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# Remuneration Report

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## Letter to shareholders

### Dear Shareholders

In the name of the Board of Directors and the Nomination and Compensation Committee (NCC), I am pleased to introduce the 2020 Remuneration Report. 2020 was a year of transformation for Meyer Burger. In the first half of 2020, we decided to adjust the business model and prepare the company for the future. Meyer Burger aims to become a technologically leading manufacturer of solar cells and modules. Our production machines for heterojunction/SmartWire technology will be manufactured exclusively for our own use. In order to finance this realignment, the company has successfully completed a capital increase with gross proceeds of CHF 165 million, following the shareholders' approval at the Extraordinary General Meeting on 10 July 2020. The start of the in-house solar cell and module production is scheduled for the second quarter of 2021.

In the context of this fundamental transformation and of the economic challenges faced by the company, the NCC proposed to the Board of Directors to amend the compensation systems with two main objectives: first, to ensure that the Executive Board stays focused on driving the transformation, which is critical for the company's long-term success; and secondly, to mitigate the impact of the compensation systems on the liquidity of the company.

Effective as of the 2020 AGM, the members of the Board of Directors receive a minimal amount of cash compensation of CHF 15,000 for the term of office. In addition, the restricted share units (RSUs) have been replaced by performance share units (PSUs) that are converted into shares if the share price reaches a certain target level during the three-year period following the grant. There is no possibility to over-achieve the share price target, therefore the maximum number of shares corresponds to the number of PSU granted and can be reduced to zero if the share price does not reach a certain threshold during the three-year period. In short, if the value

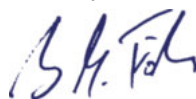
creation for shareholders does not reach the threshold, the Board of Directors will not receive any other compensation than the cash amount.

Concerning the compensation of the Executive Board, in the context of the transformation, the company abstained from setting short-term performance targets in the incentive plans for 2020. Concretely, the short-term incentive has been fixed for the year 2020 and the long-term incentive plan has been awarded in form of share options without performance conditions. Those share options only have a value if the share price of the company evolves positively and strengthen alignment between interests of executives and shareholders. In addition, the share option plan is also a "cash-preserving" instrument suitable for the company at this moment in time.

Further details about these changes are provided in the following pages and you, dear Shareholders, will have the opportunity to express your opinion about those compensation decisions in a consultative vote on this Remuneration Report at the upcoming AGM. In addition, you will be asked to vote on the maximum compensation amounts to be awarded to the Board of Directors and the Executive Board for the next compensation period.

The NCC and the Board of Directors are convinced that the compensation decisions are well aligned with the interests of our shareholders, the business strategy and the current circumstances faced by the company. Going forward, we will continue to regularly review and assess the compensation system to ensure that it is appropriate and suitable in the evolving operative context. We would like to thank you in advance for your support at the upcoming AGM and your trust over the past year.

Sincerely,



Urs Fähndrich  
Chair of the NCC

This Remuneration Report describes the compensation principles and programs, as well as the governance framework related to the compensation of the Board of Directors and of the members of the Executive Board of Meyer Burger Technology Ltd (Meyer Burger). The report also provides information on the compensation programs and the compensation awarded to members of the Board of Directors and of the Executive Board for the 2020 business year.

This Remuneration Report is written in accordance with the Ordinance against Excessive Compensation in Listed Stock Corporations (OaEC), the standard relating to information on Corporate Governance of the SIX Swiss Exchange, governing the disclosure of compensation systems and compensation paid to

members of the Board of Directors and the Executive Board, and it complies with the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

## Compensation at a glance

### Compensation policy and principles

Meyer Burger is undergoing a transformation of the business model from a machine supplier into a manufacturer of high-performance photovoltaic cells and modules. Our compensation system supports our business strategy and our values “passionate”, “determined”, “responsible” and “holistic” and is built around the following principles:

Market competitiveness	Alignment with market practice and trends, external equity
Pay for performance	Connection between compensation and company's success
Long-term orientation	Alignment with the long-term shareholders' interests and company values
Transparency and fairness	Transparency, fairness and internal equity

### Summary of the compensation system of the Board of Directors (GRI 102-35)

The compensation for the Board of Directors consists of a minimal fixed cash compensation and a grant of performance share units, that vest over a

three-year period subject to the share price evolution, with a maximum potential of 100% (no upward potential). This model strengthens the alignment with the long-term interests of shareholders and preserves the cash position of the company.

in TCHF (gross) – for the term from 2020 AGM to 2021 AGM	Cash	PSU
Board of Directors Chair	15.0	170.0
Board of Directors Vice Chair	15.0	170.0
Board of Directors Member	15.0	170.0

### Reconciliation between approved compensation and compensation awarded for 2020

The compensation awarded to the Board of Directors for the fiscal year 2020 in the amount of CHF 713 thousand is within the amount of CHF 750 thousand approved by the shareholders at the AGM in 2019.

### Summary of the compensation system of the Executive Board (GRI 102-35)

The compensation for members of the Executive Board consists of fixed and variable elements:

Base Salary	Attract and retain	Cash
Performance bonus (STI)	Pay for performance	Annual bonus in cash
Long-term incentive (LTI)	Align with shareholders	Annual grant in equity
Benefits	Protect against risks Attract and retain	

### Reconciliation between approved compensation and compensation awarded for 2020

The compensation awarded to the Executive Board for the fiscal year 2020 in the amount of CHF 2,821 thousand is within the amount of CHF 3,400 thousand approved by the shareholders at the AGM in 2019.

## Compensation governance (GRI 102-37)

The role of the shareholders on compensation matters has gained importance in recent years. First of all, shareholders annually approve the maximum aggregate compensation amounts of the Board of Directors and the Executive Board. In addition, the

principles of compensation are governed by the Articles of Associations, which are also approved by the shareholders. The provisions of the Articles of Associations on compensation are summarized below and details on these rules are available on our website, at the “Meyer Burger – Investors” webpage: [www.meyerburger.com/en/investors/annual-general-meeting/articles-of-association/](http://www.meyerburger.com/en/investors/annual-general-meeting/articles-of-association/).

Principles of compensation applicable to the Board of Directors and the Executive Board	Art. 30
Participation plans	Art. 31
Additional amounts for payments to members of the Executive Board appointed after the vote on compensation at the AGM	Art. 32
Binding vote on compensation at the AGM	Art. 17
Loans, credits and pension benefits	Art. 34

### Determination of compensation

In accordance with the Articles of Association, the NCC consists of at least two members of the Board of Directors who are elected individually by the shareholders for a term of one year until the next AGM. At the 2020 AGM, Urs Fähndrich (chair) and Andreas R. Herzog (member) have been elected as members of the NCC.

The NCC supports the Board of Directors in all matters relating to the compensation systems, in particular:

- Propose the compensation of the Board of Directors and its committees
- Review, negotiate and propose the compensation and employment terms of the CEO
- Review and propose (together with the CEO) the compensation and employment terms of the members of the Executive Board
- Review and decide on the performance targets and their achievement for members of the Executive Board
- Review, propose and monitor the implementation of participation programs
- Review and determine the grant of shares and/or other securities under the share participation program approved by the Board of Directors
- Review the performance targets and total compensation of important Group companies
- Prepare and propose the Remuneration Report
- Select and propose the selection criteria and candidates for positions on the Board of Directors and the Executive Board
- Examine, review and monitor the implementation of the structure and organization of the highest

level of operating management, upon proposal by the CEO

- Review and monitor the succession planning for positions at the highest level of operating management, upon proposal by the CEO
- Conduct an annual self-assessment of the Board of Directors and of the NCC

The NCC usually meets at least four times a year along the annual schedule presented below. In the year under review, the NCC held one individual meeting and integrated all compensation and nomination topics and discussions into regular Board meetings and conference calls which were held in short intervals throughout this year of transformation. The NCC members participated in all NCC and Board meetings as noted in the Corporate Governance Report on page 40. Usually, the activities of the NCC are reported to the Board of Directors following each committee meeting, the NCC minutes are shared with all Board members and form the basis for the approval of NCC proposals by the Board of Directors. The NCC expects to return to its usual meeting schedule and procedure for 2021.

The Chair of the Board of Directors is present at the meeting when decisions are approved by the Board of Directors, including his own compensation, but abstains from voting about his own compensation. The CEO is involved in determining the compensation of members of the Executive Board and is present when it is approved by the Board of Directors, except when his own compensation is discussed.

## Annual meeting schedule

November/December	January/February	March/April	August/September
<ul style="list-style-type: none"> <li>• Review and determination of the target compensation of members of the Board of Directors and the Executive Board for the following year</li> <li>• Preliminary review of the Remuneration Report for the reporting year</li> </ul>	<ul style="list-style-type: none"> <li>• Performance assessment and determination of variable compensation of members of the Executive Board for the previous year</li> <li>• Review and approval of the Remuneration Report for the reporting year</li> <li>• Preparation of the maximum aggregate compensation amounts of the Board of Directors and the Executive Board to be submitted to shareholders' vote at the upcoming AGM</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation of equity grants for the Board of Directors, the Executive Board, and to participants in equity programs</li> <li>• Review of external stakeholders' feedback on the Remuneration Report and on the compensation policies</li> <li>• Benchmarking of the compensation of the Board of Directors and the Executive Board</li> </ul>	<ul style="list-style-type: none"> <li>• Nomination matters related to the Board of Directors, the Executive Board and other key management positions</li> <li>• Succession Planning for positions on the Board of Directors and Executive Board</li> <li>• Review of compensation policies for the Board of Directors and the Executive Board</li> </ul>

In compliance with the OaEC, the maximum aggregate compensation amounts of the Board of Directors and the Executive Board are subject to shareholders' approval at the AGM. Within these confines,

the internal approval and decision-making processes on compensation-related matters are as follows:

### Approval process

Decision on	Prepared by	Proposed by	Approved by
Maximum aggregate compensation amount of the Board of Directors	NCC	BoD	AGM
Compensation of Board of Directors members		NCC	BoD
Grant of equity to members of the Board of Directors		NCC	BoD
Maximum aggregate compensation amount of the Executive Board	NCC	BoD	AGM
Compensation of the CEO, incl. fixed and variable compensation		NCC	BoD
Compensation of Executive Board members other than the CEO, incl. fixed and variable compensation	CEO	NCC	BoD
Grant of equity to the Executive Board members		NCC	BoD
Selection and proposal of new members of the Board of Directors		NCC	BoD
Selection and proposal of new members of the Executive Board and other key management positions		NCC	BoD
Succession planning for the Executive Board		NCC	BoD

BoD = Board of Directors

The NCC may decide to consult external advisors for specific compensation matters. In 2020, the compensation advisors HCM International AG, Reward Advisory GmbH and algofin AG provided services related to executive compensation matters. These companies have no other mandate with Meyer Burger.

## Compensation policy and principles

Meyer Burger is a globally renowned technology company currently undergoing a fundamental transformation from a machine supplier to a cell and module manufacturer in order to convert its technological leadership into a sustainable and scalable business. The transformative process is supported by the four core values: “passionate”, “determined”, “responsible” and “holistic” and by a compensation system that is motivating and fair, while driving for sustainable performance. The compensation system provides for competitive base salaries and attractive incentive schemes that reward for company success and long-term value creation, promote an entrepreneurial attitude, while strengthening the alignment with shareholders’ interest.

Market competitiveness

Pay for performance

Long-term orientation

Transparency and fairness

## Board of Directors (GRI 102-28)

The compensation for the Board of Directors consists of a minimal fixed compensation in cash and an annual grant of performance share units (PSU) subject to the share price evolution during a three-year period. The conversion rate of the PSU into shares is capped at 100% of the initial grant and does not allow for any upward potential. This model aligns the economic interests of the members of the Board of Directors with the long-term interests of shareholders, while preserving the cash position of the company.

### Executive Board

The compensation programs for the Executive Board of Meyer Burger consists of several components, including fixed and variable compensation elements which are described in detail in this report and are built around the following principles:

Alignment with market practice and trends, external equity

Connection between compensation and company’s success

Alignment with the long-term shareholders’ interests and company values

Transparency, fairness and internal equity

## Board of Directors

### Compensation system (GRI 102-36)

The members of the Board of Directors are compensated for their services from the date of their election and for the duration of their term of office. The structure and the levels of compensation of the Board of Directors are reviewed by the NCC annually and, if necessary, adjusted by the Board of Directors based on a proposal by the NCC. The level of compensation is set by the NCC, taking into account the work required from Board and Committee members, and is approved by the Board of Directors.

In the context of the ongoing business transformation, the NCC decided to review the entire compensation system and proposed a new model for the Board of Directors, effective for the term starting with the 2020 AGM.

### Compensation system applicable until the 2020 AGM

The annual compensation for each member of the Board of Directors consisted of a fixed cash component and a fixed value of restricted stock units (RSU). The cash component was set based on the responsibility, complexity and requirements of the function on the Board of Directors, as illustrated in the table below.

### Compensation model until 2020 AGM

in TCHF	Cash	RSU
Board of Directors Chair	204	77.5
Board of Directors Vice Chair	42	46.5
Board of Directors Member	39.5	31
Committee Chair	40	–
Committee Member	24	–

The RSU value was fixed and the number of RSU determined by the share price at grant date. RSU were blocked from the grant date on the day of the AGM for a period of three years, after which they are converted into Meyer Burger shares. Upon the grant of RSU, each Board member who is a Swiss resident could choose an additional blocking period of zero, three or five years on the resulting shares. The RSU would forfeit in case of stepping down during the term of office. The RSU program was financed with treasury shares.

Until the 2020 AGM, cash compensation was paid twice a year in June and December and RSU were allocated at the AGM at the beginning of the term of office.

### Compensation system applicable as of the 2020 AGM

As mentioned above and in the context of the business transformation, the Board of Directors decided to amend the compensation system effective for the term of office starting at the 2020 AGM. The members of the Board of Directors now receive an annual retainer settled in the form of a minimal cash payment and an annual grant of performance share

units (PSU). The committee fees have been discontinued. This decision was made in order to align the interests of the members of the Board of Directors with those of the shareholders and to preserve the cash of the company. The amount of compensation is the same for all members of the Board of Directors, as per the chart below:

in TCHF (gross) – for the term from 2020

AGM to 2021 AGM	Cash	PSU
Board of Directors Chair	15.0	170.0
Board of Directors Vice Chair	15.0	170.0
Board of Directors Member	15.0	170.0

<sup>1</sup> Grant for the fiscal year 2020 was made in December 2020.

At the time of the grant, the monetary amount of the PSU grant is converted in a certain number of PSU on the basis of the fair value of the PSU at grant. Each PSU provides for the right to maximum one share of the company after a period of three years and conditionally upon the share price development of the company. The number of shares allocated at the end of the performance period ranges from zero to 100% of the initial number of PSU granted. There is no upward potential, meaning that the conversion into shares is capped at 100% of the initial number of PSU granted. If the closing share price on the next trading day following the end of the three-year performance period is equal to or below the threshold set by the Board of Directors, no shares are allocated. The threshold for the PSU granted in 2020 is CHF 0.33. If the share price is equal or above the target, 100% of the PSU are converted into shares. The target share price for the PSU granted in 2020 is CHF 0.38. Between the threshold and the target, the conversion into shares follows a linear interpolation. In short, if the value creation for shareholders does not reach the threshold level, the Board of Directors will not receive any other compensation than the cash amount.

If a member of the Board of Directors resigns during the term of office, the PSU granted during this term forfeit. PSU granted in prior terms continue to vest normally. In case of death or change of control, PSU granted during the term are subject to an accelerated pro-rata vesting, while PSU granted in prior terms vest immediately in full. The vesting level is determined based on the share price at time of death or change of control. In case of disability, the PSU granted during the term continue to vest on a pro-rata basis and PSU granted in prior terms continue to vest in full.

The PSU and the resulting shares are subject to claw back conditions: in the event of a lawful fraud or misconduct leading to material financial restatement or material error in assessing a performance condition, significant failure of risk management or significant harm, the Board of Directors may determine that all or part of the PSUs granted forfeit and/or that all or part of the shares allocated may be paid back to the company.

The members of the Board of Directors receive no additional reimbursements of business expenses beyond actual expenditures for business travel outside Switzerland. The members of the Board of Directors do not participate in Meyer Burger's employee benefits plan.

## Compensation of the Board of Directors in 2020 (GRI 102-38)

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

This section is audited according to Article 17 of the OaEC in Listed Stock Corporations.

in TCHF	Year	Board of Directors	Innovation Committee <sup>1</sup>	R & A Committee	N & C Committee	Executive Committee	Cash	PSU <sup>2</sup>	RSU <sup>3</sup>	Total compensation
										2020/2019
Franz Richter	2020	C <sup>4</sup>	–	–	–	–	48	120	–	168
	2019	V <sup>7</sup>	C <sup>5</sup> , M <sup>7</sup>	M <sup>6</sup>	C <sup>5</sup>	–	106	–	47	153
Mark Kerekes	2020	V <sup>4</sup>	–	M <sup>4</sup>	–	–	10	120	–	130
	2019	–	–	–	–	–	–	–	–	–
Urs Fähndrich	2020	M <sup>4</sup>	–	–	C <sup>4</sup>	–	10	120	–	130
	2019	–	–	–	–	–	–	–	–	–
Andreas Herzog	2020	M	–	C	M	–	48	120	–	168
	2019	M <sup>4</sup>	–	C <sup>5</sup>	M <sup>6</sup>	–	69	–	21	90
Wanda Eriksen-Grundbacher	2020	–	–	–	–	–	–	–	–	–
	2019	M <sup>7</sup>	–	C <sup>7</sup>	–	–	35	–	10	45
Hans-Michael Hauser	2020	M <sup>6</sup>	M <sup>6</sup>	–	C <sup>6</sup>	–	30	–	–	30
	2019	M	C <sup>7</sup> , M <sup>5</sup>	–	C <sup>5</sup>	–	96	–	31	127
Remo Lütolf	2020	C <sup>6</sup>	–	–	–	–	73	–	–	73
	2019	C <sup>5</sup>	–	–	–	–	136	–	52	188
Eric Meurice	2020	–	–	–	–	–	–	–	–	–
	2019	M <sup>7</sup>	–	M <sup>7</sup>	M <sup>7</sup>	–	29	–	10	39
Michael R. Splinter	2020	–	–	–	–	–	–	–	–	–
	2019	M <sup>7</sup>	M <sup>7</sup>	–	–	M <sup>7</sup>	21	–	10	31
Alexander Vogel	2020	–	–	–	–	–	–	–	–	–
	2019	C <sup>7</sup>	–	–	–	C <sup>7</sup>	76	–	18	94
<b>Total before mandatory employer contributions<sup>8</sup></b>	<b>2020</b>						<b>219</b>	<b>480</b>	<b>–</b>	<b>699</b>
	2019						568	–	199	767
Mandatory employer contributions	2020									14
	2019									38
<b>Total</b>	<b>2020</b>									<b>713</b>
	2019									805

C: Board Chair, V: Board Vice Chair, M: Member, BoD: Board of Directors; IC: Innovation Committee; RAC: Risk and Audit Committee, NCC: Nomination and Compensation Committee, EC: Executive Committee

<sup>1</sup> The Innovation Committee was discontinued as per the AGM 2020.

<sup>2</sup> The PSU program was introduced at the AGM 2020. The fair value of the PSU at grant date amounts to CHF 0.236 (Monte Carlo valuation on 23 December 2020).

<sup>3</sup> The RSU program was discontinued as of the AGM 2020. The fair value of the RSU at grant date amounts to CHF 0.150 (share price on 1 April 2020) for 2020 and CHF 0.685 (1 April 2019) for 2019. For new members in 2019, the fair value in 2019 was CHF 0.738 (3 May 2019)

<sup>4</sup> From 13 May 2020.

<sup>5</sup> From 2 May 2019.

<sup>6</sup> Until 13 May 2020.

<sup>7</sup> Until 2 May 2019

<sup>8</sup> Members of the Board of Directors voluntarily waived 15% of their compensation for the period of April to May 2020.

## Explanatory comments to the compensation table

No member of the Board of Directors served in an executive role in 2020. The number of members of the Board of Directors decreased from six to four members at the AGM 2019 and remained stable since then. The total compensation amount decreased by 11.4% compared to previous year, which is due to the reduction of the number of members during the year 2020 as well as the reduction of the board fees effective as of the AGM 2020.

At the 2019 AGM, a maximum aggregate amount of compensation of CHF 750 thousand (incl. mandatory employer contributions) was approved for the Board of Directors for the fiscal year 2020. The total value of the compensation awarded to the Board of Directors for 2020 was CHF 713 thousand (incl. mandatory employer contributions of CHF 14 thousand) and is therefore within the approved limits.

At the 2020 AGM, a maximum aggregate amount of compensation of CHF 700 thousand (excl. mandatory employer contributions) was approved for the Board of Directors for the fiscal year 2021. The compensation for 2021 will be disclosed in the Remuneration Report 2021.

Members of the Board of Directors did not receive any fees or other compensation for additional services to Meyer Burger or its subsidiaries in the 2020 fiscal year. Neither Meyer Burger nor its subsidiaries granted any guarantees, loans, advances or credit facilities to members of the Board of Directors or related parties in 2020 or 2019.

No compensation was paid to any former members of the Board of Directors of Meyer Burger, or a Group company, or related parties in 2020 or 2019, other than described under related party transactions.

## Executive Board

### Compensation system

The compensation system for the Executive Board consists of fixed and variable components. The fixed component entails a base salary commensurate with the role and local market level and, depending on local market practice, perquisites and benefits.

The variable component entails a performance-related annual cash bonus (short-term incentive, STI) and a three-year performance-related equity program (long-term incentive, LTI).

The compensation structure and level of the Executive Board is reviewed regularly against prevalent market practice of an appropriate peer group. The last review was conducted in 2019 based on a benchmark study provided by HCM International Ltd. The study included 19 industrial and technology companies listed at SIX Swiss Exchange that are of

comparable size in terms of revenue and market capitalization, with some further consideration given to the workforce. These companies included AMS Arbonia, Ascom, Belimo, Bossard, Burkhalter, Comet, Feintool, Gurit, Huber+Suhner, Huegeli, Interroll, Kardex, Komax, Phoenix Mecano, U Blox, VAT, Vetropack, Zehnder.

The compensation system, its components and the mix between the components have been reviewed and adjusted in the context of the fundamental business transformation of Meyer Burger to ensure that the Executive Board stays focused on driving the transformation, which is critical for the company's long-term success, and to mitigate the impact of the compensation systems on the liquidity of the company. The outcome therefore differs from the compensation system in the previous year and from communications made before the decision to change the strategy and the business model of Meyer Burger.

### Compensation system of the Executive Board

	Vehicle	Purpose	Drivers
Base salary	Monthly cash salary	Attract and retain	Position, market practice, skills and experience
Performance bonus (STI)	Annual bonus in cash	Pay for performance	Annual performance
Long-term incentive (LTI)	Stock options	Align to shareholders	Share price over three years
Benefits	Pension, insurance and perquisites	Protect against risks Attract and retain	Market practice and position

### Base salary

The base salary is determined primarily by the executive's tasks, responsibilities, skills and managerial experience, as well as market conditions. The base salary is paid in cash.

To ensure market competitiveness, base salaries of the Executive Board are reviewed every year, taking into account the company's capacity to pay, benchmark information and internal consistency, economic environment and individual performance. They were last benchmarked in 2019 as mentioned above.

### Short-Term Incentive (STI) program

The STI program is an annual cash bonus aimed at motivating executives to focus their efforts on achieving specific financial, strategic and individual objectives. It helps them to align their efforts, promotes initiative and boosts both individual and company performance.

The STI target is expressed as a percentage of the base salary. In 2020, it amounts to 55% of the base salary for the CEO and 25% of base salary for the CFO.

Role	CEO	CFO
Target level	55% of base salary	25% of base salary
Maximum achievement level	150% of target	150% of target

The STI performance is normally measured on the basis of specific financial, strategic and individual objectives, which are reviewed annually by the NCC and approved by the Board of Directors. The level of achievement for each objective corresponds to a payout percentage for that objective, which is always between 0 and 150%.

In 2020, the Board of Directors abstained from setting performance targets for the STI. Consequently, the short-term incentive for 2020 has been fixed and will be paid out at target level (100% performance achievement). The normal annual target setting process will be reinstated for 2021 (please see section "Outlook: compensation of the Executive Board as of 2021" for further details).

The STI is paid out in cash in April following the respective business year.



## Long-term incentive (LTI) program

The Board of Directors decided to amend the long-term incentive program for 2020 and to introduce share options, which replaces the former PSUs.

The LTI target is expressed as a percentage of the base salary. In 2020, it amounts to 280% of the base salary for the CEO and to 117% of base salary for the CFO. The number of share options is determined by dividing the target amount by the fair grant value of the share option.

The share options vest after one year and may be exercised within three years of the grant date. The vesting of the share options is subject to continued employment. Unvested options forfeit in case of termination for cause, performance or behavior and in case of voluntary resignation. They immediately vest and are automatically exercised at the termination date in case of other terminations, such as death, disability, retirement or change of control, provided that the share price is above the exercise price of the option (otherwise they forfeit).

The share options are subject to claw back provisions. In the event of a lawful fraud or misconduct leading to material financial restatement or material error in assessing a performance condition, significant failure of risk management or significant harm,

the Board of Directors may determine that all or part of the options granted forfeit and/or that all or part of the shares allocated may be paid back to the company.

## Outstanding performance shares from long-term incentive programs awarded prior to 2020

In 2018 and 2019, the long-term incentive was awarded in the form of PSU subject to a three-year vesting period conditionally upon the relative Total Shareholder Return (TSR). TSR is a standard indicator used for measuring stock performance. It is defined as the net change in share price plus any dividend distributions over the vesting period of three years. TSR is measured by comparing a start value that is the volume-weighted average share price (VWAP) over the first 60 trading days of the first year, to an end value, that is the VWAP over the last 60 trading days of the third year.

Relative TSR is measured against the MAC Solar Index ([www.macsolarindex.com](http://www.macsolarindex.com)). A TSR of at least 25 points above the index corresponds to 150% payout, a TSR at the same level to 100% payout, a TSR of no more than 50 points below the index to 50% payout; a TSR that is more than 50 points below the index yields no payout.

## Target, performance and payout estimate per 31 December 2020 for the outstanding PSU

LTI program	Measure	MBT		Index		Performance 31.12.2020	Estimated payout as of 31.12.2020
		MBTN Start	MBTN 31.12.2020	Total Shareholder Return 31.12.2020	Total Shareholder Return 31.12.2020		
LTI 2018–2021	rTSR <sup>1</sup>	1.70	0.31	-82%	224%	-306%	0%
LTI 2019–2022	rTSR <sup>1</sup>	0.77	0.31	-59%	261%	-320%	0%
LTI 2020–2023	rTSR <sup>1</sup>	0.24	0.31	33%	147%	-114%	0%

<sup>1</sup> rTSR is measured by comparing the volume-weighted average share prices (VWAPs) of 60-day periods at the beginning of the first year and the end of 2020 respectively.

In case of resignation or dismissal for cause, PSU are forfeited. In case of death, disability or change of control, they vest at 100% at the termination date. In case of dismissal without cause, PSU granted during the year of termination are subject to a pro-rata vesting at regular vesting date and PSU granted in years before the year of termination continue to vest normally.

The shares transferred under the PSU plan are subject to claw back provisions. In cases of criminal acts, fraud or misconduct, a claw back provision allows the Board of Directors to reclaim all or part of any shares released to the participant concerned, for a period of five years after their allocation.

The LTI program is financed with treasury shares.

## Benefits: pension and insurance

Members of the Executive Board participate in the benefits plans available in their country of employment. The primary purpose of pension and insurance plans is to establish a level of security for employees and their dependents with respect to old age, disability and death. The level and scope of pension and insurance benefits provided are country-specific, influenced by local market practices and regulations.

## Benefits: perquisites

Meyer Burger may provide certain executive perquisites according to competitive market practice in their country, such as a company car or a car allowance and other benefits in kind. The monetary value

of these other elements of compensation is evaluated at fair value and is included in the compensation tables below.

### Employment agreements

The employment contracts of members of the Executive Board are of unlimited duration. They provide for a notice period of 6 or 12 months. Contracts of members of the Executive Board do not include severance compensation or change of control clauses except the vesting provisions of the LTI awards as described above. The contract may contain a non-competition clause for the duration of 12 months following termination of employment.

## Compensation 2020

### Realized compensation

The following section shows the total annual pay components realized in 2020, including salary and bonus payments, contributions to pension plans, perquisites as well as the actual value of equity plans that vested in 2020. This perspective reflects the income received by members of the Executive Board in 2020, which amounted to a total annual compensation of CHF 1,687 thousand (2019: 2,471 thousand). The highest compensation received by an individual member of the Executive Board in 2020 was CHF 546 thousand for the former CEO.

### Compensation realized by members of the Executive Board (GRI 102-38)

2020 in TCHF	Fixed compensation			Variable compensation		Total realized compensation 2020	Total realized compensation 2019
	Base salary	Pension	Other <sup>1</sup>	STI	LTI 2017–20 effective value at vesting date) <sup>2</sup>		
Total compensation of members of the Executive Board <sup>3</sup>	992	113	157	386	39	<b>1 687</b>	2 471
Thereof highest paid: Hans Brändle (former CEO) <sup>4</sup>	309	43	50	116	28	<b>546</b>	655

<sup>1</sup> Other compensation includes perquisites such as a car allowance or value of company car as well as social security costs.

<sup>2</sup> The LTI program 2017 was based on RSU and vested in 2020.

<sup>3</sup> During 2020 the Executive Board was reduced to two members (previously three).

<sup>4</sup> Hans Brändle was CEO until 30 April 2020. The compensation disclosed above includes the contractual payments during the notice period until 30 June 2020.

### Granted compensation

The following section shows the pay components granted for 2020, which in total amounted to CHF 2,821 thousand (2019: CHF 3,470 thousand) and reflects the compensation awarded to the members of the Executive Board in the year under review. This amount comprises base salary of CHF 992 thousand (2019: CHF 1,896 thousand), contributions to pension plans of CHF 113 thousand (2019: CHF 217

thousand), other benefits perquisites of CHF 60 thousand (2019: CHF 98 thousand), bonus payments of CHF 386 thousand (2019: CHF 443 thousand), as well as the fair value of the LTI award at grant date of CHF 1,173 thousand (2019: CHF 648 thousand). The highest compensation granted to an individual member of the Executive Board in 2020 was CHF 1,253 thousand (2019: CHF 940 thousand).

## Compensation granted to members of the Executive Board (audited)

in TCHF	Year	Fixed compensation			Variable compensation			Total granted compensation 2020
		Base salary <sup>5</sup>	Pension	Other <sup>1</sup>	Options (target value STI at grant date) <sup>2</sup>	PSU (target value at grant date) <sup>3</sup>		
Total compensation of members of the Executive Board before mandatory employer contributions <sup>4</sup>	2020	992	113	60	386	1 080	93	2 724
	2019	1 896	217	98	443	–	648	3 302
Thereof highest paid to one individual: Gunter Erfurt (CEO for 9 months / CTO for 3 months)	2020	275	27	27	144	780	–	1 253
Hans Brändle (former CEO)	2019	512	80	22	141	–	186	940
Estimated mandatory employer contributions <sup>5</sup>	2020							97
	2019							168
Total compensation of members of the Executive Board	2020							2 821
	2019							3 470

<sup>1</sup> Other compensation includes benefits perquisites such as a car allowance or a company car.

<sup>2</sup> The fair value of the share option at grant date was CHF 0.120 (valuation per Enhanced American Model).

<sup>3</sup> The PSU program was discontinued in 2020, respectively former members of the Executive Board had received a regular PSU grant, which is fully disclosed above, while new members of the Executive Board received options under the new LTI plan. The fair value of the PSU at grant date was CHF 0.15 in 2020 and CHF 0.73 in 2019 (valuation per Monte Carlo). The estimated performance of the LTI program as of December 31, 2020 was 0% for all outstanding grants. The effective performance will be determined at the respective vesting date.

<sup>4</sup> In 2020 the Executive Board was reduced to two members from previously three. The Chief Technology Officer was promoted to the CEO position as of April 2020. The position of the Chief Technology Officer is no longer part of the Executive Board.

<sup>5</sup> Members of the Executive Board voluntarily waived 15% of their compensation for the period of May to June 2020.

### Explanatory comments to the compensation table (GRI 102-39)

The overall compensation awarded to the Executive Board was lower in 2020 compared to 2019. This change can be explained by the following:

- Composition of the Executive Board: in 2020, the former CEO, Hans Brändle, left the Company and was succeeded on April 1, 2020 by Gunter Erfurt, previously CTO and member of the Executive Board. The role of CTO was not replaced at Executive Board level. Manfred Häner, former CFO, stepped down from the Executive Board and was replaced by Jürgen Schiffer as of 1 October 2020.
- Base salary: The changes to the composition of the Executive Board described above resulted in a decrease of the overall base salary amounts. In addition, in relation to the COVID-19 pandemic, the Executive Board decided to reduce its base compensation by 15% for a duration of three months in 2020.
- STI: the STI payout was set at target level in 2020, as the Board of Directors abstained from setting short-term performance targets. This compares to an average payout of 67% in 2019.
- LTI grant: the value of the grant under the LTI plan increased by 81% compared to previous year to strengthen the alignment with Meyer Burger's ambitious long-term goals.

- The variable compensation amounted to 335% of the annual base salary for the CEO and to 142% of the annual base salary for the CFO.
- LTI vesting: the performance assessment of the LTI plan vesting in 2020 resulted in a vesting level of 50%. The vesting of restricted share units in 2019 was at a vesting level of 100%. Further details are disclosed in the section "Performance in 2020" below

In 2019, the AGM had approved a maximum aggregate amount of compensation for the Executive Board of CHF 3,400 thousand (incl. mandatory employer contributions) for 2020, and therefore the overall granted compensation of CHF 2,821 is within the limits approved by the shareholders.

During 2020, no compensation was paid to former members of the Executive Board or related parties, either by Meyer Burger or by any other company of the Meyer Burger Group.

Current or former members of the Executive Board did not receive any fees or other compensation for additional services to Meyer Burger or its subsidiaries in the 2020 or 2019 fiscal year.

Neither Meyer Burger nor its subsidiaries granted any guarantees, loans, advances or credit facilities to members of the Executive Board or related parties in 2020 or 2019.

During 2020, no compensation was paid to related parties, either by Meyer Burger or by any other company of the Meyer Burger Group.

## Share ownership and related instruments Board of Directors

As per 31 December 2020, members of the Board of Directors held a total of 9,176,865 registered shares, 133,327 RSU and 2,033,900 PSU. This number comprises privately acquired shares and those allocated under Meyer Burger's compensation system.

### Share Ownership as of 31 December 2020

Name	Year	No of shares	No of RSU <sup>1</sup>	No of PSU <sup>2</sup>
<b>Members of the Board of Directors</b>				
Franz Richter	2020	2 994 157	105 323	508 475
	2019	21 615	159 441	–
Mark Kerekes (since AGM 2020)	2020	5 814 003	–	508 475
	2019	–	–	–
Urs Fährdrich (since AGM 2020)	2020	143 705	–	508 475
	2019	–	–	–
Andreas Herzog	2020	225 000	28 004	508 475
	2019	–	28 004	–
<b>Total</b>	<b>2020</b>	<b>9 176 865</b>	<b>133 327</b>	<b>2 033 900</b>
	2019	21 615	187 445	–

<sup>1</sup> The fair value of RSU was CHF 0.685 in 2019.

<sup>2</sup> The fair value of PSU in 2020 was CHF 0.236.

### Executive Board

As per 31 December 2020 the members of the Executive Board held a total of 416,617 registered shares, 203,734 PSU and 9,000,000 stock options. This figure includes both privately acquired shares and those allocated under Meyer Burger's compensation plans.

Name	Year	No of shares	No of RSU <sup>1</sup>	No of PSU <sup>2</sup>	No of stock options <sup>3</sup>
<b>Members of the Executive Board</b>					
Gunter Erfurt	2020	374 617	–	203 734	6 500 000
	2019	60 525	70 588	344 911	–
Jürgen Schiffer (since October 2020)	2020	42 000	–	–	2 500 000
	2019	–	–	–	–
<b>Total</b>	<b>2020</b>	<b>416 617</b>	<b>–</b>	<b>203 734</b>	<b>9 000 000</b>
	2019	60 525	70 588	344 911	–

<sup>1</sup> The fair value of RSU was CHF 0.685 in 2019, CHF 1.104 in 2018 and CHF 0.85 in 2017.

<sup>2</sup> The fair value of PSU was CHF 0.73 in 2019, CHF 1.22 in 2018 and CHF 0.85 in 2017.

<sup>3</sup> The fair value of stock options in 2020 was CHF 0.120.

For the disclosure required under Art. 663c Para. 3 of the Swiss Code of Obligations, please see page 31.

## **Equity overhang and dilution as of 31 December 2020**

As of 31 December 2020, the equity overhang, defined as the total number of unvested share units and options divided by the total number of outstanding shares (2,515,151,206 dividend-bearing shares) amounts to 0.9%.

The company's gross "burn rate", defined as the total number of equities (shares, share units and options) granted in 2020 divided by the total number of outstanding shares (2,515,151,206 dividend-bearing shares) amounts to 0.7%.

## **Outlook: compensation of the Executive Board as of 2021**

As mentioned in the section "Short-Term Incentive (STI) program above, no short-term performance targets for the STI were set in 2020. The regular performance measurement will be reinstated as of 2021. The STI performance will be measured again on the basis of specific financial, strategic and individual objectives. The level of achievement for each

objective corresponds to a payout percentage for that objective, which is always between 0 and 150%.

In 2021, financial objectives will focus on growth and profitability. Financial targets are based on the annual budget and the payout on the actual financial results. The payout is 100% of target bonus if the financial result is at target, 0% if it is below the lower threshold. At the upper threshold the payout is capped at 150%. Strategic objectives are clearly measurable and in 2021 focus on delivering new technologies. The payout for strategic objectives also ranges from 0 to 150%. Individual objectives are mainly qualitative and relate to specific projects, products and markets, depending on the business priorities inherent to the respective function. The payout for individual objectives also ranges from 0 to 150%. The detailed structure of the financial, strategic and individual objectives, as well as their respective weighting, will be communicated in the 2021 Remuneration Report.

Regarding the LTI plan, the intention is to keep the option plan unchanged.

# Report of the statutory auditor

## to the General Meeting of Meyer Burger Technology Ltd

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We have audited the remuneration report of Meyer Burger Technology Ltd for the year ended 31 December 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labeled 'audited' on page 56 and 60 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.

### Opinion

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

PricewaterhouseCoopers AG



Rene Rausenberger

Audit expert  
Auditor in charge



Yvonne Burger

Audit expert

Bern, 10 March 2021

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