under the short-term performance-based compensation (Cash Bonus) will be adjusted, in each case in accordance with the respective overall responsibility as per the table below. With these changes, the maximum Cash Bonus will amount to 100% of the Base Salary for the CEO and between 70–90% of the Base Salary for the other members of Group Management. The maximum Cash Bonus can be increased to a maximum amount of 130% of the relevant Base Salary for both the CEO and the other members of the Group Management in extraordinary cases and provided that the targets are overachieved, in each case as assessed and determined by the CNC at its discretion. In case set performance targets are not achieved, the Cash Bonus is reduced and can even be zero. This means that there is no (guaranteed) bonus if (collective or individual) targets are not fully or partially met.

In % of base salary	Minimum	Target	Maximum
CEO	0–60%	80%	100%
Group Management	0–50%	60–70%	70–90%

As of the year 2023, the relevant performance achievements for the Cash Bonus will be measured predominantly (80%) based on quantitatively measurable financial KPIs (measured on Group level or split into 60% Group and 20% regional level, where applicable) and to a lesser extent (20%) based on individual ESG and Transformation KPIs for all members of the Group Management, including the CEO. Financial KPIs on Group level will reflect profitability (60%) and organic sales growth (40%).

KPIs	Weight (Group)	Weight (Regional)	Metrics	Total Weights (Group)	Total Weights (Regional)
Financial (Group)	80%	60%	Profitability (EBIT margin), 60%	48%	36%
			Organic sales growth, 40%	32%	24%
Financial (Regional)		20%	Profitability (EBIT margin of region), 60%		12%
			Organic sales growth of region, 40%		8%
Individual ESG & Transformation	20%	20%	ESG	10%	10%
			Long-term Transformation projects	10%	10%

The minimum and maximum performance levels to be achieved for the corresponding payouts are determined by the CNC and, in case of the CEO, by the Board of Directors, respectively, in December of each year for the following year, taking into account budget targets, current market conditions, including volatilities and uncertainties, etc., in order to allow for a balanced pay-for-performance profile. The Board of Directors reserves the right to re-adjust the initial target setting in case of extraordinary, unforeseen major events.

Financial KPIs comprise the main indicators of annual Group performance for the relevant year, including profitability and growth aspects. Individual ESG and Transformation KPIs focus on Lindt & Sprüngli's key long-term goals such as:

ESG	Transformation
(i) Climate (Carbon reduction targets)	(i) Organizational development
(ii) Human rights focused on child labor	(ii) Marketing insights and innovation
(iii) Packaging recyclability	(iii) On- and offline sales channel development
(iv) Health and safety	(iv) Efficiency and process improvement
(v) Upholding company values & fostering diversity	(v) Geographic expansion projects

The payment of the Cash Bonus in cash is made in spring of the following year once the determination regarding the level of achievement of the performance targets has been made. Forfeiture or withholding of unsettled short-term performance-based compensation and clawback provisions for settled short-term performance-based compensation may apply in a range of events (e.g. in case there is reasonable doubt regarding, but not limited to, misconduct, non-compliance, fraud, reporting, or audit issues with a potential negative financial or reputational impact on Lindt & Sprüngli Group).

Long-term performance-based compensation, Option Plan

As of 2023, for each member of Group Management, the grant levels under the Option Plan as an amount in Swiss Francs will be determined on an individual basis and can generally range between 0–100% (max. 180% as assessed and determined by the CNC at its discretion; previously 0–200%) of the respective Base Salary. The individual grant decision by the CNC and, in case of the CEO, by the Board of Directors, respectively, in any particular year will be based on a holistic assessment of the following criteria:

- (i) Historical achievements on operative and strategic levels,
- (ii) Position and influence on Lindt & Sprüngli's long-term success, yet not depending on immediate previous year's performance,
- (iii) Level of overall responsibility,
- (iv) Importance of acquired experience and know-how to contribute to future growth of financial parameters as EBIT margin, organic sales, and free cash flow as well as future progress on ESG and transformational topics, and
- (v) Relevance of retention of talents.

Option grants may be withheld or clawed back completely in case there is doubt regarding, but not limited to, misconduct, non-compliance, fraud, reporting, or audit issues with a potential negative financial or reputational impact on Lindt & Sprüngli Group.



Report of the statutory auditor

to the General Meeting of Chocoladefabriken Lindt & Sprüngli AG

Kilchberg

Report on the audit of the compensation report

Opinion

We have audited the compensation report of Chocoladefabriken Lindt & Sprüngli AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) in the tables marked 'audited' on pages 59 and 65 of the compensation report.

In our opinion, the information on remuneration, loans and advances in the compensation report (pages 52 to 70) complies with Swiss law and article 14 to 16 of the Ordinance.

Basis for opinion

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

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

Other information

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

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

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

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

Board of Directors' responsibilities for the compensation report

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

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to article 14 to 16 of the Ordinance is free from material misstatement, whether due to fraud or error, and to

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issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

PricewaterhouseCoopers AG

A handwritten signature in black ink, appearing to read 'G. Siegrist'.

Gerhard Siegrist
Licensed audit expert
Auditor in charge

A handwritten signature in black ink, appearing to read 'J. Stadelmann'.

Josef Stadelmann
Licensed audit expert

Zürich, 6 March 2023