

# Compensation Report



# Letter to shareholders

Dear shareholders,

I am pleased to present SoftwareOne's 2023 Compensation Report on behalf of the Nomination and Compensation Committee (NCC) and the Board of Directors (BoD). Our 2023 Compensation Report outlines SoftwareOne's overall compensation policy, principles, and compensation framework. It discloses the compensation awarded to members of both the BoD and the Executive Board (EB) throughout the 2023 financial year. It is compiled in accordance with the relevant sections of the Swiss Code of Obligations (Swiss CO), particularly Article 734 et seq., applicable to Swiss listed companies, the Directive on Information related to Corporate Governance of SIX Swiss Exchange, as well as the Swiss Code of Best Practice.

This fourth full financial year as a public company was characterised by the continuous development of our compensation framework and related disclosures. In line with prior years, the overarching objective remained centred on fostering long-term value creation through the alignment of the Executive Board's interests with SoftwareOne's shareholders, while acknowledging the need to retain talent within the highly competitive global technology sector.

During 2023, we focused on strengthening our EB, following an organisational refresh to enable us to achieve our ambitious goals. We were pleased to welcome our new CEO, Brian Duffy, in May 2023. We have also streamlined the EB organisation by redistributing certain tasks and responsibilities. For example, as of November 2023, we grouped the responsibilities for Software & Cloud Services and Software & Cloud Marketplace under Bernd Schlotter. To complement our new organisation, we are looking forward to welcoming Rohit Nagarajan in the newly created role of Chief Revenue Officer, responsible for leading SoftwareOne's global revenue operations, with a focus on driving sales and marketing excellence, ensuring a seamless customer experience while identifying strategic growth initiatives.

In light of the 2023 organisational updates and strategic realignments, we conducted our bi-annual market executive benchmark with a particular focus on geographical specificities and talent market dynamics. This benchmarking prompted an update of our peer group and revealed areas where alignment in both structure and compensation level needed adjustment. The updates were motivated by our commitment to reflect organisational changes in our processes and governance approaches, as well as a strategic shift towards recruiting talent externally. Additionally, they underscore our dedication to long-term, performance-based compensation. The changes mostly took effect during the second half of 2023. Similar updates were made under the Long-Term Incentive (LTI) plan, as already indicated in the outlook section of last year's compensation report. The LTI now focuses on relative TSR, revenue growth, as well as EBITDA margin, all measured over the three-year performance period. Furthermore, we have extended the reach of our clawback provisions to also include Short-Term Incentive (STI) awards and streamlined the triggering events of a clawback case.

Furthermore, we also conducted our bi-annual market review for the compensation of our Board of Directors. The benchmarking illustrated that our approach, level, and structure are generally in our targeted market range, hence no changes were made for the existing fees and committee structures besides the Vice Chair base fee, which was under the market average. At the same time, the Board of Directors decided to create two additional committees as of the AGM 2023: An Innovation Committee and an ESG Committee. The fees for these committees lie below those of the other committees and are explained in more detail in section [Board of Directors compensation](#).

In preparing this Compensation Report, the NCC has prioritised its transparency, clarity, and accessibility. We have made specific improvements, particularly in how we describe our performance goals and ambitions, as well as actual performance achievements driving the variable compensation. This includes details of the first post-IPO LTI grant vested in 2023.

The NCC will continue to undertake regular assessments, reviews, and amendments to the compensation framework, to ensure SoftwareOne attracts the right talent while remaining aligned with the interests of all stakeholders and maintaining a high-performance culture.

**2024 Annual General Meeting (AGM)**

In line with the Swiss Code of Obligations and our Articles of Incorporation, we will ask our shareholders to cast a prospective and binding vote on the maximum aggregate amount of compensation for the BoD for their term of office from the 2024 AGM to the 2025 AGM and for EB members for the financial year 2025. In addition, we will ask our shareholders to endorse this 2023 Compensation Report in a consultative vote.

We look forward to receiving your support at the forthcoming AGM and thank you for your ongoing trust in SoftwareOne.

Sincerely,



**Marie-Pierre Rogers**

Chair of the Nomination and  
Compensation Committee

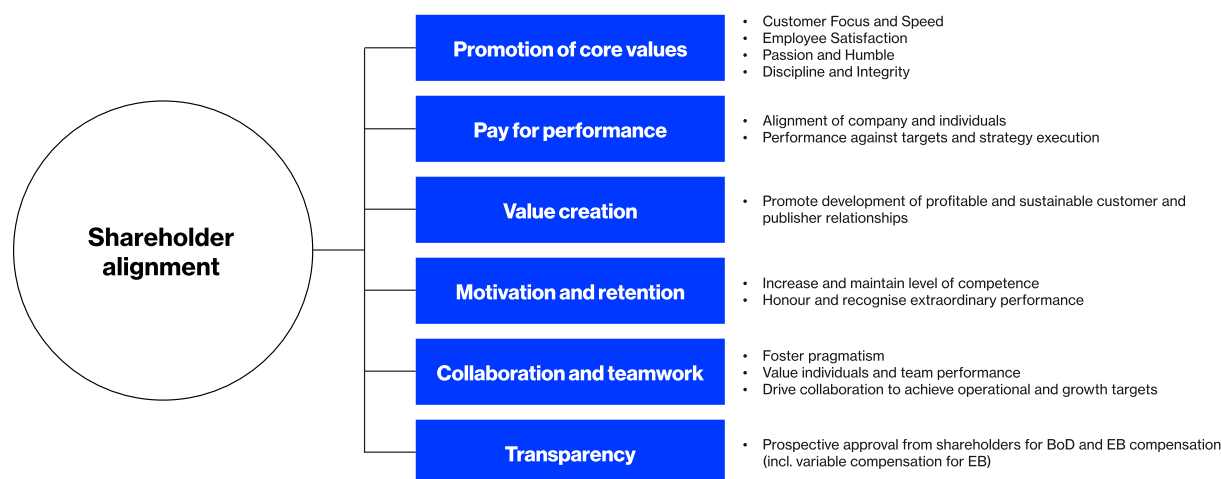
# Our report at a glance

In line with previous years, the NCC sincerely appreciates the shareholders' feedback received on our compensation principles, approaches and design and is actively committed to engaging in a continuous improvement process. Based on these valuable inputs and taking into consideration general trends in Switzerland and globally, the NCC prioritised the following enhancements in this year's compensation report:

- **Benchmarking:** All information regarding benchmarking activities for both the Board of Directors and the Executive Board were grouped into one chapter and the level of detail regarding peer group composition, benchmarking process, and resulting adaptations to the compensation levels and structures was increased.
- **Short-Term Incentive (STI) plan:** Considering the recent organisational updates and strategic realignments, the metrics driving the STI were updated. This goes along with a more transparent disclosure and description of the underlying process to determine the appropriate ambition level of these metrics.
- **Long-Term Incentive (LTI) plan:** Similarly to the STI, the metrics under the LTI also underwent a thorough review aimed at alignment with our strategic priorities going forward. They were updated accordingly and, from now on, are measured over the full three-year performance period. Furthermore, the level of information provided regarding the target-setting approach was increased. Additionally, given the first vesting of our LTI since our listing in 2019, we included information regarding the actual underlying performance and resulting vesting outcomes in this report.

# Compensation policy and principles

Our compensation policy focuses on aligning the interests of our senior leaders with those of our shareholders as well as on attracting, motivating, and retaining the best talent in a highly competitive global environment. Consequently, the compensation principles applied across SoftwareOne are geared towards the following:



# Compensation governance

The compensation governance at SoftwareOne comprises three key bodies: the NCC which advises the BoD in terms of compensation-related matters, the BoD which ultimately approves the compensation-related matters, and the shareholders of SoftwareOne who vote on total compensation and the compensation report at the AGM.

The [Articles of Incorporation](#), the [Organisational Regulations](#) and the [NCC Charter](#) outline and define the roles and responsibilities of these bodies. The Articles of Incorporation of SoftwareOne contain compensation governance provisions regarding:

- Approval (binding and prospective) of compensation by the shareholders at the AGM, Art. 7 and 19
- Powers and duties of the NCC, Art. 15
- General principles of compensation, Art. 18
- Additional amount for the EB, Art. 20

The general division of duties, responsibilities, and powers between these three key bodies of the compensation governance (NCC, BoD and AGM) are presented in the table below, in line with Art. 7 and Art. 19 of the Articles of Incorporation.

	CEO	NCC	BoD	AGM
Election of NCC members				A
Compensation strategy and guidelines		P	A	
Compensation principles (Articles of Incorporation)		P	A (subject to AGM approval)	A (binding vote, in case of changes)
Key terms of compensation frameworks for the BoD and EB		P	A	
Total compensation for the BoD		P	A (subject to AGM approval)	A (binding vote)
Total compensation for the EB		P	A (subject to AGM approval)	A (binding vote)
Individual total compensation for the CEO		P	A	
Individual total compensation for the other members of the EB	P	R	A	
Employment and termination agreements for the CEO		P	A	
Employment and termination agreements for other members of the EB	P	R	A	
Compensation Report		P	A	A (consultative)

A: Approve  
P: Propose  
R: Review

## Role of the shareholders at the AGM

The BoD submits three separate compensation-related resolutions for shareholder approval at the AGM (Art. 7 and Art. 19):

- Vote I: Consultative vote for the Compensation Report of the previous financial year
- Vote II: Binding vote on the maximum aggregate amount of compensation of the BoD for the term of office from the current to the next AGM
- Vote III: Binding vote on the maximum aggregate amount of compensation of the EB for the following financial year

The graph below illustrates these compensation-related resolutions for shareholder approval at the 2024 AGM and illustrates their impact on the respective financial year:

### Overview of say-on-pay votes at AGM 2024

Financial Year	2023				2024				2025				2026			
Quarter	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Compensation report vote (Consultative)	2023 Compensation Report															
BoD vote (Binding)					Maximum aggregate amount for the term AGM 2024 – AGM 2025											
EB vote (Binding)									Maximum aggregate amount for FY 2025							

## Role and activities of the Nomination and Compensation Committee

The NCC is composed of at least three members of the BoD (Art. 15) who are elected individually at the AGM by the shareholders on an annual basis pursuant to Swiss law and SoftwareOne's Articles of Incorporation. The NCC has the duties of supervision and governance of SoftwareOne's compensation frameworks and philosophy, compensation of the EB as well as the performance evaluation of EB members. The NCC regularly invites the CEO and may invite other members of the Executive Board or, subject to prior notification of the responsible member of the EB, members of the company's management to its meetings as it deems desirable or appropriate. However, the CEO or other members of the EB may not be present when the NCC reviews the compensation or other aspects of the employment of the respective person. The Chair of the Board or the Chair of the NCC may not be present when the NCC reviews the compensation of the respective person. The Chair of the NCC ensures that the BoD is kept informed in a timely and adequate manner during the term of office regarding the NCC's area of responsibility. Please refer to the [Corporate Governance Report](#) section for further details on NCC composition, duties, election and NCC members.

Information regarding external mandates for all Board and Executive Board members are provided later in this report. The Chair of the NCC convenes NCC meetings as often as required by SoftwareOne's business, but at least three times a year. During 2023, the NCC held seven meetings covering the following agenda items as illustrated in the table below:

Agenda item during 2023	February	March	April	June	July	October
Compensation governance and policy	Preparation of AGM invitation including maximum amount of compensation for the BoD and EB	x	x			
	Review BoD composition and succession framework and assessment of BoD					x
	Review EB composition and succession framework				x	x
	Review of external Partners					x
BoD compensation framework	Review of BoD compensation levels and framework, including benchmarking analysis			x	x	
EB compensation framework	Review of EB compensation levels and framework, including benchmarking analysis			x	x	x
	Review of STI performance and payouts for FY 2022 and target setting for FY 2023 for the EB	x	x			
	Target setting for LTI grant in FY 2023 for the EB	x	x			
	Review of LTI framework			x		
Communication	2022 Compensation and Governance Report	x				
	Analysis of compensation voting results at the AGM and review of proxy advisor reports				x	x

Two meetings took place in February. In addition, the NCC met in a separate session in August to review the LTI framework.

## Regular compensation benchmarking for Executive Board and Board of Directors

To evaluate SoftwareOne's positioning in the market and overall competitiveness, the NCC regularly conducts market benchmarks to assess the compensation structure and level for both the BoD and the EB. The peer selection process is based on the company services and products, geographical relevance, size and scope.

## Peer group and benchmarking

Information on peer company compensation is an important point of reference to assess the market competitiveness of the compensation awarded to members of the EB. The NCC believes that benchmarking against a consistent and relevant set of peer companies that are similar to SoftwareOne in scope, products and services offered and geographical presence, enables the company to set pay levels towards the middle of the respective market range. The peer group is adjusted in case the Company updates its strategic direction or business model. This reinforces the talent attraction, motivation and retention efforts needed to support the company's long-term success.

For the Executive Board, the NCC adopted a comprehensive approach to the peer group construction in March 2023, which led to the compilation of two complementary peer groups: a peer group of selected, size-comparable European technology companies<sup>[1]</sup>, including a relevant number of Swiss companies, to reflect compensation traditions at our headquarter location, as well as a peer group of selected US companies<sup>[2]</sup> to better represent SoftwareOne's international footprint and talent pool.

The choice of the selected peer companies – compiled together with Willis Towers Watson - provides a good mix between the industries and geographies from which key talents are sourced. When setting the EB's pay levels, the NCC targeted a balanced view between both perspectives.

The resulting adaptations and alignments to compensation packages of the EB intended to bring the total compensation levels slightly above or at the median of the selected peers, thereby mainly focusing on long-term performance-based variable compensation elements.

The assessment of the competitiveness of the BoD compensation for non-executive BoD members in Switzerland was last assessed in 2023 through a benchmarking analysis conducted by Mercer targeting compensation levels as well as compensation structure and pay instruments. The selected peer group consists of 18 Swiss listed companies<sup>[3]</sup> of similar size concerning revenues, FTE, and market capitalisation, allowing for an adequate and representative comparison.

The benchmarking exercise showed that the compensation of the members of the Board of Directors was in line with general market practice, both in terms of level and structure. It was concluded that the current levels of compensation will be kept as such for the time being, except for a small adjustment for the Vice Chair as it was below market average level. At the same time, the Board of Directors decided to create two additional committees as of the AGM 2023: an Innovation Committee and an ESG Committee. The fees for these committees lie below those for the other committees as illustrated on section [Board of Directors compensation](#).

[1] Amadeus IT Group, S.A., Atos SE, Bechtle AG, Cancom SE, Computacenter plc, Softcat plc, Software AG, Sopra Steria Group SA, The Sage Group plc, Temenos AG, Logitech International SA, ams-OSRAM AG, TeamViewer SE, Darktrace plc, Sinch AB

[2] Globant SA, Insight Enterprises, Inc., Thoughtworks Holding, Inc., Unisys Corporation, Endava plc, FTI Consulting, Inc., Gen Digital, Inc., ICF International, Inc., Rackspace Technology, Inc., TriNet Group, Inc.

[3] ALSO Holding AG, Arbonia AG, Arysza AG, Bell Food Group AG, Comet Holding AG, Daetwyler Holding AG, dormakaba Holding AG, Galenica AG, Inficon Holding AG, Landis+Gyr Group AG, Logitech International SA, OC Oerlikon Corp AG, Orascom Development Holding AG, Phoenix Mecano AG, Rieter Holding AG, Stadler Rail AG, Sulzer AG, Temenos AG.



# Board of Directors compensation

## Elements of compensation

The compensation of the members of the BoD consists of an annual base fee and an additional compensation awarded for duties carried out in BoD committees as chairpersons or ordinary members. In line with Art. 18 of SoftwareOne's Articles of Incorporation and to ensure the independence of the members of the BoD in executing their supervision duties, the compensation of the members of the BoD does not include any variable performance-linked element and is paid out 60% in cash and 40% in SoftwareOne shares. The shares allocated as part of the members of the BoD's total compensation are blocked for a period of three years. Through the introduction of a share element in 2020, the long-term focus of the BoD in performing its duties is further strengthened and the interest further aligned with that of SoftwareOne's shareholders.

The following table illustrates the annual base fees for the BoD memberships and the additional compensation for duties in committees.

Audited Annual base fee for BoD membership for non-executive Directors in CHF	Annual committee fees									
	Audit Committee		Nomination and Compensation Committee		Innovation Committee		ESG Committee			
	Chairperson	Member	Chairperson	Member	Chairperson	Member	Chairperson	Member		
Chairperson	400,000		Not entitled							
Vice Chairperson	180,000	40,000	20,000	40,000	20,000	20,000	10,000	20,000	10,000	
Ordinary member	120,000	40,000	20,000	40,000	20,000	20,000	10,000	20,000	10,000	

In line with best market practice standards, the members of the BoD do not receive lump-sum expenses but will be reimbursed for expenses at cost. There are no pension contribution payments made to any member of the BoD.

## Compensation awarded to the Board of Directors in 2023

The following table outlines the total compensation awarded to the BoD in 2023.

Audited Members of the BoD in CHF	Board	Audit Committee	NCC	IC	ESGC	Settled in cash	Settled in shares <sup>(8)</sup>	Social security contributions <sup>(9)</sup>	Total compensation FY 2023	Total compensation FY 2022
Adam Warby <sup>(1)</sup>	Chairperson		Member			162,000	160,000	23,851	345,851	150,538
Marie-Pierre Rogers <sup>(2)</sup>	Vice Chairperson		Chairperson			120,000	96,000	16,491	232,491	171,960
José Alberto Duarte	Member		Member		Member	87,000	60,000	-	147,000	140,000
Timo Ihamuotila	Member	Chairperson				96,000	64,000	12,739	172,739	172,034
Isabelle Romy <sup>(3)</sup>	Member	Member			Chairperson	93,000	68,000	12,673	173,673	150,538
James Freeman	Member	Member		Chairperson <sup>(7)</sup>		89,252	63,000	-	152,252	81,802
Elizabeth Theopille	Member	Member		Member		45,000	60,000	8,228	113,228	-
Daniel von Stockar <sup>(4)</sup>	Member			Chairperson		143,333	-	11,039	154,372	428,678
Peter Kurer <sup>(5)</sup>	Vice Chairperson		Member			51,000	-	3,055	54,055	179,977
René Gilli <sup>(6)</sup>	Member									38,896
Jean-Pierre Saad <sup>(6)</sup>	Member									42,000
<b>Total</b>						<b>886,585</b>	<b>571,000</b>	<b>88,076</b>	<b>1,545,661</b>	<b>1,556,423</b>

1) Includes compensation for Chairperson of the BoD only. No additional fees paid for the role as member of the NCC.

2) Marie-Pierre Rogers received a one-time fee of CHF 20'000 for her extraordinary additional efforts for the NCC in 2022 and 2023.

3) Isabelle Romy received a one-time fee of CHF 10'000 for her extraordinary additional efforts for the ESGC in 2022 and 2023.

4) Daniel von Stockar stepped down from an active role as a member of the BoD end of June 2023, no shares awarded in 2023.

5) Peter Kurer retired from the BoD effective 4 May 2023, no shares awarded in 2023.

6) René Gilli and Jean-Pierre Saad retired from the BoD effective 5 May 2022, no shares awarded in 2022.

7) Member for 3 months and Chairperson for 9 months

8) Represents gross amounts settled in blocked shares prior to any deductions such as employee social security and income withholding tax for the fiscal year 2023. The number of blocked shares is determined by dividing each BoD member's individual share compensation amount (40% of annual fee) for one term of office by the closing price of SoftwareONE's share price on the allocation date rounded down. Residual amounts are paid in cash.

9) Employer-paid social security contributions.

In 2023 Marie-Pierre Rogers and Isabelle Romy received a one-time extraordinary fee for exceptional additional workload related to activities in relation to their roles in the NCC and the ESGC amounting to CHF 20'000 and CHF 10'000 respectively. Both payments are included in the table above and the relevant maximum amount of compensation for the Board of Directors for the respective period.

## Approved versus awarded compensation to the BoD

At the 2022 AGM, shareholders approved a maximum aggregate compensation amount of CHF 1.65 million for the BoD for the compensation period from the 2022 AGM to the 2023 AGM. For this period the effective compensation amounted to CHF 1.56 million and is thus within the approved limits.

At the 2023 AGM, shareholders approved a maximum aggregate compensation amount of CHF 1.65 million for the BoD for the compensation period from the 2023 AGM to the 2024 AGM. As this compensation period is not yet complete, a conclusive assessment will be provided in the Compensation Report 2024.

## Share ownership

The table below shows the shareholdings of the BoD as of 31 December 2023, including information for the 2022 financial year. This table includes available shares and blocked shares in connection with BoD compensation.

Audited Members of the BoD	Number of directly held shares <sup>(1)</sup>		Total shareholdings as of 31 December 2023	Total shareholdings as of 31 December 2022
	Available shares	Blocked shares <sup>(2)</sup>		
Daniel von Stockar	17,498,012	19,517	17,517,529	17,517,529
Adam Warby	4,000	17,773	21,773	10,830
Marie-Pierre Rogers	27,000	14,372	41,372	34,806
José Alberto Duarte	2,848	10,933	13,781	9,678
Timo Ihamuotila	23,255	12,183	35,438	31,061
Isabelle Romy	-	11,481	11,481	6,830
James Freeman	-	8,656	8,656	4,347
Elizabeth Theopille <sup>(3)</sup>	-	4,103	4,103	-
Peter Kurer <sup>(4)</sup>	303,088	8,294	311,382	311,382
René Gilli <sup>(5)</sup>	-	-	-	12,449,637
Jean-Pierre Saad <sup>(6)</sup>	-	-	-	5,331
<b>Total</b>	<b>17,858,203</b>	<b>107,312</b>	<b>17,965,515</b>	<b>30,381,431</b>

1) Ordinary registered shares of SoftwareOne Holding AG.

2) At grant, a restriction period of three years is applied.

3) Elizabeth Theopille joined the BoD effective 4 May 2023.

4) Peter Kurer retired from BoD effective 4 May 2023.

5) René Gilli retired from BoD effective 5 May 2022.

6) Jean-Pierre Saad retired from BoD effective 5 May 2022. Representatives of the share ownership in SoftwareOne of Westminster Bidco S.à r.l., Luxembourg, the Grand Duchy of Luxembourg, which is the direct shareholder of the shares indirectly and beneficially owned by funds advised by KKR, with its principal executive offices in New York, USA.

# Executive Board compensation

## Elements of compensation

The following section outlines SoftwareOne's compensation framework for 2023. It was amended after extensive review by the NCC and its external advisors following the IPO in 2019 and further refined thereafter. We are convinced that a continuous review of this framework by the NCC enables a proper fit to the corporate culture, goals, and strategic ambitions of SoftwareOne in an ongoing volatile environment.

The compensation framework for members of the EB consists of fixed and variable compensation elements. The fixed compensation element comprises a base salary as well as pension and other benefits (e.g. car allowances). The variable compensation element consists of a Short-Term Incentive (STI) plan and a Long-Term Incentive (LTI) plan. The payout or vesting of variable compensation elements is subject to performance including SoftwareOne share performance, financial and strategic successes, and ESG progress. The EB compensation elements are summarised in the following table:

ELEMENTS OF COMPENSATION	Fixed compensation elements		Variable compensation elements	
	Base salary	Pension and other benefits	Short-Term Incentive plan	Long-Term Incentive plan
Purpose	Attract, retain and reward the roles and responsibilities of respective functions	Participation in pension, insurance care plans and additional benefits in line with local market practice	Motivation and reward for annual objective achievements (company and individual goals)	Participation in the long-term success of SWO and alignment with shareholder interests
Performance period	-	-	One year	Three years
Performance measures	-	-	Revenue growth, EBITDA margin, ESG and strategic goals	Revenue growth, EBITDA margin and relative total shareholder return (TSR)
Payout range	-	-	0 to 200% of target STI	0.0 to 2.0 times number of granted performance share units (PSUs)
Payment	Cash	Contributions to pension and insurance plans Other benefits paid out in cash	Cash	Shares

## Fixed compensation elements

### Base salary

The base salary for members of the EB is typically paid in cash on a monthly basis unless local laws require otherwise. The base salary amount is defined according to market practice and the responsibility, experience, and achievements of each member.

### Pension and other benefits

Pension benefits are provided through SoftwareOne's regular pension plan. As the EB members reside in different international locations, some EB members are employed under a foreign employment contract and receive benefits in line with current local market practice. In addition to pension coverage, other benefits such as health care plans, insurance, car allowances or equivalent contributions are also covered. These allowances are paid together with the EB members' base salary and are in line with the company policy in the local jurisdiction.

Furthermore, new members joining the EB may receive compensation for the loss of their remuneration or for financial disadvantages incurred as a result of changing their jobs. If applicable, such lost compensation is replaced on a like-for-like basis (i.e. no increase in replacement value) and reported in the compensation table for the relevant reporting period under "Other benefits".

# Variable compensation elements

## Short-Term Incentive (STI) plan

The STI rewards the overall company performance and the EB members' individual contribution to the success of SoftwareOne in line with the compensation principle of pay-for-performance. The plan is determined by the achievement of financial goals (weighted at 70%) and strategic goals (weighted at 30%). As of 2023, financial goals are determined on the basis of revenue growth and EBITDA margin. Strategic goals comprise objectives in the areas of ESG, including disclosure and reporting (e.g., Non-Financial Report, Carbon Disclosure Report), CO<sub>2</sub> reductions (e.g., travel-related), gender diversity (e.g., increase in female leadership representation, "Women Academy"), and succession planning (e.g., people review and succession planning for EEB) as well as strategic ambitions to drive business growth and operational excellence. The latter are determined for each EB member and address their individual functional duties and responsibilities.

The table below illustrates the details on the STI performance metrics in terms of definition, weighting, and payout range for the CEO and the other EB members:

Performance considerations	Weighting	Measurement level	Metric	Performance achievement
Financial goals	70%		Revenue <sup>1</sup> growth	0-200%
		Group success	EBITDA <sup>2</sup> margin	
Strategic goals	30%		ESG	
		Individual contribution	Strategic ambitions	

1) For the purposes of the STI, 'Revenue' is measured in constant currency and defined as gross sales of services and software deducted from the cost of purchasing software.  
 2) For the purposes of the STI, EBITDA margin means the adjusted EBITDA margin as disclosed in the Annual Report and 'EBITDA' being defined as earnings before interests, tax depreciations and amortisations.

At the end of the performance period, the NCC proposes and the BoD approves the financial performance achievements and ESG progress against the set group targets. EB members' individual contributions to SoftwareOne's success, as measured by the achievement of strategic goals, are initially evaluated by the CEO, reviewed by the NCC, and approved by the BoD, while the achievement of strategic objectives established for the CEO is evaluated by the NCC and approved by the BoD. Under specific circumstances, the BoD may apply discretion in interpreting the NCC's recommendation regarding the final STI payout.

Relevant performance achievements and the resulting STI payout factor for the financial year 2023 are reported in section [STI 2023](#). The payout of the STI is made entirely in cash.

## Long-Term Incentive (LTI) plan

SoftwareOne's compensation framework is completed by an equity-based element which was introduced in 2020. It offers executives and selected senior managers the opportunity to participate in the long-term success of the group. The goal of this plan is to provide eligible participants with attractive, market-aligned rewards to strengthen management's interest alignment with those of shareholders and to encourage sustainable long-term value creation for shareholders and the company.

At the beginning of each three-year performance period (i.e. at grant date), eligible participants are granted an individual number of performance share units (PSUs) derived by dividing the individual LTI award (in CHF) by the fair value at grant (in CHF). After the conclusion of the three-year performance period, the PSUs vest subject to performance and service conditions.

The performance condition is based on three metrics: revenue growth, EBITDA margin and relative total shareholder return (rTSR). The vesting range lies between 0.0 and 2.0 times the PSUs granted at the outset. While low performance in one performance metric can be balanced by a higher performance in another metric, the combined vesting multiple can never exceed 2.0. On the contrary, if performance of all metrics remains below the respective minimum performance thresholds, the resulting combined vesting multiple would be 0.0 and consequently no PSUs would vest.

LTI performance metrics	Revenue growth	EBITDA margin	Relative total shareholder return
<b>Description</b>	Average of SoftwareOne's annual revenue growth during the performance period.	Average of SoftwareOne's annual EBITDA margin during the performance period.	Total shareholder return (TSR) measured relative to the STOXX® Global 1800 Industry Technology Index
<b>Weighting</b>	40%	40%	20%
<b>Performance period</b>	Three consecutive years starting at 1st January of grant year		
<b>Vesting range</b>	0.0 - 2.0 times number of PSUs granted		

At the beginning of each performance period, the BoD determines the minimum, low threshold, target, high threshold and maximum for each LTI performance metric upon the NCCs recommendation. The latter is supported by the comprehensive evaluation process, which takes into account the current strategic performance aspirations and the general market situation. We deem absolute targets for the revenue growth and EBITDA margin metric to be commercially sensitive and confidential strategic information and hence disclose these on a relative basis to avoid unfair competitive disadvantage for SoftwareOne.

The overall vesting factor is the sum of the weighted vesting factor metrics and is determined at the end of the three-year performance period. The NCC proposes and the BoD approves the performance achievement of each metric against the targets originally set as well as the overall vesting factor.

In case of a change of control, the LTI plan will terminate with effect from the date of the change of control unless otherwise decided at the discretion of the BoD.

### Risk-alignment under variable compensation plans: clawbacks and forfeitures

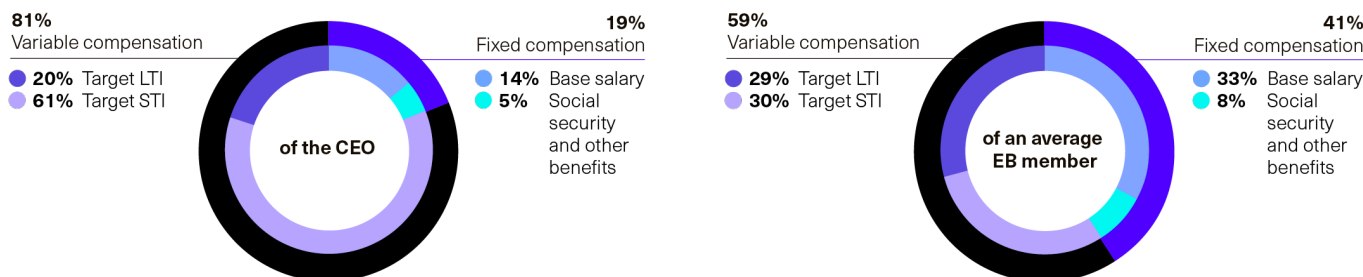
Under the STI, in case of termination of employment during the performance period, the payout may be reduced or forfeited depending on the conditions of such termination and subject to the applicable law. Under the LTI, a service condition requires continuous employment of the plan participant until vesting. In case of termination of employment, either none or a reduced number of PSUs vest depending on the conditions of such termination and subject to the applicable law.

As of 2021, a clawback provision, which allows for a partial or full recovery of equity allocated to EB members under the Long-Term Incentive plan was introduced. This applies in specific situations which may cause reputational damage to the group, in case of restatements of previously audited consolidated financial statements for example or which may otherwise negatively affect the legitimate interests of SoftwareOne. This provision was also expanded in 2023 to cover the Short-Term Incentive Plan.

## Compensation mix

In 2023, the total target compensation of the CEO was split into around 81% variable compensation and 19% fixed compensation. Of the 81% variable target compensation portion, 20% consisted of the target STI and 61% of the target LTI portion. For other EB members excluding the CEO, the fixed compensation was on average 41% (37% - 55%) and the variable compensation 59% (45% - 63%). The variable target compensation consisted of 29% (24% - 45%) target STI and 30% (0% - 39%) target LTI of total target compensation.

### Target compensation mix



## Compensation awarded to the EB in 2023

The following table outlines details concerning the compensation awarded to the CEO as the highest-paid member of the EB and to the other EB members from 1 January to 31 December 2023. The total compensation awarded in 2022 is also listed.

Audited in CHF	Fixed compensation			Variable compensation		Total compensation FY 2023 <sup>(5)</sup>	Total compensation FY 2022
	Base salary	Social security contributions	Other payments <sup>(3)</sup>	Realised STI	Awarded LTI grant value <sup>(4)</sup>		
Brian Duffy, CEO <sup>(1)</sup>	633,336	155,712	136,325	950,000	2,850,000	4,725,373	2,585,771
Aggregate amount of EB members excluding Brian Duffy <sup>(2)</sup>	2,767,450	208,688	404,923	1,756,761	2,533,335	7,671,157	6,112,568
<b>Total</b>	<b>3,400,786</b>	<b>364,400</b>	<b>541,248</b>	<b>2,706,761</b>	<b>5,383,335</b>	<b>12,396,530</b>	<b>8,698,339</b>

- 1) Brian Duffy joined SoftwareOne as CEO effective 01 May 2023. Base Salary and target STI were pro-rated accordingly. The LTI was granted in full, given the timing of the annual LTI grant and the forward-looking nature of the instrument. In total, the cost incurred by LTI for shareholders remained unchanged given the forfeitures of the prior CEO.
- 2) Please note that of the five EB members, one is compensated in USD (average exchange rate in 2023 of CHF 1 to USD 1.1136 applied), one in SGD (average exchange rate in 2023 of CHF 1 to USD 1.4955 applied) and the three other EB members in CHF.
- 3) Other payments comprise payments related to non-compete agreements and further benefits granted (e.g. insurance, car allowance, pension).
- 4) For details regarding the grant logic and the calculation of the fair value at grant date refer to the financial notes.
- 5) Numbers include Dieter Schlosser, who was active as the CEO until 31 April 2023 with the employment relationship ending 31 October 2023, followed by a non-compete period. He receives pro-rated base salary and STI for 2023 but no LTI allocation.

## Approved versus total compensation awarded to the EB

The total compensation for the EB for 2023 of CHF 12.4 million (including social security contributions) is below the total maximum aggregate compensation amount of CHF 15.5 million, which was approved by the AGM in May 2022.

## STI 2023: target setting, performance achievement, and payout

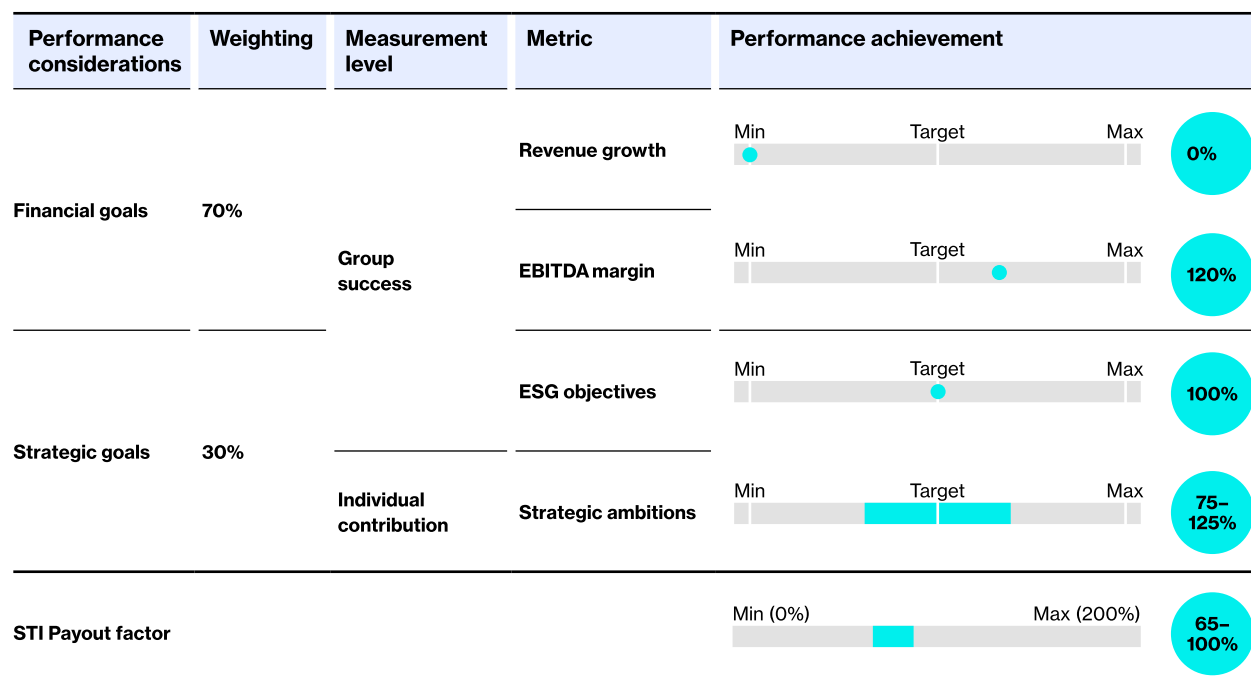
At the beginning of the one-year performance period, the NCC proposes, and the BoD approves, the minimum, target, and maximum achievement for the respective performance metrics under the STI. For performance below or at the minimum, 0% is paid out. On-target performance is rewarded with a 100% payout. In case of overperformance, up to 200% can be achieved when meeting the maximum. This means that the payout curves for both financial KPIs are linear and symmetrical. In terms of revenue, growth was 7.7% year on year in constant currency in 2023. In the context of STI 2023, this resulted, however, in the underachievement of the minimum performance level.

Regarding the EBITDA margin, the actual achieved performance in 2023 was 25.3%, driven by operational excellence and margin progression in Software & Cloud Services. We also delivered on our operational excellence programme, exceeding our cost savings target, and increasing our annualised savings target for 2024.

For 2023, ESG progress was measured in the areas of disclosure and reporting, CO<sub>2</sub> reduction, and diversity with a focus on gender. In this area, we achieved a double-digit increase in female representation among the leadership team and launched multiple initiatives, including SOAR – a program to support women returning to the workplace. We also introduced Amplify – an alumni programme, as well as succession planning where we implemented a structured assessment process for EB and EB-1, resulting in a complete assessment of all EB members and their potential successors. The individual contribution of EB members to SoftwareOne's success, as measured by the achievement of strategic goals to drive business growth and operational excellence, was above target overall.

During 2023, we streamlined our organisational set-up, aligned our leadership structure and implemented an effective Strategic Review Process. We introduced new communication structures, progressed on operational excellence, particularly regarding cost savings and EBITDA margin, further rejuvenated our portfolio offering and transformed multiple teams to fit the new business model.

**Performance achievement across STI goals**



The overall 2023 STI performance achievements resulted in the final STI payout factor of 65% - 76% for full-year EB members or members who left during 2023. For members of the EB who joined during 2023, the STI performance achievement covers the period since joining SoftwareOne. In view of their short tenure, an abbreviated assessment focusing on individual contributions to the company's success is carried out. This applies also to the CEO, for whom the STI payout factor was set at 100% for 2023, since he joined in May 2023.

**LTI 2023 – 2026: Target setting**

At the beginning of each performance period, the BoD determines the minimum, target, and cap for each LTI performance metric upon the NCC's recommendation to be achieved on average over the three-year performance period. The target setting is supported by the comprehensive evaluation process, which takes into account the current strategic performance aspirations and the general market situation.



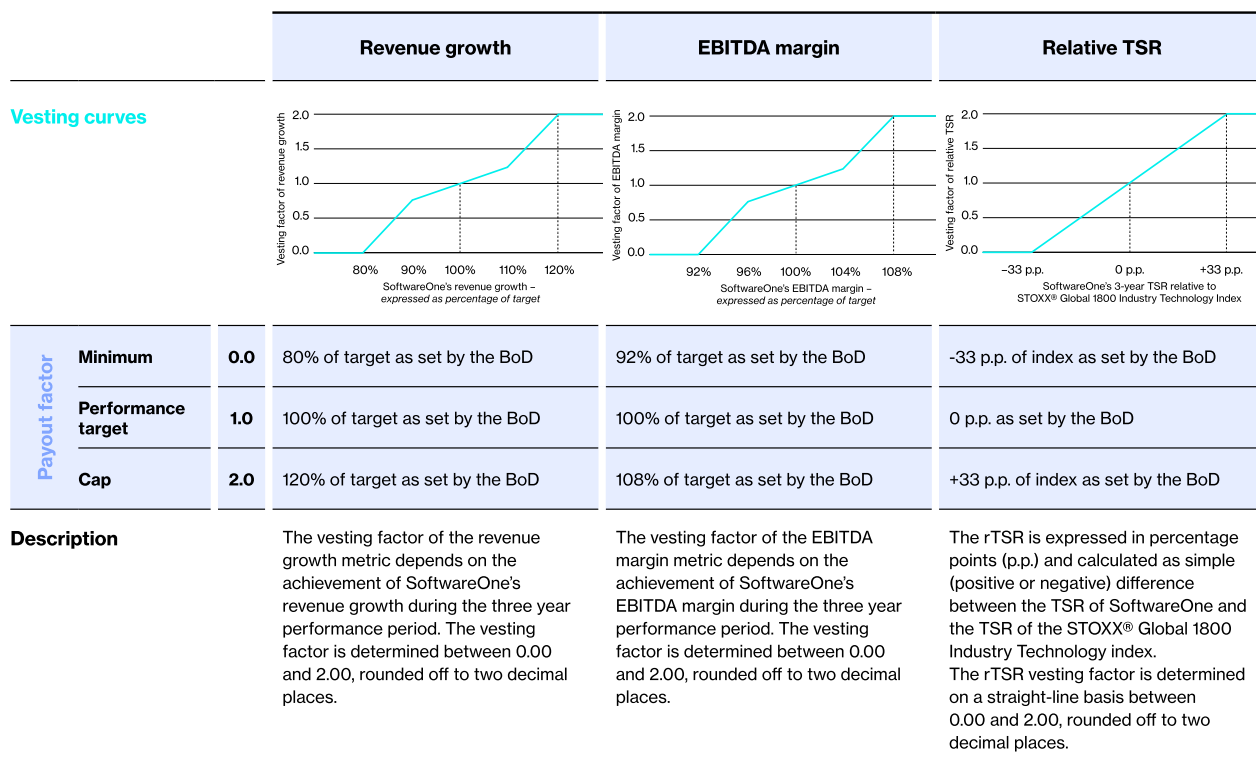
We deem absolute targets for the revenue growth and EBITDA margin metric to be commercially sensitive and confidential strategic information, especially because the plan is still running until 2026. Therefore, we disclose these on a relative basis to avoid unfair competitive disadvantage for SoftwareOne. To provide some reassurance to our shareholders regarding the ambition included in our target-setting process, we describe our target-setting process in more detail below and provide transparent insights into the target achievements retrospectively.

For our operational metrics revenue growth and EBITDA margin, targets were set based on the strategic plan as well as the guidance provided to our external investors and requiring continuous year-on-year performance improvements. For performance below or at the minimum, 0% is paid out. For the revenue growth metric, the minimum reflects 80% of the target, for the EBITDA margin, the minimum is set at 92% of the target. On-target performance is awarded with a 100% payout. In case of overperformance, up to 200% can be achieved when meeting the cap of 120% of the target for the revenue growth metric and 108% for the EBITDA margin.

For our stock market linked KPI, relative TSR, the minimum, target and cap remained unchanged compared to the prior year and are disclosed in the graph below.

The minimum, target and caps for all metrics that are driving the vesting factor for our LTI are symmetrical and calibrated in a way to balance sustainable performance below and above the target and, based on statistical methods, reflect a realistic realisation of performance-based pay.

The following illustration outlines the minimum, target, and cap for the respective metrics:

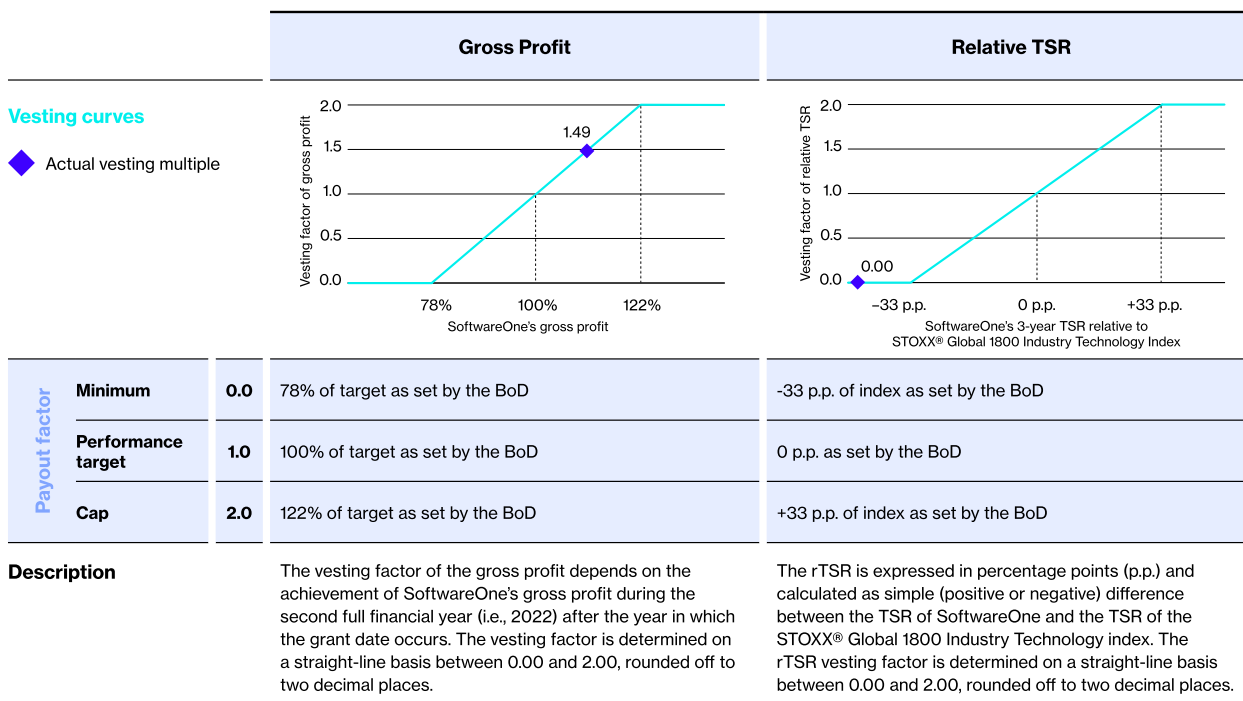


# LTI 2020-2023: performance achievement and vesting

In 2023, the first vesting of SoftwareOne’s LTI plan took place, it was established right after the listing of SoftwareOne on the SIX Stock Exchange and granted in 2020.

For this grant, performance was measured based on two metrics: gross profit and relative TSR. Performance under the gross profit performance metric was excellent, leading to a vesting multiple of 1.49. However, the very favourable outcome in terms of operational excellence was not reflected in our share price and therefore a vesting multiple of 0.00 for the second LTI metric, relative TSR. Overall, the total weighted vesting factor of the LTI 2020 – 2023 is 1.12.

Given the changes to our Executive Board since the grant in 2020, leading to certain forfeitures of PSUs, the total number of PSUs that vested in 2023 amounts to 293’696.



## Share ownership

In 2021, we introduced ownership requirements for the EB members with a five-year build-up period. The minimum shareholding requirement level was set at 300% and 200% of base salary respectively for the CEO and EB members.

The table below shows the shareholdings of each EB member as of 31 December 2023, considering the number of directly held shares and restricted shares. The total shareholdings as of 31 December 2022 are also listed:

Audited EB members	Total shareholdings as at 31 December 2023	Total shareholdings as at 31 December 2022
Brian Duffy <sup>(1)</sup>	-	-
Neil Lomax <sup>(2)</sup>	783,963	892,948
Bernd Schlotter	33,000	33,000
Rodolfo Savitzky	53,340	53,340
Julia Braun	-	-
Dieter Schlosser <sup>(3)</sup>	-	918,788
Alex Alexandrov <sup>(4)</sup>	-	758,626
<b>Total</b>	<b>870,303</b>	<b>2,656,702</b>

1) Brian Duffy joined SoftwareOne effective 01 May 2023.

2) Shareholdings as of 31 December 2023 include also shareholdings from related party.

3) Dieter Schlosser resigned from the EB effective 31 October 2023.

4) Alex Alexandrov resigned from the EB effective 31 December 2022.

## Further compensation information

### Employment agreements

All members of the EB have employment contract agreements with a six-to-twelve month notice period, which are governed by the applicable laws. They are not entitled to severance payments.

Their employment agreements also prohibit the EB members from competing against SoftwareOne for a period of up to twelve months after termination of their employment contract. For the specified non-competitive period, SoftwareOne agrees to pay a compensation to the EB member for their compliance with this non-competitive undertaking to an amount equal to 80% of their last base salary (excluding any ancillary benefits and subject to deduction of any social security and further deductions). This is payable in arrears in monthly instalments, for as long as the EB member complies with the non-competitive agreement. However, SoftwareOne may at any time up to two months prior to the last day of employment, waive compliance with the non-competitive agreement whereupon such payments will no longer be due.

### Payments to current or former members of the Executive Board

In relation to 2023, payments of CHF 200.000 (including social contributions) were made to the former EB member Hans Grueter. No further payments other than those set out in the compensation table for EB members were made to current or former EB members or "closely related persons".

### Loans to members of the Executive Board

Article 23 of SoftwareOne's Articles of Incorporation allow for loans and credits of up to CHF 1 million at market-based conditions to be granted to EB members. In 2023, no loans or credits were made to EB members.

# External mandates for members of the Board of Directors and the Executive Board

## Mandates outside SoftwareOne of the members of the Board of Directors

SoftwareOne's Articles of Incorporation (Aol) provide that the company's BoD is composed of at least three and not more than 12 members, including the Chair of the BoD. No member of the BoD may hold more than four additional mandates in listed companies and more than six mandates in non-listed companies. Mandates within the meaning of this provision shall mean mandates of comparable functions at other companies with an economic purpose. Mandates in different legal entities under common control or owned by the same beneficial owner shall be deemed to constitute a single mandate.

The following mandates are not subject to these limitations:

- 1) Mandates in companies which are controlled by the company or which control the company;
- 2) Mandates held at the request of the company or companies it controls. No member of the BoD or the EB may hold more than 10 such mandates;
- 3) Mandates in associations, charitable organisations, foundations, trusts, and employee welfare foundations. No member of the BoD or the EB may hold more than six such mandates.

All members of the BoD remained within the statutory maximum numbers of outside mandates in listed and non-listed companies and organisations.

The following listing shows all external mandates (audited):

### Adam Warby

- Chair of Heidrick & Struggles International, Inc. [listed company]
- Member of the Board of Citation UK [listed company]
- Board advisor to Devoteam
- Senior technology advisor to KKR

### Daniel von Stockar

- Owner and Chair of the Board of Directors of von Stockar Immobilien AG
- Member of the Board of Agilentia AG

### Marie-Pierre Rogers

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### Timo Ihamuotila

- Chief Financial Officer and member of the Group Executive Committee of ABB Ltd [listed company]
- Member of the Board of Oras Invest Oy

### José Alberto Duarte

- Chairperson of ProAlpha
- Member of the Board of halo, Group B.V.
- Chief Executive Officer of Green Upside Ventures, Lda

### Isabelle Romy

- Partner at Kellerhals Carrard
- Vice-Chairwoman of the Sanction Commission of SIX Swiss Exchange
- Chairwoman of the Board of Central Real Estate Holding Ltd. and Rhystadt Ltd.
- Member of the Board of Directors of Banque Pictet & Cie SA

**Jim Freeman**

- Advisory Board member & Advisor to CEO of Yoummday GmbH
- Senior Advisor to Permira Ltd.
- Senior Advisor to Algolia

**Elizabeth Theophile**

- CEO of EHT Consulting
- Member of the Board of Directors of 8x8, Inc.

## Mandates outside SoftwareOne of the members of the Executive Board

According to Art. 21 of the [Aol](#), no member of the EB may hold more than one mandate in a listed company and more than three mandates in non-listed companies. For a description of how SoftwareOne defines mandates and for transitional provisions of newly appointed EB members, please refer to the section [Availability and statutory provisions regarding external mandates](#) in the Corporate Governance Report.

Any mandate of a member of the EB in a legal entity outside of SoftwareOne shall be subject to prior approval by the BoD, or the NCC, where delegated.

All members of the EB remained within the statutory maximum number of outside mandates in listed and non-listed companies and organisations.

The following listing shows all external mandates (audited):

**Brian Duffy**

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**Rodolfo Savitzky**

- Member of the Board of Directors of EUROAPI S.A. [listed company]

**Bernd Schlotter**

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**Julia Braun**

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**Neil Lomax (Until October 2023)**

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**Dieter Schlosser (Until May 2023)**

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To the General Meeting of  
SoftwareOne Holding AG, Stans

Zurich, 18 March 2024

## Report of the statutory auditor on the audit of the compensation report



### Opinion

We have audited the compensation report of SoftwareOne Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the information marked "audited" on pages 126 to 128 and page 132, 136 to 138 of the compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the compensation report complies with Swiss law and the Company's articles of incorporation.



### Basis for opinion

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

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



### Other information

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

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

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

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



### Board of Directors' responsibilities for the compensation report

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



### Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

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

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

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

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

Ernst & Young Ltd

Rico Fehr  
Licensed audit expert  
(Auditor in charge)

Michael Setz  
Licensed audit expert