

# LALIQUE GROUP REMUNERATION REPORT

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# GENERAL INFORMATION/PRINCIPLES

Lalique Group strives to attract and retain qualified and motivated managers and skilled personnel. This aspiration is underpinned by a fair remuneration system. In the interests of the sustainable development of the company this system takes short-, medium- and long-term targets into account.

The present Remuneration Report offers an overview of the remuneration policy for the Board of Directors and the Executive Board, and of the equity participation of the members of those bodies in the company. This information complies with Articles 663b<sup>bis</sup> and 663c of the Swiss Code of Obligations, the Ordinance against Excessive Compensation in Listed Corporations (VegüV) and the company's Articles of Association. The currently applicable articles were approved at the General Meeting of Shareholders on 23 June 2015.

Remuneration rates for the members of the Board of Directors and the Executive Board were put to shareholders for approval at the General Meeting of Shareholders on 26 June 2015. Neither amendments to the contracts of the Executive Board members nor any new agreements with members of the Board of Directors relating to the new legal and statutory requirements were necessary.

# DIRECTORS' REMUNERATION

## Composition of directors' remuneration

The members of the Board of Directors receive a fixed payment for their work. The Remuneration Committee can provide for them to receive an optional variable rate of remuneration. Where a variable remuneration rate is implemented, it is based on qualitative and quantitative targets. Evaluating the extent to which these targets are achieved is the responsibility of the directors themselves. The variable remuneration rate must not exceed 200% of the fixed sum.

Bonuses can be paid to members of committees or those who assume particular roles or tasks.

With regard to activities in companies directly or indirectly controlled by Laliq Group and activities performed in the exercise of the role of member of the Board of Directors, the company concerned may remunerate directors as long as this remuneration is covered by the amount approved by the General Meeting of Shareholders.

The fixed remuneration sum can be paid in part in shares, and the variable remuneration in part or in full in shares.

Members of the Board of Directors receive compensation for personal expenditure and expenses. The reimbursement of expenditure and payment of expenses does not count as remuneration. In addition, where the law permits, the company can compensate directors for financial disadvantages relating to legal proceedings, court cases or settlement deals, and advance sums accordingly and take out insurance policies. Any such compensation, advances or insurance policies are similarly not considered as remuneration.

## Approval of directors' remuneration

The General Meeting of Shareholders approves the maximum amount of fixed remuneration for the Board of Directors for the period up to the next General Meeting of Shareholders.

The General Meeting of Shareholders approves the total amount of variable remuneration for the Board of Directors for the previous financial year.

## Total remuneration for members of the Board of Directors

| IN CHF THOUSANDS                |                                          | SALARIES<br>FEES,<br>BONUSES | PENSION<br>FUND CONTRI-<br>BUTIONS<br>PAID | OTHER<br>SOCIAL<br>CHARGES | TOTAL        |
|---------------------------------|------------------------------------------|------------------------------|--------------------------------------------|----------------------------|--------------|
| 2017                            |                                          |                              |                                            |                            |              |
| Silvio Denz                     | Chairman of the Board of Directors       | 65                           | 5                                          | 3                          | 73           |
| Roger von der Weid              | Delegate of the Board of Directors & CEO | 601                          | 42                                         | 40                         | 683          |
| Roland Weber                    | Vice-chairman of the Board of Directors  | 25                           | -                                          | 2                          | 27           |
| Marc Roesti                     | Member of the Board of Directors         | 25                           | -                                          | 1                          | 26           |
| Claudio Denz                    | Member of the Board of Directors & CD    | 200                          | 8                                          | 14                         | 222          |
| Jan Kollros                     | Member of the Board of Directors         | 13                           | -                                          | -                          | 13           |
| <b>Total Board of Directors</b> |                                          | <b>929</b>                   | <b>55</b>                                  | <b>60</b>                  | <b>1 044</b> |
| 2016                            |                                          |                              |                                            |                            |              |
| Silvio Denz                     | Chairman of the Board of Directors       | 185                          | -                                          | 27                         | 212          |
| Roger von der Weid              | Delegate of the Board of Directors & CEO | 609                          | 42                                         | 42                         | 693          |
| Roland Weber                    | Vice-chairman of the Board of Directors  | 25                           | -                                          | 2                          | 27           |
| Marc Roesti                     | Member of the Board of Directors         | 25                           | -                                          | -                          | 25           |
| Claudio Denz                    | Member of the Board of Directors & CD    | 199                          | 8                                          | 14                         | 221          |
| <b>Total Board of Directors</b> |                                          | <b>1 043</b>                 | <b>50</b>                                  | <b>85</b>                  | <b>1 178</b> |

No remuneration was paid to former members of the Board of Directors.

# REMUNERATION FOR THE EXECUTIVE BOARD

## Composition of remuneration for the Executive Board

The members of the Executive Board receive a fixed annual remuneration sum and variable remuneration for their work. The variable remuneration rate is based on qualitative and quantitative targets. Evaluating the extent to which these targets are achieved is the responsibility of the Board of Directors. The variable remuneration rate must not exceed 100% of the fixed sum.

Bonuses can be paid to members of committees or those who assume particular roles or tasks.

With regard to activities in companies directly or indirectly controlled by Laliq Group and activities performed in the exercise of the role of member of the Executive Board, the company concerned may remunerate Executive Board members as long as this remuneration is covered by the amount approved by the General Meeting of Shareholders.

The variable remuneration sum can be paid in part or in full in shares.

Members of the Executive Board receive compensation for personal expenditure and expenses. The reimbursement of expenditure and the payment of expenses does not count

as remuneration. In addition, where the law permits, the company can compensate Executive Board members for financial disadvantages relating to legal proceedings, court cases or settlement deals, and advance sums accordingly and take out insurance policies. Any such compensation, advances or insurance policies are similarly not considered as remuneration.

## Approval of remuneration for the Executive Board

The General Meeting of Shareholders approves the maximum amount of fixed remuneration for the Board of Directors for the period up to the next General Meeting of Shareholders.

The General Meeting of Shareholders approves the total amount of the variable remuneration for the Board of Directors for the previous financial year.

Where new Executive Board members are appointed subsequent to the approval being given by the General Meeting of Shareholders, the supplementary pro rata sum per new member is 150% of the highest fixed remuneration paid to an Executive Board member in the financial year preceding the last General Meeting of Shareholders. Approval by the shareholders for the supplementary remuneration is not required.

## Total remuneration to members of the Executive Board

| IN CHF THOUSANDS                           | SALARIES<br>FEES,<br>BONUSES | PENSION FUND<br>CONTRIBUTIONS<br>PAID | OTHER<br>SOCIAL<br>CHARGES | TOTAL        |
|--------------------------------------------|------------------------------|---------------------------------------|----------------------------|--------------|
| 2017                                       |                              |                                       |                            |              |
| Members of the Executive Board (9 members) | 1 922                        | 227                                   | 367                        | 2 516        |
| <b>Total Executive Board<sup>1</sup></b>   | <b>1 922</b>                 | <b>227</b>                            | <b>367</b>                 | <b>2 516</b> |
| 2016                                       |                              |                                       |                            |              |
| Members of the Executive Board (6 members) | 1 204                        | 78                                    | 86                         | 1 368        |
| <b>Total Executive Board<sup>1</sup></b>   | <b>1 204</b>                 | <b>78</b>                             | <b>86</b>                  | <b>1 368</b> |

<sup>1</sup> Excl. Roger von der Weid, Delegate of the BoD and CEO, and Claudio Denz, Member of the BoD and Creative Director

The constitution of the Executive Board was reviewed and adjusted during the reporting period. The Board comprises senior leaders from all businesses. No remuneration was paid to former members of the Executive Board.

## REMUNERATION COMMITTEE

At the General Meeting of Shareholders of 23 June 2017, shareholders elected or confirmed respectively the members of the Remuneration Committee. They are Silvio Denz and Roger von der Weid. The members were elected for a period of office of one year. The Remuneration Committee is responsible for regularly checking and evaluating the company's remuneration system. In addition, the Remuner-

ation Committee makes proposals to the Board of Directors for both quantitative and qualitative targets and for their achievement by directors and Executive Board members and with regard to the remuneration rates for directors and Executive Board members, within the framework of the conditions set out above.

## SHAREHOLDINGS OF THE MANAGEMENT BODIES

As of 31 December 2017, the members of the Board of Directors and the Executive Board held the following numbers of shares:

| NAME                       | FUNCTION                                 | 31.12.17         | IN %          | 31.12.16         | IN %          |
|----------------------------|------------------------------------------|------------------|---------------|------------------|---------------|
| Silvio Denz                | Chairman of the Board of Directors       | 3 602 000        | 72.04%        | 3 775 000        | 75.50%        |
| Roger von der Weid         | Delegate of the Board of Directors & CEO | 3 000            | 0.06%         | 3 000            | 0.06%         |
| Roland Weber               | Vice-chairman of the Board of Directors  | 3 500            | 0.07%         | 3 500            | 0.07%         |
| Marc Roesti                | Member of the Board of Directors         | 1 500            | 0.03%         | 1 500            | 0.03%         |
| Claudio Denz               | Member of the Board of Directors & CD    | 149 000          | 2.98%         | 149 000          | 2.98%         |
| Jan Kollros                | Member of the Board of Directors         | -                | 0.00%         | n/a              | n/a           |
| Rosemarie Abels            | Head Procurement & Production, Perfumes  | 100              | 0.00%         | 100              | 0.00%         |
| Jean Baptiste de Jaham     | Head of Sales, Crystal                   | -                | 0.00%         | n/a              | n/a           |
| Pascal Grussi              | Head of HR, Crystal                      | -                | 0.00%         | n/a              | n/a           |
| Ulrich Hürlimann           | Group CFO (until 31.5.2017)              | n/a              | n/a           | 100              | 0.00%         |
| Benedikt Irniger           | Head of Ultrasun                         | -                | 0.00%         | 500              | 0.01%         |
| Marie-Laure Joly           | Head of Marketing, Perfumes              | 100              | 0.00%         | 100              | 0.00%         |
| Marc Lamineaux             | Head of Design, Crystal                  | -                | 0.00%         | n/a              | n/a           |
| Thomas Leutenegger         | Head of Sales, Perfumes                  | n/a              | n/a           | -                | 0.00%         |
| Denis Mandry               | Factory Director, Crystal                | -                | 0.00%         | n/a              | n/a           |
| David Rios Lopes           | COO, Perfumes                            | 500              | 0.01%         | 500              | 0.01%         |
| Alexis Rubinstein          | Group CFO (as of 1.6.2017)               | -                | 0.00%         | n/a              | n/a           |
| <b>Total</b>               |                                          | <b>3 759 700</b> | <b>75.19%</b> | <b>3 933 300</b> | <b>78.67%</b> |
| Total Lalique Group shares |                                          | 5 000 000        | 100.00%       | 5 000 000        | 100.00%       |

The shares listed above, held by members of the Board of Directors and Executive Board, are not subject to any vesting periods. The option of purchasing blocked shares in the company at market value (including a discount which reco-

gnizes the lock-up period and its duration) may be accorded to members of either body. Otherwise, the members of the Board of Directors and Executive Board are not granted any special rights concerning the purchase of shares.

## LOANS AND CREDIT

Lalique Group may grant loans or credit to members of the Board of Directors or Executive Board in exceptional cases. The total sum of such loans and credits may not exceed CHF 1 million per member. No such loans or credits existed

in the 2017 financial year, either towards present (or former) members of the Board of Directors or Executive Board or persons closely connected with these members.



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To the General Meeting of  
Lalique Group SA, Zürich

Zurich, 13 April 2018

## Report of the statutory auditor on the remuneration report

We have audited the remuneration report on page 50 to 55 of Lalique Group SA for the year ended 31 December 2017.



### 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. 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 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.

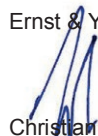
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.




### Opinion

In our opinion, the remuneration report for the year ended 31 December 2017 of Lalique Group SA complies with Swiss law and articles 14–16 of the Ordinance.

Ernst & Young Ltd

  
Christian Krämer  
Licensed audit expert  
(Auditor in charge)

  
Olga Semenova  
ACCA

