

Remuneration Report

This Remuneration Report provides information on the remuneration system and the compensation paid to the members of the Board of Directors and of the Executive Board of Meyer Burger Technology Ltd for fiscal year 2017. The content and amount of information provided is in line with the provisions of the "Ordinance against Excessive Compensation at stock exchange listed companies" (OaEC), which was issued by the Federal Council and has become effective as of 1 January 2014, as well as the Corporate Governance directive issued by SIX Swiss Exchange and the Swiss Code of Best Practice by economiesuisse.

The Remuneration Report 2017 will be presented to the General Meeting of Shareholders, to be held on 2 May 2018, for a consultative vote as in the previous years.

Remuneration principles

Meyer Burger Group offers all of its employees a compensation system that is competitive, performance oriented and aligned to sustainable value creation. The compensation is based on the following principles:

- Fair and competitive compensation that fosters entrepreneurial behaviour
- Total compensation that aligns the Company's long-term strategy and the interests of employees, Executive Board, Board of Directors and shareholders
- Attract highly qualified and motivated employees, specialists and executives
- Performance oriented compensation to support the short-term and long-term corporate targets
- Share participation programme, depending on hierarchy level, which allows direct financial participation in the mid-term and long-term development of the value of Meyer Burger shares

Share participation programme as long-term incentive

The Company has a share participation programme as a long-term incentive for the members of the Board of Directors and members of the Executive Board as well as for other selected employees within the Group. The Board of Directors determines the individual participants of the plan, based on recommendation of the Executive Board, at its own reasonable discretion. Shares may only be allocated to employees with an employment contract of indefinite term and in positions not under notice, and to serving members of the Board of Directors, who have not submitted their resignation.

The Board of Directors considers the grant of shares as a part of the total compensation and therefore the direct, long-term participation in the Company as an important instrument to focus the share plan participants on the mid- and long-term success of the Company. For the calculation of the number of granted shares, the determined compensation amount in Swiss Francs will be divided by the grant value of the shares.

Each participant receives an individual offer letter, stipulating the number of restricted share units (RSU) being offered, the acquisition price per share (if any), the payment conditions, the period within which the participant has to declare acceptance of the offer, as well as the (optional) retention periods following the vesting of shares. Within this acceptance period, the participant has to declare acceptance of the offer and declare, which retention period that was set by the Board of Directors he/she wishes to be applied following the vesting of the shares.

The restricted share units, which the Board of Directors has allocated, generally have a vesting period of three years since 2016 (earlier years: vesting period of two years), and an optional fiscal retention period that can be selected by the participant of either zero, three or five years (following the end of the vesting period). The participants do not receive title of ownership to the restricted shares during the vesting period. During the vesting period and the optional retention period, the participants can, therefore, not sell (in part or entirely), assign, transfer, pledge or debit the shares in any form or exercise voting rights.

The Board of Directors is entitled to set different modalities from the above mentioned conditions for participants domiciled outside of Switzerland. It will thereby aim for equal treatment of the participants taking into account the tax differences within the different states of domicile. Slightly modified conditions are currently applied for employees in Germany and the USA (no retention period after vesting period). In all other countries outside of Switzerland and Germany, employees are offered so-called phantom shares.

Changes in the remuneration system for fiscal year 2017

The following changes were applied in fiscal year 2017:

- Fees for the members of the Board of Directors have been adapted (for amounts see table below).
- Regarding the variable, performance related remuneration component – Short-term Incentive (STI) – for the members of the Executive Board, the metric concerning financial targets in the budget comparison was changed from absolutely reached net sales and EBITDA to absolutely reached net sales and net result, and the percentages of the achievement ratios were changed (for further details see Financial targets in section “Short-term incentive – Variable, performance related component” in compensation to the members of the Executive Board below).

- A new metric was introduced for the share-based compensation – Long-term Incentive (LTI) – for the members of the Executive Board. The actual vesting ratio of the LTI after the expiration of the 3-year vesting period is linked to the share price performance of Meyer Burger registered shares (share price performance between the grant date and the end of the vesting period) and can vary between a minimum of 50% and a maximum of 150% (for further details see section “Long-term incentive – Share-based compensation” in compensation to the members of the Executive Board below).
- Since the fiscal year 2017, the shares granted in the share participation programme are sourced from treasury shares held by the Company. There is no dilutive effect from the 2017 share grants. In 2016 and earlier years, shares granted as part of the share participation programme were usually sourced from existing conditional share capital.

Governance

The overall responsibility for defining the compensation principles at Meyer Burger Group is with the Board of Directors. Since the ordinary General Meeting of Shareholders in 2015, the General Meeting has to approve separately the total maximum compensation of the members of the Board of Directors and of the Executive Board for the business year that follows the General Meeting. The vote at the General Meeting of Shareholders has a binding effect for these total maximum amounts of compensation. Thereafter, the approval of the individual compensation of the members of the Board of Directors and of the Executive Board (within the approved limits by the General Meeting) is directly with the Board of Directors.

The approval process for compensation is set in Article 17, the forms and criteria of compensation, participation plans, loans, credits and pension benefits are set in Articles 30 to 34 of the Articles of Association.

→ The Articles of Association are available on the Company's website
<https://www.meyerburger.com/ch/en/meyer-burger/investor-relations/articles-of-association/>

Nomination & Compensation Committee

The Board of Directors had four Committees during fiscal year 2017: Nomination & Compensation Committee (N&C), Risk & Audit Committee (R&A), Executive Committee and Innovation Committee.

→ For details regarding the members and the responsibilities of the Committees please also refer to the Corporate Governance Report page 34 ff.

The Nomination & Compensation Committee (N&C Committee) consists of at least two members of the Board of Directors. They are individually elected by the General Meeting of Shareholders each year. The term of office is one year and expires at the end of the following ordinary General Meeting of Shareholders. Re-election is possible. If the Nomination & Compensation Committee is not complete, the Board of Directors may appoint the lacking members for the remaining term of office. At the ordinary General Meeting of Shareholders on 27 April 2017, Wanda Eriksen-Grundbacher, Dr Franz Richter and Michael R. Splinter were elected as members of the N&C Committee. Wanda Eriksen-Grundbacher is Chairperson of the N&C Committee. The N&C Committee held ten meetings during fiscal year 2017 (of which nine were held as telephone conferences).

The N&C Committee mainly has the following responsibilities regarding subjects concerning compensation:

- Proposal of the compensation for the members of the Board of Directors and the Board's Committees
- Examination, negotiation and proposal of the remuneration of the CEO
- Examination and proposal (together with the CEO) of the remuneration of the members of the Executive Board as well as examination of mandates by members of the Executive Board outside the Group
- Examination and resolution of the annual targets for the members of the Executive Board and of the ratio by which such targets were achieved
- Examination of the targets and total remuneration of important group companies
- Preparation and proposal of the Remuneration Report
- Examination, proposal and monitoring of the implementation of participation programmes for the Board of Directors, the CEO, the other members of the Executive Board and for other employees
- Examination and resolution on the grant of shares under the share participation programme approved by the Board of Directors
- Further special tasks as assigned by the Board of Directors in the areas of nomination, organisation and compensation

Levels of decision authority

Compensation	CEO	N&C Committee	Board of Directors	General Meeting
Maximum total compensation of the Board of Directors for the business year following the ordinary General Meeting of Shareholders	–	Recommendation	Proposal to the General Meeting	Approval
Individual compensation to the members of the Board of Directors in the reporting year	–	Proposal	Approval	–
Grant of shares to the members of the Board of Directors in connection with the share participation programme in the reporting year	–	Proposal	Approval	–
Maximum total compensation of the Executive Board (including the compensation for the function of the Delegate of the Board of Directors) for the business year following the ordinary General Meeting of Shareholders	–	Recommendation	Proposal to the General Meeting	Approval
Individual compensation to the members of the Executive Board (without CEO) (Base salary, variable component, compensation in kind, social benefits) in the reporting year	Proposal	Review, recommendation	Approval	–
Individual compensation CEO (Base salary, variable component, compensation in kind, social benefits) in the reporting year	–	Proposal	Approval	–
Individual compensation for the function of the Delegate of the Board of Directors in the reporting year	–	Proposal	Approval	–
Grant of shares to the members of the Executive Board (without CEO) in connection with the share participation programme in the reporting year	Proposal	Review, recommendation	Approval	–
Grant of shares to the CEO in connection with the share participation programme in the reporting year	–	Proposal	Approval	–
Grant of shares for the function of the Delegate of the Board of Directors in the reporting year	–	Proposal	Approval	–

Members of the Committees as of 31 December 2017

Members of the Board of Directors	N&C Committee	R&A Committee	Innovation Committee	Executive Committee
Dr Alexander Vogel, Chairman	–	•	–	• (Chairperson)
Heinz Roth, Vice Chairman	–	• (Chairperson)	–	–
Wanda Eriksen-Grundbacher	• (Chairperson)	•	–	–
Hans-Michael Hauser	–	–	•	–
Dr Franz Richter	•	–	•	–
Michael R. Splinter	•	–	–	•
Prof Dr Konrad Wegener	–	–	• (Chairperson)	–

• Member of the Committee

Changes in the Board of Directors in fiscal year 2017

Hans-Michael Hauser and Michael R. Splinter were elected as new members of the Board of Directors at the Annual General Meeting on 27 April 2017.

Compensation to the members of the Board of Directors

The compensation of the members of the Board of Directors is based on the exposure and responsibilities of each individual member for their Board functions (Board of Directors: Chairman, Vice Chairman, Member; Committees: Chairperson, Member). The total compensation includes the following elements:

- Fixed Board of Directors fee (usually paid in cash)
- Grant of shares as long-term incentive (share participation programme)
- Social security costs

The compensation structure with a fixed Board of Directors' fee and a certain amount of shares granted as long-term incentive ensures the focus of the Board of Directors on the long-term success of the Company. The Nomination & Compensation Committee usually proposes the Board and Committee fees as well as compensation through the grant of shares once per year. The entire Board of Directors then decides on this proposal using dutiful judgment. The compensation to the members of the Board of Directors is not bound to specific targets of the Company.

For fiscal year 2017, the Board of Directors had set the fixed fee for its members (as Board members and Committee members, respectively) as follows:

Capacity/Responsibility	2017 ¹ CHF	2016 CHF
Chairman of the Board of Directors	204 000	140 000
Vice Chairman of the Board of Directors	42 000	36 000
Member of the Board of Directors	39 500	34 000
Chairperson in Committees	40 000	45 000
Member in Committees	24 000	24 000

¹ The members of the Executive Committee of the Board of Directors, Dr Alexander Vogel and Michael R. Splinter, do not receive additional Board fees for serving on such committee.

The Board and Committee membership fees are paid-out on a half-year basis.

The Restricted Share Units, granted as part of the share participation programme, which represent the second, fix portion of the compensation to the members of the Board of Directors, were granted to the then acting members of the Board of Directors on 31 March 2017. The shares granted to Hans-Michael Hauser as new member of the Board of Directors have been allocated after the election by the General Meeting of Shareholders in April 2017. The right of ownership for these shares is deferred during the vesting period from 31 March 2017 to 30 March 2020. Afterwards, each Board member can choose the fiscal retention period of zero, three or five years (the retention period has to be chosen already at the date of acceptance of the offer).

During the entire fiscal year 2017, Michael R. Splinter has been active as Delegate of the Board of Directors (January to April as designated Delegate, after the election as a Board member by the Annual General Meeting as Delegate), which the company considers an executive function. He receives separate compensation for his work as Delegate. All other members of the Board of Directors are non-executive members.

→ For details to the Delegate compensation of Michael R. Splinter (cash compensation and shares granted for his Delegate function in 2017) please refer to the information in the table with the compensation to the members of the Executive Board.

The difference in the total compensation to the members of the Board of Directors compared to the previous year is mainly due to the changes in the members of the Board of Directors and to the amendments in the Board fees.

The ordinary General Meeting of Shareholders, held on 3 Mai 2016, approved a total maximum amount of compensation of the Board of Directors of TCHF 980 for fiscal year 2017. Total actual compensation 2017 for the members of the Board of Directors was TCHF 966.1.

The ordinary General Meeting of Shareholders, held on 27 April 2017, approved a total maximum amount of compensation for the Board of Directors of TCHF 1,080 for fiscal year 2018. The compensation 2018 will be disclosed in detail in the Remuneration Report 2018.

Overview of the compensation to the members of the Board of Directors (Audited)

2017

Name	Position in the Board of Directors	Honorarium ¹ (CHF)	Share-based compensation ² (number)	Share-based compensation ² (CHF)	Additional compensation (CHF)	Social security ³ (CHF)	Total
Dr Alexander Vogel	Chairman	241333	64706	55000	–	19268	315601
Heinz Roth	Vice Chairman	82000	54706	46500	–	7500	136000
Wanda Eriksen-Grundbacher	Member	98167	54118	46000	–	7575	151742
Hans-Michael Hauser ⁴	Member	42333	24314	20667	–	3266	66266
Dr Franz Richter	Member	87500	54118	46000	–	–	133500
Michael R. Splinter ⁴	Member, Delegate	42333	–	–	–	2801	45134
Prof Dr Konrad Wegener	Member	79500	36471	31000	–	7307	117807
Total		673166	288433	245168	–	47716	966050

2016

Name	Position in the Board of Directors	Honorarium ¹ (CHF)	Share-based compensation ² (number)	Share-based compensation ² (CHF)	Additional compensation (CHF)	Social security ³ (CHF)	Total
Member as of 31.12.2016							
Dr Alexander Vogel	Chairman	137667	12173	45892	–	11644	195203
Heinz Roth	Vice Chairman	103000	8115	30594	–	8782	142376
Wanda Eriksen-Grundbacher	Member	82000	6086	22944	–	6286	111230
Dr Franz Richter	Member	74000	6086	22944	–	–	96944
Prof Dr Konrad Wegener	Member	79000	8115	30594	–	6799	116393
Member until 2.12.2016							
Peter M. Wagner	Chairman	158333	20288	76486	–	–	234819
Peter Pauli ⁵	Member, Delegate	–	–	–	–	–	–
Total		634000	60863	229454	–	33512	896965

¹ Fees as a member of the Board of Directors and as a member of the Committees. The compensation for the function of Delegate is included in the table "Compensation to the members of the Executive Board".

² The shares were granted on 31 March 2017 (2016: 22 March 2016). The shares granted to Hans-Michael Hauser have been allocated after the election by the General Meeting of Shareholders on 27 April 2017. For the calculation of the number of shares, the determined compensation amount in Swiss Francs was divided by the grant value of the shares. The shares granted in 2017 were sourced from treasury shares held by the Company. In the previous year 2016, the shares granted were sourced from the conditional share capital. The grant value of the 2017 shares equals the share price of the registered shares; the grant value of the 2016 shares equalled the share price of the registered shares less the nominal value of CHF 0.05, which had to be paid by the plan participants. The grant value was CHF 0.85 for the shares granted in 2017 (2016: CHF 3.77). The shares have a vesting period of 3 years.

In the previous year 2016 and in connection with the capital increase 2016 that was closed on 20 December 2016, the interests of the plan participants have been protected by the Company by selling part of the subscription rights on the allocated (and restricted) shares directly in the market. With the proceeds the Company acquired shares, which are subject to the relevant vesting period (such as the originally allocated shares) and to which the plan participants are entitled at the end of the vesting period. For more information see the table with the participations on page 76 and Note 4.18 in the consolidated financial statements.

³ Contains governmental social security (AHV, IV, ALV and FAK) on honorarium, additional remunerations for Board members and on shares under the share plan for which the vesting period ended during the reporting period.

⁴ Member of the Board of Directors since the General Meeting of Shareholders on 27 April 2017.

⁵ In the previous year 2016, the basic salary of Peter Pauli as CEO of the Company included the contractually agreed fix salary. See also the table "Compensation to the members of the Executive Board" relevant for fiscal year 2016. The remuneration as a member of the Board of Directors and the function as Delegate was included in his salary. Peter Pauli did not receive any additional compensation for his activities as a member of the Board of Directors.

Compensation to the members of the Executive Board

The compensation to the members of the Executive Board includes a fixed portion (yearly base salary, compensation in kind), a variable component as Short-term Incentive (STI) (variable performance oriented component), a Long-term Incentive (LTI) in form of shares of the Company (share participation programme) as well as social benefits. The amount of the Short-term Incentive – the variable performance oriented component – depends on the achievement of operating targets reached for the particular year and on the performance of Meyer Burger Group compared to a selected Peer-Group. The grant of shares as Long-term Incentive enables a direct participation in Meyer Burger and ensures the focus of the Executive Board on mid- and long-term value creation of the Company. It also ensures the focus on shareholders' interests. In general, the Company seeks a system, whereby the base salary, the Short-term Incentive (target STI) and the Long-term Incentive (share-based compensation) would represent approximately one third each of the total compensation of the Executive Board members (compensation in kind and social benefits not considered for this break-up).

The compensation for the members of the Executive Board is verified and proposed to the Board of Directors by the Nomination & Compensation Committee together with the Chief Executive Officer (except for the CEO's own compensation). The total compensation is decided upon by the entire Board of Directors, usually once a year. The CEO is not included in the discussion when his own compensation is being discussed by the Board of Directors. The other members of the Executive Board usually do not participate during the time of the Board meeting, when the Board of Directors discusses their compensation. The compensation for the Delegate function is proposed by the Nomination & Compensation Committee and decided upon by the entire Board of Directors, usually once a year (Delegate participating in this meeting, but without voting right). The compensation for the Delegate function is not tied to specific company targets.

Compensation components for members of the Executive Board

Compensation in kind, Social benefits	<ul style="list-style-type: none">→ Market practice, Stipulated by law→ Social insurance and pension fund costs, Private use of company car or alternatively reimbursement of car expenses→ Protection against risks, Attract and retain Executive Board members
Long-term incentive Share-based compensation	<ul style="list-style-type: none">→ Long-term compensation to put focus on mid-/long-term development of the Company→ Align to shareholders' interests→ Compensation through grant of registered shares→ Vesting ratio depending on share price performance over three year period
Short-term incentive Variable performance related component	<ul style="list-style-type: none">→ Variable performance related component (Pay for Performance)→ Achievement of business objectives over a one year period→ Usually paid in cash
Base salary	<ul style="list-style-type: none">→ Attract and retain Executive Board members→ Market practice, Position and experience of the person→ Paid in cash

Base salary

The members of the Executive Board receive an annual base salary that reflects the position and responsibilities of each member. The base salary is fixed at the beginning of the year and will not be changed during the reporting period. The base salary is paid out in cash on a monthly basis.

Short-term Incentive (STI) – Variable, performance related component

A target amount of STI is defined for each member of the Executive Board. This target amount forms the basis for the calculation of the effective amount of STI, which is usually paid in cash. The target STI for fiscal year 2017 amounted to 100% of the base salary for the CEO and to between 38% and 67% of the base salary for the other members of the Executive Board (2016: 100% for the CEO and between 53% and 78% for the other members of the Executive Board). The criteria that determine the amount of STI for each member of the Executive Board are financial targets of the Group and individual, mainly “non-financial” targets. The STI is capped at a maximum of 150% of the individually set target STI for each of the members of the Executive Board.

Financial targets

For the assessment of the STI portion that is tied to financial targets, the degree of target achievement with regards to net sales, net result and EBITDA was relevant during fiscal year 2017. The following indicators were used:

- Budget comparison: Absolutely reached net sales and net result compared to the budgeted amounts with a weighting of 50%
- Peer-Group comparison: Change in net sales and EBITDA compared to the previous year, measured in a Peer-Group comparison with a weighting of 50%

Budget comparison (net sales and net result): For the assessment of the Budget comparison, net sales and net result were weighted with 50% each in fiscal year 2017 (metrics in 2016 were net sales and EBITDA).

Net sales target: No STI proportion will become applicable, if the achieved rate is <80% of the budgeted amount (2016: <50%). If the achieved rate is between 80% and 100% (2016: between 50% and 100%), the STI will be calculated on a straight-line basis and amount to between 1–100%. If the achieved rate is between 101% and 110% (2016: 101% and 125%), the STI will be 101–150% (also calculated on straight-line basis). If the achieved rate is >110%, the STI proportion will be capped at 150%.

Net result target (newly introduced in 2017): The Board of Directors defined the budget net result and a certain scope with a minimum and maximum amount. If the net result achieved is below the lower value of this scope, no STI proportion will become applicable. If the achieved net result is between the lower value and the budget value, the STI will be calculated on a straight-line basis and amount to between 1–100%. If the achieved net result is between the budget value and the higher value, the STI will be 101–150% (also calculated on straight-line basis). The STI proportion will be capped at 150%.

Weighting of the targets in fiscal year 2017

		CEO	CFO, CCO, CTO, COO, CIO ¹
Financial targets	Absolute Net Sales and Net Result vs. Budget (Budget comparison) 50% weighting financial targets	35%	30%
	Change in Net Sales and EBITDA vs. previous year against Peer-Group (Peer-Group-comparison) 50% weighting financial targets	35%	30%
Total financial targets		70%	60%
Individual targets	Individual targets (project targets, product or market targets, etc.)	30%	40%
Total		100%	100%

¹ The percentage weightings of the components remained unchanged compared to 2016. The CIO (Chief Innovation Officer) position was replaced by the CTO (Chief Technology Officer) position.

Peer-Group comparison

For the assessment of the Peer-Group comparison (applied since fiscal year 2012), Meyer Burger Group uses the bonus index of independent financial research company Obermatt AG (www.obermatt.com). Obermatt calculates the relative performance of Meyer Burger Group in relation to the changes of net sales and EBITDA (delta in case of EBITDA scaled with the annual net sales of the previous year) and compares this with the Peer-Group companies. The performance of Meyer Burger Group is measured as a ranking within the Peer-Group (i.e. percentage of Peer-Group companies that were outperformed by Meyer Burger). Such rank can be between 0% and 100% (at 0% no Peer-Group company was outperformed, at 100% Meyer Burger outperformed all of the Peer-Group companies). The resulting STI proportion is calculated in a straight-line depending on the rank reached and can be between 0% and a maximum of 150%. At $\leq 20\%$ of outperformed peers, the STI proportion is 0%, and at $\geq 80\%$ of outperformed peers it is 150%. The STI proportion is also capped at 150%.

Individual targets

The degree of targets reached with regards to individual mainly “non-financial” targets (e.g. targets for specific projects, targets for product market launches or development of certain markets, etc.) is verified and proposed to the Board of Directors by the Nomination & Compensation Committee together with the CEO. The resulting proportion of STI can be between 0% and the STI cap at 150%.

For fiscal year 2017, the allotment of the performance oriented component (STI) as a percentage of the base salary was 99% for the CEO (2016: 80%) and between 35% and 66% for the other members of the Executive Board (2016: between 52% and 90%).

Long-term Incentive (LTI) – Share-based compensation

The Board of Directors grants shares as a long-term incentive to the members of the Executive Board as well as to other members of the management team, depending on management level and individual function. This enables the retaining of employees and reinforces the focus of the share plan participants on the mid- to long-term success of the Company. The portion of share-based remuneration for the members of the Executive Board represents an important component of their total compensation.

In fiscal year 2017, the Board of Directors decided to link the Long-term Incentive (LTI) for the members of the Executive Board to the share price performance of the registered shares of the Company over the time span of the vesting period (three years). The maximum vesting ratio of the granted shares can vary between a minimum of 50% and a maximum of 150%. For the valuation of the share-based compensation (LTI), the number of allocated registered shares is reflected in the compensation table (100%). The actual vesting ratio (actual number of shares) after the expiration of the three year vesting period will depend on the development of the share price of the Company in the period between the grant date of the shares and the end of the vesting period.

Peer-Group Universe¹ used in fiscal year 2017 (compared to Meyer Burger Technology Ltd)

Amtech Systems	Anji Technology Company Limited	Asahi Diamond Industrial Co. Ltd.
Beijing Jingyuntong Technology	Centrotherm Photovoltaics AG	Hangzhou First PV Material Co., Ltd.
Hanwa Q-Cells Co., Ltd	Intevac Inc.	Manz Automation Seg. Solar
NPC Incorporated	Renesola Limited	San Chih Semiconductor Company Limited
Singulus Technologies Seg. Solar	SMA Solar Technology Seg. High & Medium Power Solutions	Solaria Energia Y Medio
Solarworld Seg. Production Germany	Spire Seg. Solar	Sunlux Energy Corp
Takatori Corporation	Wacker Chemie Seg. Polysilicon	Wafer Works Corp.

¹ If the segment or division of a company is mentioned in the table, Obermatt AG considered this segment as relevant for the Peer-Group comparison.
Hanwa Q-Cells replaced Applied Materials in the Peer-Group Universe in 2017.

The actual number of shares that a member of the Executive Board will receive after the expiration of the vesting period in consideration of the share price development is calculated linearly and can vary between a minimum of 50% and a maximum of 150% (e.g. in case of a share price performance of 150% or more at the end of the three year vesting period compared to the grant date, the maximum vesting ratio of 150% of the shares will apply).

In fiscal year 2017, the share-based compensation was TCHF 310 for the CEO and between TCHF 0 and TCHF 186 for the other members of the Executive Board (corresponding to 100% of the base salary for the CEO and between 0% and 80% of the base salary for the other members of the Executive Board). In 2016, the share-based compensation was TCHF 306 for the former CEO and between TCHF 122 and TCHF 193 for the other members of the Executive Board (corresponding to 98% of the base salary for the former CEO and between 54% and 82% of the base salary for the other members of the Executive Board).

The amounts of compensation for the share-based remuneration and the corresponding grant of shares for fiscal year 2017 has been decided by the Nomination & Compensation Committee (decision on execution), based on a special decision by the Board of Directors, and was finally approved by the Board of Directors. For the calculation of the number of shares to be allocated, the determined compensation amount in Swiss Francs was divided by the grant value of the shares.

Compensation in kind and social benefits

Compensation in kind includes the payment for private use of a company car or alternatively reimbursement of car expenses. The members of the Executive Board are like all employees (with domicile in Switzerland) insured under a pension fund scheme in Switzerland. The compensation for social benefits contains the social security payments to the state provided social insurance schemes (AHV, IV, ALV and FAK) and the amounts paid by the Company to the pension fund.

Overview of the compensation to the members of the Executive Board including Delegate (Audited)

2017

Name	Position	Basic salary (CHF)	Short-term Incentive STI (CHF)	Share-based compensation LTI ¹ (number)	Share-based compensation LTI ¹ (CHF)	Compensation in kind ² (CHF)	Social security (CHF)	Total (CHF)
Dr Hans Brändle	CEO	310700	306218	364706	310000	21600	115548	1064067
Other members of the Executive Board incl. Delegate ³		1010276	485655	1045138	832948	29166	260174	2618219
Total		1 320 976	791 873	1 409 844	1 142 948	50 766	375 723	3 682 286

2016

Name	Position	Basic salary (CHF)	Short-term Incentive STI (CHF)	Share-based compensation LTI ¹ (number)	Share-based compensation LTI ¹ (CHF)	Compensation in kind ² (CHF)	Social security (CHF)	Total (CHF)
Peter Pauli ⁴	CEO	310700	249023	81152	305943	7333	121742	994741
Other members of the Executive Board ³		927810	657922	163551	618961	30751	308467	2543910
Total		1 238 510	906 945	244 703	924 904	38 084	430 209	3 538 651

¹ The shares granted to the members of the Executive Board were granted on 31 March 2017 (2016: 22 March 2016). The grant value of these shares was CHF 0.85 (2016: CHF 3.77). The shares have a vesting period of 3 years. For the calculation of the number of shares, the determined compensation amount in Swiss Francs was divided by the grant value of the shares. For the 2017 LTI Share Plan, the actual vesting ratio (actual number of shares) that a member of the Executive Board receives after expiration of the three year vesting period will depend on the development of the share price of the Company in the period between the grant date of the shares and the end of the vesting period (vesting ratio at 100% is reflected in the table above). The actual number of shares that a member of the Executive Board will receive after the expiration of the vesting period under consideration of the share price development is calculated linearly and can vary between a minimum of 50% and a maximum of 150%. All shares granted in 2017 were sourced from treasury shares held by the Company. In the previous year 2016, the shares granted were sourced from the conditional share capital. The grant value of the 2017 shares equals the share price of the registered shares; the grant value of the 2016 shares equalled the share price of the registered shares less the nominal value of CHF 0.05, which had to be paid by the plan participants. The shares granted to Michael R. Splinter for his function as Delegate were granted on 3 January 2017. The grant value of these shares was CHF 0.72. The shares have a vesting period of 3 years. They vest at 100% and do not have the vesting ratio conditions like the shares granted to the members of the Executive Board.

In the previous year 2016 and in connection with the capital increase 2016 that was closed on 20 December 2016, the interests of the plan participants have been protected by the Company by selling part of the subscription rights on the allocated (and restricted) shares directly in the market. With the proceeds the Company acquired shares, which are subject to the relevant vesting period (such as the originally allocated shares) and to which the plan participants are entitled at the end of the vesting period. For more information see the table with the participations on page 76 and Note 4.18 in the consolidated financial statements.

² Compensation in kind includes the payment for private use of a company car or alternatively reimbursement of car expenses. The relevant amounts declared in the salary statement of filing a tax return were applied as a component of the compensation in kind.

³ The line "Other members of the Executive Board" includes for fiscal year 2017 compensation to CFO Michel Hirschi (12 months), CCO Michael Escher (12 months), CTO Dr Gunter Erfurt (11 months), COO Daniel Lippuner (4 months), former CIO Dirk Habermann (8 months) and the Delegate function of Michael R. Splinter (12 months). Mr Splinter received for his Delegate function in 2017 TCHF 94.5 basic salary and share-based compensation of TCHF 306.9 through the grant of 426,316 shares (at grant value CHF 0.72), social security costs amounted to TCHF 23.7, the total compensation therefore was TCHF 425.2. For fiscal year 2016, the line "Other members of the Executive Board" included the compensations of the CFO, CCO, COO and CIO positions (each 12 months).

⁴ For fiscal year 2016, the base salary of former CEO Peter Pauli included the contractually agreed fix salary. The remuneration as a member of the Board of Directors and as Delegate was included in his salary. Peter Pauli did not receive additional compensation for his activities as a member of the Board of Directors.

Compensation to former members of the Board of Directors or the Executive Board (Audited)

In compliance with their employment contracts the former CEO Peter Pauli (remaining 11 months of termination period in 2017) and former COO Thomas Kipfer (remaining 4 months of termination period in 2017) received total combined compensation of TCHF 1,148.5 (including TCHF 158.0 of social security costs) during fiscal year 2017 (2016: no compensation to former members of the Board of Directors or of the Executive Board).

Supplement amount for members of the management in accordance with Art. 32 of the Articles of Association (Audited)

A supplement amount in accordance with Article 19 of the OaEC is available for members of the management who join after the maximum overall amount has been approved by the Annual General Meeting. In the case of a new CEO and/or CFO, the supplement amount may not be higher than 20% above the amount which the previous CEO or CFO, respectively, was entitled to, based on the approval by the Shareholders' Meeting for the respective business year. In the case of a new member of the management, such supplement may not be higher than 20% above the average overall amount of a member of the management (excluding CEO and CFO) for the respective business year.

The ordinary General Meeting of Shareholders, held on 3 May 2016, approved a total maximum amount of compensation for the Executive Board of TCHF 3,800 for fiscal year 2017. Total compensation to the members of the Executive Board, who were active during fiscal year 2017, amounted to TCHF 3,682.3. Including the compensation paid to former members of the Executive Board of TCHF 1,148.5, the total amounted to TCHF 4,830.8. A supplement amount of TCHF 1,030.8 was used for the new CEO Dr. Hans Brändle.

Compensation to the members of the Executive Board

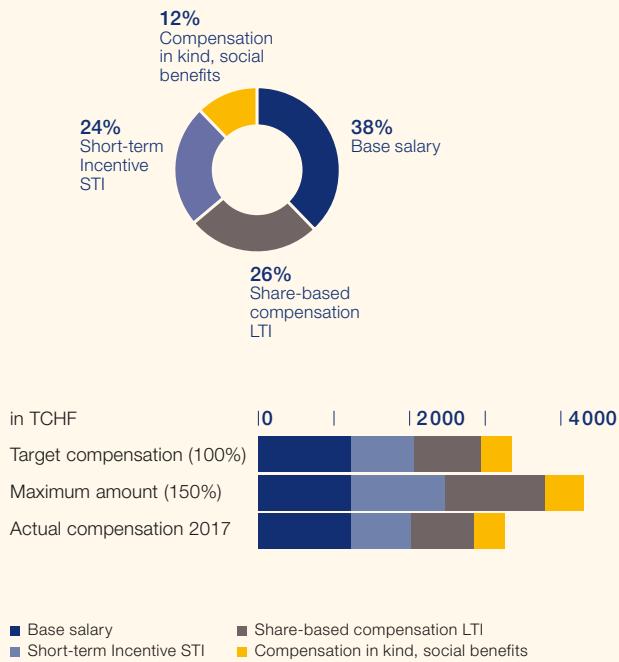
The graphs on the right show the actual compensation to the members of the Executive Board for fiscal year 2017 compared to the potential compensation if 100% of the target STI were reached, as well as the maximum amount with the 150% cap of the STI payment and LTI share-based payment, and the mix of compensation for fiscal year 2017.

The amounts of the base salaries, the STI performance related component (amount of target STI and relevant targets) as well as the LTI compensation in conjunction with the share participation programme are verified by the Nomination & Compensation Committee together with the CEO using dutiful judgment, and are finally approved by the entire Board of Directors. Neither external consultants nor particular surveys were used. Obermatt AG – as external research company – calculates the above mentioned Peer-Group comparison that forms part of the financial target achievements.

The difference in the total compensation to the members of the Executive Board compared to the previous year is mainly due to the changes in the Executive Board and the Delegate function (see also footnotes below the compensation table). The total compensation to the members of the Executive Board (incl. Delegate), active in fiscal year 2017, amounted to TCHF 3,682.3.

The ordinary General Meeting of Shareholders, held on 27 April 2017, approved a total maximum amount of compensation for the Executive Board (including Delegate) of TCHF 4,700 for fiscal year 2018. The total compensation for the members of the Executive Board (including Delegate) for fiscal year 2018 will be disclosed in detail in the Remuneration Report 2018.

Structure of compensation of active members of the Executive Board in fiscal year 2017 (excluding Delegate function)



Benefits, contractual terms on leaving the company

Fixed employment and mandate agreements with members of the Board of Directors and of the Executive Board may be concluded for a period of up to one year. The termination period of unlimited employment or mandate agreements, respectively, with members of the Board of Directors and of the Executive Board may not exceed twelve months to the end of a month. The employment contracts (as of 31 December 2017) with the members of the Executive Board contain termination periods of six months (four employment contracts) and twelve months (one employment contract), respectively.

All employment contracts with the members of the Executive Board contain a non-competition clause for a period of 24 months after the employment relationship has ended. The non-competition clauses are valid globally. The members of the Executive Board do not receive compensation during the period of the non-competition clause. If a member of the Executive Board violates the non-competition clause, such member has to pay a penalty to the Company for breaching the contract.

The Restricted Share Units (granted out of the share participation programme) generally have a vesting period. In the event that the working relationship with a member of the Executive Board ends due to the Executive giving his notice or that the employer (Company) gives notice, the member of the Executive Board will keep the right of ownership for his restricted share units – contrary to the rules that apply for the members of the Board of Directors or other participants in the share participation programme. However, even if the working relationship with a member of the Executive Board is ended during a vesting period (since 2016: 3 years), the delivery of the shares will only take place after the end of the corresponding vesting period, i.e. no early vesting will take place. The members of the Executive Board have the right to forego the optional additional retention period (which they have chosen) once the vesting period has passed (potential tax implications have to be accepted by such respective member).

Change of control clause regarding employee shares: In case that a third party would acquire more than 33½% of voting rights of Meyer Burger Technology Ltd, the vesting periods and/or retention periods for employee shares set by the Board of Directors shall be accelerated so that any unvested share shall be immediately vested in full. The vesting would take place on the first day of the grace period in case of a successful public tender offer. There are no further clauses regarding a change of control.

Members of the Board of Directors, members of the Executive Board and employees are in general treated equally with regards to the conditions of the share participation programme. The exception is the rules mentioned above with regards to members of the Executive Board for a) in case they leave the Company, b) the specific link of the LTI to the share price performance of the registered shares over the time span of the vesting period (three years).

Loans and credits to the members of the Board of Directors or the Executive Board

As of 31 December 2017 and 31 December 2016, there were no company loans or credits outstanding to the current members of the Board of Directors or the Executive Board. There were also no loans or credits outstanding to former members of the Board of Directors or of the Executive Board or of any related party.

Compensation to related parties

All compensation that the Company has made to related parties during fiscal years 2017 and 2016 was market-compliant.

→ Further information in Note 4.32 on page 115 "Transactions with related parties" in the financial statements.

Participations in the company (Audited)

The members of the Board of Directors and of the Executive Board (including related parties) held a total participation of 0.96% of the outstanding registered shares as of 31 December 2017 (2016: 2.79%). This participation includes registered shares purchased as well as shares allocated in connection with the compensation schemes.

Overview of the participations in the Company by the members of the Board of Directors and of the Executive Board (Audited)

31.12.2017

Name	Position	Registered shares (non-restricted) (number)	Restricted registered shares ¹ (number)	Total participation ² (in % of outstanding shares)
Dr Alexander Vogel	Chairman of the Board of Directors	2239460	179198	0.39%
Heinz Roth	Vice Chairman of the Board of Directors	341116	83527	0.07%
Wanda Eriksen-Grundbacher	Member of the Board of Directors	–	75733	0.01%
Hans-Michael Hauser	Member of the Board of Directors	–	24314	0.00%
Dr Franz Richter	Member of the Board of Directors	–	75733	0.01%
Michael R. Splinter	Member of the Board of Directors, Delegate	–	426316	0.07%
Prof Dr Konrad Wegener	Member of the Board of Directors	211309	68085	0.04%
Dr Hans Brändle	Chief Executive Officer	100000	547059	0.10%
Michel Hirschi	Chief Financial Officer	84526	535384	0.10%
Dr Gunter Erfurt	Chief Technology Officer	–	272290	0.04%
Michael Escher	Chief Commercial Officer	100000	404163	0.08%
Daniel Lippuner	Chief Operating Officer	200000	–	0.03%
Total as of 31 December 2017		3276411	2691802	0.96%

¹ In the participation table, the number of restricted registered shares includes the maximum potential amount of shares that could be vesting from the LTI Share Plan 2017 for the members of the Executive Board (i.e. maximum of 150% of the granted shares in 2017; the final vesting ratio depends on the share price performance between the grant date and the end of the vesting period, as described in the footnotes to the compensation table for the Executive Board). Details of shares not yet vested are in the table below:

Grant/Purchase date	Number of shares	Vesting period until
31.03.2017/03.01.2017	1 640 198 / 426 316	30.03.2020 / 02.01.2020
22.03.2016/20.12.2016	517 014	21.03.2019

The remaining restricted registered shares are subject to an optional retention period.

² Participation as a percentage of the number of outstanding registered shares as of 31 December 2017 (620,972,151 shares).

31.12.2016

Name	Position	Registered shares (non-restricted) (number)	Restricted registered shares ¹ (number)	Total participation ² (in % of outstanding shares)
Dr Alexander Vogel	Chairman of the Board of Directors	2237960	115992	0.43%
Heinz Roth	Vice Chairman of the Board of Directors	323358	46579	0.07%
Wanda Eriksen-Grundbacher	Member of the Board of Directors	–	21615	0.00%
Dr Franz Richter	Member of the Board of Directors	–	21615	0.00%
Prof Dr Konrad Wegener	Member of the Board of Directors	191484	51439	0.04%
Peter Pauli	Chief Executive Officer	10182024	562393	1.96%
Michel Hirschi	Chief Financial Officer	512202	279473	0.14%
Michael Escher	Chief Commercial Officer	81084	225383	0.06%
Sylvère Leu	Chief Innovation Officer	201758	248091	0.08%
Total as of 31 December 2016		13729870	1 572 580	2.79%

¹ Details of shares not yet vested in the table below:

Grant/Purchase date	Number of shares	Vesting period until
22.03.2016/20.12.2016	891 689	21.03.2019
27.03.2015/20.12.2016	522 765	24.03.2017

The remaining restricted registered shares are subject to an optional retention period.

In connection with the capital increase 2016 that was closed on 20 December 2016, the subscription rights for the allocated and restricted shares of the share participation plan have been protected by the Company by selling certain subscription rights in the market and using the proceeds to exercise the remaining subscription rights. The newly acquired registered shares are subject to the same vesting period as the underlying share plans. In total, the number of restricted shares in connection with the two current share plans increased from 398,266 to 1,414,454 shares.

² Participation as a percentage of the number of outstanding registered shares as of 31 December 2016 (548,222,160 shares).

Report of the Statutory Auditor



Report of the statutory auditor to the General Meeting of Meyer Burger Technology Ltd

Thun

We have audited the remuneration report of Meyer Burger Technology Ltd for the year ended 31 December 2017. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables and sections labeled 'audited' on pages 68 and 73 to 76 of the remuneration report.

Board of Directors' responsibility

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

Auditor's responsibility

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

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

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

PricewaterhouseCoopers AG, Bahnhofplatz 10, Postfach, CH-3001 Bern, Switzerland
Telefon: +41 58 792 75 00, Telefax: +41 58 792 75 10, www.pwc.ch

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.



Opinion

In our opinion, the remuneration report of Meyer Burger Technology Ltd for the year ended 31 December 2017 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

A handwritten signature in black ink, appearing to read "RJ".

Rolf Johner
Audit expert
Auditor in charge

A handwritten signature in black ink, appearing to read "René Jenni".

René Jenni
Audit expert

Bern, 16 March 2018