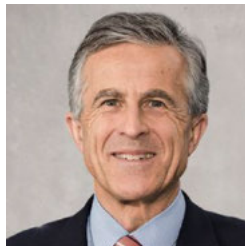


REMUNE- RATION REPORT

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Remuneration Report

Letter from the Chairman of the Nomination & Remuneration Committee



Beat Oberlin

Chairman of the Nomination & Remuneration Committee

Dear shareholders,

It is my pleasure, in my position as Chairman of the Nomination & Remuneration Committee and on behalf of the Committee members and the Board of Directors (the "Board"), to present our Remuneration Report 2021.

The Remuneration Report provides information on the remuneration of the Board and the Executive Management of Swissquote Group Holding Ltd (the "Company") and, where applicable, its consolidated subsidiaries (together, "Swissquote" or the "Group"). It describes Swissquote's remuneration policy and the structure of the remuneration of the members of the Board and Executive Management. It further reports on the nature and amount of the remuneration accrued during the period under review.

Under the Ordinance against Excessive Compensation in Listed Corporations (the "Ordinance"), the Company must establish a remuneration report each year in addition to its Annual Report. The Remuneration Report contains the information required by the Ordinance, Section 5 of the Annex to the SIX Swiss Exchange Directive on Information relating to Corporate Governance as well as Art. 663c of the Swiss Code of Obligations (CO). As required by the Ordinance, Section 4 of the Remuneration Report was audited by the Company's auditors, PricewaterhouseCoopers Ltd; a copy of the audit report is enclosed.

In 2021, we intensified and further structured our dialogue with shareholders, which gave us the opportunity to discuss topics such as corporate governance, remuneration and sustainability. We reviewed and evaluated all the points raised, and, on this basis, further improved disclosure and made a number of decisions aimed at enhancing our framework and policies, in particular in the area of remuneration. We greatly appreciated the time and active participation of our shareholders. We would like to maintain and further expand this exchange in the future.

We make every effort to meet the expectations of our investors and I am happy to share herein the corresponding key developments.

Generalities and COVID-19

In 2021, Swissquote posted record results with net revenues amounting to CHF 472 million and a pre-tax profit of CHF 223 million. The roll-out of our strategy, the determination of our employees and the developments on the financial markets contributed to a remarkably successful year.

In general, the COVID-19 pandemic has not had a negative impact on Swissquote. While it certainly led to more volatility and higher trading volumes in the financial markets and, as a result, to an increase in Swissquote's revenues, the Board assesses that such positive impact was marginal. The Board had duly taken these aspects into account when determining the guidance for 2021. As a result, the pandemic had only an indirect, marginal influence on the determination of the short-term incentive (cash bonus) paid to Swissquote employees, including the members of the Executive Management. For the sake of completeness, the pandemic had no influence on Swissquote's remuneration framework and, in line with the above, no public subsidies, no redundancies or short-time working/exemption (furlough) schemes were necessary.

Remuneration Report

Executive Management's Long Term Incentive Plan

In light of the comments received on the Executive Management's Long Term Incentive Plan ("LTIP"), which consists of a stock option plan, the Board concluded that, for a growth company like ours, such stock option plan constitutes an appropriate incentive plan, in particular to work towards further increasing Swissquote's value. This is in our view especially true as long as the strike price of the stock options is higher than the market value of the underlying at the time of the grant, which has been our constant practice. In 2021, the strike price of the stock options granted to all eligible employees (including the members of the Executive Management) was 13.1% above the market price of the Company's shares at the time of grant.

Furthermore, in order to better meet the expectations of our investors, from 2022 onwards, the vesting period of the stock options granted to the Executive Management will be extended and harmonized to three years (three-year cliff vesting), thus strengthening the long-term component of this plan accordingly. For the previous grants, one third of the stock options vested on the first anniversary of the grant, a second third on the second anniversary and the final third on the third anniversary.

In addition, we addressed the absence of a cap applicable to the LTIP. In order to provide assurance to our investors that stock option grants to the Executive Management are adequately governed, the Board has adopted the following set of rules: (i) the value of stock options granted to members of the Executive Management in any one year must not exceed 35% of the fixed remuneration paid to such members of the Executive Management in that year, (ii) the number of stock options granted to members of the Executive Management must not exceed 25% of the total number of stock options granted to all eligible employees, and (iii) the number of stock options granted to each member of the Executive Management must be equal on a full-time basis.

Moreover, an amendment to the LTIP concerning the two members of the Executive Management who are also major shareholders was contemplated but was eventually not implemented. A limited number of investors had noted that the possibility to exercise stock options in shares enabled such Executive Management members to further increase their shareholding. On that basis, we discussed during the engagement with our shareholders a proposal to amend the LTIP for these specific Executive Management members so that their stock options could only be exercised in cash. The outcome of the engagement was, however, a mutual understanding that, in the Company's case, the reasons

underlying the current framework (including the consistent treatment of all Executive Management members and employees) outweigh the concerns expressed by the relevant investors. As a consequence, the Board refrained from making this amendment to the LTIP.

In conclusion, the Board is confident that, with the adjustments described above, the Executive Management's LTIP is an appropriate tool to foster further long-term growth and align the interests of the Executive Management members with those of the shareholders. Therefore, the Board intends to maintain the current Executive Management's LTIP (with the described amendments) but will regularly review it in light of the comments from the shareholders and, therefore, do not exclude further structural changes to the Executive Management's LTIP in the future.

Executive Management's Short Term Incentive Plan

I would now like to address the Executive Management's Short Term Incentive Plan ("STIP"). We are pleased that the additional transparency provided on the achievements of the objectives set to the Executive Management, as introduced in the Remuneration Report 2020, has been well received by our investors. During the engagement programme, we also received positive feedback on our proposal to further increase that transparency by providing the full list of objectives, the exact weighting of such objectives and the achievement per objective and category of objectives. The detailed result can be found in Section 6 of the Remuneration Report.

As already mentioned, 2021 was very profitable for Swissquote. The strong 2021 performance benefitted our employees and will also benefit our shareholders via an increased dividend, should the annual general meeting of 6 May 2022 approve the Board's proposal. Since the COVID-19 pandemic had been duly taken into account when setting the Executive Management's objectives, the latter therefore did not need to be adjusted and the Executive Management's performance was measured against the originally set objectives. The objectives set to the Executive Management, the achievement of which is also relevant for the cash bonus of our employees, were significantly overachieved and the cap set at 65% of the fixed remuneration was reached. The details can also be found in Section 6 of the Remuneration Report.

Remuneration Report

Various

In 2021, the Board reassessed its remuneration in light of Swissquote's growth, the increasing diversity and complexity of Swissquote's activities and the continuous expansion and strengthening of the regulation and external requirements. These developments naturally generate a higher workload for Board members, in particular the Chair of the Board and the Chairs of the committees. Taking into account these aspects, the Board resolved to increase the remuneration of its members, especially that of the Chairs. The details can be found in Section 4.1 of the Remuneration Report. Moreover, after having introduced a committee chair fee structure in 2021, the Board plans to introduce a full committee fee structure in 2023, i.e. the fees of all Board members will depend on the participation in committees (as member or as chair).

In 2021, the fixed remuneration of the Executive Management members was slightly increased, to take into account the Company's growth and the additional duties and responsibilities of Executive Management members. Furthermore, to demonstrate the alignment of Executive Management pay with the wider workforce and in the interest of best practice standards, we are now disclosing the average and median employee pay in the Remuneration Report. Such information confirms that the CEO's pay is sound and sensible. More information can be found in Sections 4.2 and 7.1 of the Remuneration Report.

Finally, to continue enhancing disclosure, we have added summaries at the beginning of the Remuneration Report. I trust that these summaries further demonstrate that our remuneration policy is straightforward, transparent and sound.

In 2021, the Nomination & Remuneration Committee continued to make sure that Board and Executive Management remuneration is fully aligned with Swissquote's strategy and the long-term interests of our shareholders and strictly complies with the applicable laws and regulations. I am confident that Swissquote's remuneration policy fosters long-term value creation, appropriately rewards results while maintaining an appropriate risk and compliance framework and enables to attract and retain talent. In that context and in view of the improvements made in 2021 and those coming in 2022, I respectfully ask our shareholders to approve our Remuneration Report 2021 at the annual general meeting on 6 May 2022.

On behalf of the Nomination & Remuneration Committee and of the Board, I would like to thank our shareholders for the stimulating and profitable exchanges in 2021. We value the dialogue with our investors and would appreciate any feedback on our Remuneration Report and, more generally, on the contents of our Annual Report.

Yours faithfully,



Beat Oberlin

Remuneration Report

Summary

Board remuneration structure

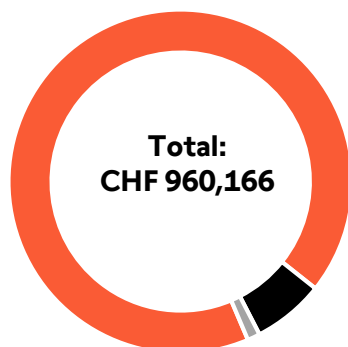
	Fixed remuneration	Contributions and benefits	Fixed indemnity
VEHICLE	<ul style="list-style-type: none"> – 80% cash, paid quarterly – 20% shares (blocked for 3 years) 	<ul style="list-style-type: none"> – Pensions and social insurances 	<ul style="list-style-type: none"> – Cash
PURPOSE	<ul style="list-style-type: none"> – Pay for the day-to-day duties performed and responsibilities taken on – Align interests of Board members with shareholders' interests 	<ul style="list-style-type: none"> – Protect against risks 	<ul style="list-style-type: none"> – Cover out-of-pocket expenses
KEY FACTORS	<ul style="list-style-type: none"> – Potential role of chair or of chair of a committee – Market levels observed 	<ul style="list-style-type: none"> – Age and remuneration – Only to the extent required by law 	<ul style="list-style-type: none"> – Country of domicile

Executive Management remuneration structure

	Fixed remuneration	Short-term incentive plan (STIP)	Long-term incentive plan (LTIP)	Contributions and benefits	Fixed indemnity
VEHICLE	<ul style="list-style-type: none"> – Monthly cash 	<ul style="list-style-type: none"> – Annual cash bonus 	<ul style="list-style-type: none"> – Annual grant of stock options 	<ul style="list-style-type: none"> – Pensions and social insurances 	<ul style="list-style-type: none"> – Cash
PURPOSE	<ul style="list-style-type: none"> – Provide an adequate level of income for the day-to-day job, considering relevant duties and responsibilities – Attract and retain talent 	<ul style="list-style-type: none"> – Reward the performance – Attract and retain talent 	<ul style="list-style-type: none"> – Align interests of Executive Management members with shareholders' interests – Share long-term success – Attract and retain talent 	<ul style="list-style-type: none"> – Protect against risks – Attract and retain talent 	<ul style="list-style-type: none"> – Cover out-of-pocket expenses
KEY FACTORS	<ul style="list-style-type: none"> – Function and responsibilities – Level of expertise and experience – Market levels observed – Horizontal and vertical alignment within the Group 	<ul style="list-style-type: none"> – Level of achievement of objectives set to the Executive Management as a whole (no individual objectives) 	<ul style="list-style-type: none"> – Company's success as reflected by the positive evolution of the Company's share price (strike price higher than market price at the time of the grant) 	<ul style="list-style-type: none"> – Level of management, age and remuneration – Market levels observed 	<ul style="list-style-type: none"> – Position – Applicable local tax rules
LIMITS AND ADDITIONAL RULES (IN ADDITION TO THE MAXIMUM AMOUNT APPROVED BY THE GENERAL MEETING)	<ul style="list-style-type: none"> – N/A 	<ul style="list-style-type: none"> – Part of the company-wide bonus system – Minimum bonus: 0% (achievement below 80%) – Target bonus (100% achievement): 25% of the fixed remuneration – Maximum bonus (achievement at 125% or above): 65% of the fixed remuneration 	<ul style="list-style-type: none"> – Terms fully aligned with those applicable to all eligible employees – Maximum 35% of the fixed remuneration – Maximum 25% of the grant to all eligible employees – Depending on tranche, vesting after one year, two years or three years (as from 2022: three-year cliff vesting) <p>Note: The Company aims that existing shareholders are not being diluted as a result of the stock option plan. Since 2007, the Company has preferred covering the exercise of stock options with shares held in treasury rather than using the conditional capital.</p>	<ul style="list-style-type: none"> – In terms of pension fund contributions, full alignment with the rest of the Management working in Switzerland – In terms of social insurance contributions, full alignment with employees working in Switzerland – Applying corresponding laws and regulations, amount unlikely to exceed 20% of the fixed remuneration (excluding mandatory social insurance contributions resulting from the exercise of stock options granted in previous years, which may significantly vary from one year to the other) 	<ul style="list-style-type: none"> – Maximum 7% of the fixed remuneration

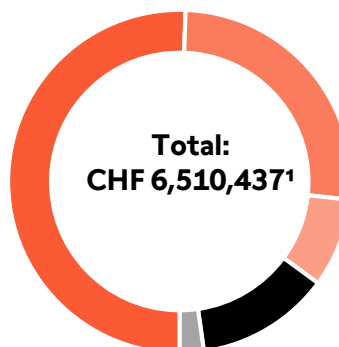
Remuneration Report

2021 Board remuneration



- Fixed remuneration in cash: CHF 884,084
- Contributions and benefits: CHF 64,776
- Other remuneration: CHF 11,306

2021 Executive Management remuneration



- Fixed remuneration in cash: CHF 3,290,408
- Short-term incentive plan (STIP): CHF 1,703,000 (51.8%²)
- Long-term incentive plan (LTIP): CHF 546,432 (16.6%²)
- Contributions and benefits: CHF 823,897 (25.0%²)
- Other remuneration: CHF 146,700 (4.5%²)

¹ The maximum total remuneration approved at the AGM 2020 is CHF 6,700,000.

² Compared with fixed remuneration.

Remuneration Report

1 Remuneration policy

The Group's remuneration policy is an important part of its governance framework. Its ultimate purpose is to encourage the delivery of sustainable growth and performance to shareholders, create a favourable environment for the development of employees and promote responsible and ethical behaviour vis-à-vis the Group and the community. The remuneration policy is further designed to attract and retain the most qualified employees, reward achievements as well as long-term performance, with due care to the Group's success and stage of development, and align the interests of the Board and the Executive Management with those of shareholders. Wage fairness and sustainability are also important parts of the Group's remuneration policy, as further addressed in the Sustainability Report.

2 Organisation and powers

2.1 Nomination & Remuneration Committee

In compliance with Art. 20^{bis} Para. 3 of the Articles of Incorporation (the "Aol"), available at <https://en.swissquote.com/company/investors#articles-incorporation> in the French original version together with an English free translation, the Remuneration Committee has responsibilities in the field of succession planning and nominations, and is therefore named the "Nomination & Remuneration Committee" or "NRC". The current size of the Board justifies that nomination and remuneration subjects be treated by the same committee. The NRC is governed by Art. 20^{bis} of the Aol, the Organisation Regulations (available at <https://en.swissquote.com/company/investors#articles-incorporation> in the French original version) and the Charter of the NRC, according to which the NRC is composed of at least three members of the Board. The Chair of the NRC and the majority of its members must be independent. The general meeting of shareholders (the "General Meeting") individually elects the members of the NRC, whose term of office expires at the end of the annual general meeting (the "AGM") that follows their election. Members of the NRC can be re-elected indefinitely.

At the AGM that was held on 6 May 2021, Martin Naville was newly elected as member of the NRC, while Beat Oberlin and Monica Dell'Anna were re-elected as members of the NRC. The Board then re-elected Beat Oberlin as the Chair of the NRC.

As per the Charter of the NRC, the NRC meets at least twice a year. In 2021, the NRC met six times via (video-)conference calls. The meetings lasted on average for 45 minutes. In 2021, Beat Oberlin, Monica Dell'Anna and the other Board members, except Martin Naville, attended all NRC meetings. Martin Naville attended five NRC meetings. Members of the Executive Management were invited to all meetings, except when their personal situation was discussed. No external advisors attended the meetings.

The Chair of the NRC reports on the activities of the Committee at the following Board meeting or earlier when the circumstances so require. The minutes of the meetings of the NRC are provided to all Board members.

In 2021, the Company did not consult with external advisors with respect to the structuring of remuneration, share ownership or any related matters.

In accordance with the Organisation Regulations and the Charter of the NRC, the NRC does not have a decision-making authority. It advises and makes proposals to the Board on remuneration matters, as well as on questions of succession planning, training and need for external support. For further considerations on succession planning, reference is made to Section 3.6 of the Corporate Governance Report. The NRC has in particular the following powers and duties:

Generally:

- Review the Group's remuneration policies and practices, considering in particular its level of development and industry practices, and make sure that these comply with applicable law and regulations.

With respect to the Board:

- Regularly review the size and composition of the Board as well as the level of independence of its members, to ensure compliance with the legal and regulatory requirements, as well as the Company's governance principles (in particular for what regards diversity and sustainability);
- Review annually the remuneration of the Board members; and
- Make recommendations to the Board regarding the form and amount of remuneration that is to be paid to the Board's Chair, to the other Board members, as well as to the Chair and members of each Board committee, in line with the Aol and the resolutions of the General Meeting.

Remuneration Report

2.1 Nomination & Remuneration Committee (continued)

With respect to the Management:

- Make recommendations to the Board on the policies applicable to the remuneration of the Executive Management and the other members of the Management (together, the “Management”), including with the aim to ensure gender fair pay;
- Regularly review the employment contracts of the Management and make recommendations on the Management’s remuneration level;
- Review the Company’s short- and long-term incentive plans and make recommendations to the Board with respect to amendments, suspensions or discontinuations of any such plans;
- Review the organisation of the Group from a human resources perspective and make recommendations for nomination and dismissal of the Management;
- Review the Management’s succession plan, both in terms of contingency and long-term planning;
- Prepare proposals to be submitted to the General Meeting pursuant to Art. 14^{bis} of the Aol for what regards the remuneration of the Board and Executive Management, and for the amendments to the provisions of the Aol relating to remuneration; and
- Make recommendations to the Board regarding the Remuneration Report.

Further information on the NRC can be found in the Aol (in particular in Art. 20^{bis}).

2.2 Board of Directors

Subject to the prerogatives of the General Meeting and in line with the applicable laws and Art. 14^{bis} of the Aol, the Board is competent to decide on all matters relating to remuneration.

The Board, which is composed of non-executive members only, makes its decisions based on the proposals of the NRC. Unless a Board member requests otherwise, the Board decides in one single vote on the Board members’ remuneration. Members of the Executive Management do not attend the part of the Board meeting during which their remuneration is decided upon.

2.3 General Meeting

Binding vote on pay

Art. 9 Para. 2, 14^{bis} Para. 1, 21^{bis} and 21^{ter} of the Aol provide for a prospective vote of the shareholders on the maximum aggregate remuneration of the members of the Board and Executive Management. Under these provisions, upon proposal of the Board, shareholders approve at each AGM the maximum aggregate amount of:

- The remuneration payable to the Board for the period until the following AGM; and
- The remuneration payable to the Executive Management for the following financial year.

At the AGM of 6 May 2021, the following maximum aggregate amounts were approved:

- CHF 1,200,000 for the Board (covering the period running from the AGM of 6 May 2021 to the AGM of 6 May 2022); and
- CHF 7,900,000 for the Executive Management (covering the financial year 2022).

Further information on the binding vote on pay can be found in the Aol, in particular in Art. 14^{bis}.

Consultative vote on Remuneration Report

Since 2011, it has been the Company’s policy to submit the Remuneration Report to a consultative vote of the shareholders. The Board intends to sustain this practice.

Remuneration Report

3 Remuneration components

3.1 Generalities

As at 31 December 2021, the following remuneration components were available for the level of responsibilities listed below:

	Fixed remuneration		Variable remuneration				
	Cash	Shares	Cash-bonus (short-term)	Shares (long-term)	Stock options (long-term)	Contributions and benefits	Other remuneration
Board members	Yes	Yes	Not eligible	Not eligible	Not eligible	Eligible	Eligible
Members of the Executive Management	Yes	Not eligible	Eligible	Not eligible	Eligible	Eligible	Eligible
Other employees	Yes	Not eligible	Eligible	Eligible subject to conditions	Eligible subject to conditions	Eligible	Eligible

Fixed remuneration

Cash component

The fixed remuneration depends on the function and responsibilities of the concerned individual as well as their level of expertise and experience. It is paid out in cash in monthly instalments, after deduction of any social insurance, pension fund and other contributions.

Share component

The Board receives part of its remuneration in shares. With respect to the valuation and blocking period applicable to the shares, reference is made to Section 4.3 of this Remuneration Report.

Variable remuneration

The current remuneration framework does not allow for any variable remuneration for the Board. Art. 21^{ter} Para. 2 of the Aol sets forth the rules applicable to the variable remuneration of the members of the Executive Management.

Section 3.3 describes the manner in which these rules are applied by the Board.

Remuneration Report

3.1 Generalities (continued)

Employee share plan

The Group offers its eligible employees the opportunity to participate in the long-term success of the Group by purchasing Swissquote shares at a discounted price. The employee share plan aims to reward sustained, long-term performance and align shareholder and employee interests more closely.

Within the framework of the applicable laws, the Aol and the decisions of the General Meeting, the Board will, applying sound judgement, decide every year whether and how many shares will be offered and to whom; no eligible employee has an enforceable right to be granted shares at a discounted price. The Board seeks to keep a sensible relation between the number of shares offered to members of the respective levels of the organisation.

Within the framework of the applicable laws, the Aol and the decisions of the General Meeting, the Board decides on the terms of the employee share plan, including the proceedings and the date of grant of the shares, the price to acquire the shares and the blocking period of the shares and its terms. During the blocking period, the concerned employees are not entitled to sell, donate, pledge or otherwise transfer the shares. In case of change of control, the Board may decide to put an end to any ongoing blocking period.

In 2021, shares were offered for free (no price paid for the acquisition) to all eligible employees. They are blocked for a period of five years as from their attribution.

The members of the Executive Management are not eligible for participating in the employee share plan.

Employee option plan

Since 1999, the Group has been operating a stock option plan in order to encourage long-term participation of eligible employees in the positive development of the Company's stock price.

Subject to applicable laws, the Aol and the decisions of the General Meeting, the Board, applying sound judgement and taking into consideration elements such as those described in Section 7.2, decides every year whether and how many stock options will be offered and to whom as well as on the terms of such stock options. The total number of options granted depends inter alia on the number of eligible employees, the difference between the strike price and the market value and the volatility of the Swissquote share at grant. The decision is made based on the Board's assessment and in accordance with the following principles, newly adopted by the Board:

- The value of the stock options granted to the members of the Executive Management in any one year must not exceed 35% of the fixed remuneration paid to such member of the Executive Management in that year;
- The number of stock options granted to the members of the Executive Management must not exceed 25% of the total number of options granted to all eligible employees; and
- The number of stock options granted to each member of the Executive Management must be equal on a full-time basis.

In 2021, the terms of the options granted to all eligible employees were the following:

- Each option entitles its holder to acquire, upon exercise, one share in the Company;
- The options are subject to a three-year vesting schedule with 1/3 of the options becoming exercisable on the first, second and third anniversaries of grant;
- The exercise period for each tranche is two years;
- Unvested options are forfeited when their holder leaves the Group, save in case of retirement or termination of the employment contract due to injury or permanent disability; and
- In case of change of control, the Board may seek to replace outstanding options by new grants having the equity securities of the acquiring company or another related company as underlying asset, in which case the value of the options granted will be at least equal to the value of the options that they replace. The Board may also decide to accelerate the vesting of outstanding options.

For the grants that will be made in 2022 and the years after, the Board has resolved that the vesting of the options would occur three years after their grant (three-year cliff vesting), which strengthens the long-term component of the stock option plan.

In 2021, 167,195 options representing a fair value of CHF 4,153,519 (2020: 172,927 options representing a fair value of CHF 2,075,168) were granted to eligible employees from the middle management to the Executive Management. The size of individual grants depends on the relevant employee's seniority level.

More information on the valuation of stock options is provided in Note 17.2 to the consolidated financial statements (Section VII).

Remuneration Report

3.1 Generalities (continued)

Contributions and benefits

Social insurance contributions are made in application of the applicable laws and depend on the level of remuneration. Pension fund contributions and benefits depend on the level of management, age and remuneration.

Other remuneration

The cash component of the fixed remuneration may be supplemented by a fixed indemnity covering estimated out-of-pocket expenses. Out-of-pocket expenses are determined in accordance with applicable local tax rules.

The Group employees enjoy benefits on the consumption of services provided by the Group (such as favourable conditions on their Swissquote trading account) and other benefits of minor importance.

3.2 Elements of the remuneration of the members of the Board of Directors

As reflected in the table introducing Section 3.1 and in accordance with Art. 21^{bis} Para. 1 of the Aol, the remuneration of the Chair of the Board and other Board members comprises the fixed remuneration applicable until the following AGM, contributions and benefits and a fixed indemnity (other remuneration).

Fixed remuneration

Within the framework of the applicable laws, the Aol and the decisions of the General Meeting, the fixed remuneration of the Board members is reviewed annually and, as the case may be, adjusted upon the recommendation of the NRC. The review of the remuneration of the Board takes several factors into consideration, such as the amount of work required from the Board and market levels observed in Switzerland based on publicly available information, although no defined benchmark is used.

In accordance with Art. 21^{bis} Para. 2 of the Aol, the Board can decide to have part of the annual fixed remuneration paid in the form of shares. Since 2015, the Board has each year decided that 20% of its fixed remuneration be paid in shares. In such a case, it decides on the conditions of the grants, including the valuation of the relevant shares, and any applicable blocking period. The valuation rules and blocking period applied to the shares granted to the Board members under the Board share plan are described in Section 4.3. The Board share plan is distinct from the employee share plan and does not relate to variable remuneration.

No variable remuneration

Members of the Board are not eligible for any variable remuneration.

Contributions and benefits

Under Swiss law, the Board's remuneration is compulsorily subject to social insurances, hence the contributions made by the Board members (as included in the fixed remuneration) and the Company (as reflected separately in the tables in Section 4.2). Board members do not receive pension fund contributions and benefits, unless provided by law.

Other remuneration

The Board members receive a fixed indemnity covering their estimated out-of-pocket expenses, which mainly depend on the country of domicile of the relevant Board member and the applicable local tax rules.

The Board members enjoy the same benefits on the consumption of services provided by the Group as the Group employees (such as favourable conditions on their Swissquote trading account). The aggregate amount of such benefits enjoyed by the Board members is deemed immaterial and is therefore not reported in this Remuneration Report.

Remuneration Report

3.3 Elements of the remuneration of the members of the Executive Management and other related aspects

As reflected in the table introducing Section 3.1 and in accordance with Art. 21^{ter} Para. 1 of the Aol, the remuneration of the members of the Executive Management comprises:

- A fixed remuneration, which is cash-based;
- A variable remuneration in the form of:
 - A short-term incentive plan (STIP, cash bonus);
 - A long-term incentive plan (LTIP, stock option plan);
- Contributions and benefits; and
- A fixed indemnity covering their estimated out-of-pocket expenses (other remuneration).

Fixed remuneration

The fixed remuneration of the members of the Executive Management is cash-based. Within the framework of the applicable laws, the Aol and the decisions of the General Meeting, the fixed remuneration of the Executive Management members is reviewed annually and, as the case may be, adjusted upon the recommendation of the NRC. The review of the remuneration of the Board takes several factors into consideration, such as the function and responsibilities of the concerned Executive Management members as well as market levels observed in Switzerland based on publicly available information, although no defined benchmark is used (see Section 3.4). The fixed remuneration of the members of the Executive Management was last reviewed and increased in March 2022.

Variable remuneration

Short-term incentive plan (STIP)

The short-term incentive plan consists in an annual performance-based cash bonus.

At the beginning of each financial year, upon the recommendation of the NRC, the Board sets a list of quantitative and qualitative objectives for such financial year to the Executive Management as a whole. Members of the Executive Management are not set individual objectives. The Board assesses that collective objectives foster team spirit and avoid silo thinking, which are key elements to a company's success. In 2021, the objectives set to the Executive Management were classified in four categories:

- Financial objectives;
- Growth objectives;
- Defensive/conversion objectives; and
- Other objectives.

For 2022, the objectives set to the Executive Management are classified in three categories, i.e. financial objectives, growth objectives and ESG objectives. More information will be provided in the Remuneration Report 2022.

Each category of objectives may be associated with one or more objectives, with a weighted target. The number and the nature of the objectives may vary from one year to the other and will be disclosed retrospectively in the Remuneration Report. Objectives for 2021 are described in Section 6.

The table below indicates the cash bonus (in percentage of the fixed remuneration) that can be expected in ordinary circumstances depending on the level of achievement of the objectives:

ACHIEVEMENT OF OBJECTIVES	Percentage of the fixed remuneration
More than 125%	65%
Between 100 and 125%	25-65%
100% (target)	25%
Between 80 and 100%	3-25%
Less than 80%	0%

Since members of the Executive Management are not set individual objectives and, therefore, all objectives are collective, the percentage of the fixed remuneration is, with respect to a specific year, the same for all members of the Executive Management, including the CEO.

The table is by purpose not linear. The cap set by the Board at 65% of the fixed remuneration is lower than the cap set in Art. 21^{ter} Para. 2 of the Aol, which allows for a cash bonus up to 150% of the fixed remuneration.

Remuneration Report

3.3 Elements of the remuneration of the members of the Executive Management and other related aspects (continued)

Long-term incentive plan (LTIP)

Since 2018, the Executive Management's long-term incentive plan has exclusively consisted of stock options granted under the stock option plan described in Section 3.1 above. For the grants that will be made in 2022 and the years after, the Board has resolved that the vesting of the options would occur three years after their grant (three-year cliff vesting), which strengthens the long-term component of the stock option plan. Furthermore, as indicated in Section 3.1 above, the Board adopted new rules governing the granting of stock options to the Executive Management. In particular, the value of the stock options granted to the members of the Executive Management in any one year must not exceed 35% of the fixed remuneration paid to such member of the Executive Management in that year. Each member of the Executive Management receives the same number of stock options, at the same terms.

The number of stock options granted is determined in accordance with the principles described in Section 3.1. In 2021, the number of options granted to the Executive Management was 22,000 (2020: 29,250) representing 13.2% (2020: 16.9%) of the total options granted under the plan to all eligible employees of the Company.

The strike price of the options is set by the Board at a level that is above the applicable share price at the time of grant. The rationale is that Executive Management members (and all other optionees) are rewarded only if the share price increases above the strike price within the exercise period. In 2021, the strike price of the stock options granted was set 13.1% above the market price of the Company's shares at the time of grant (2020: 12.4%)

The Company aims that existing shareholders are not being diluted as a result of the stock option plan. As a result, although the Aol provide for a conditional capital to cover the issuance of shares under the stock option plan of the Company, the Company has preferred, since 2007, covering the option grants by shares held in treasury rather than using its conditional capital.

In 2021, the number of stock options exercised by Executive Management members corresponds to 0.3% of the share capital (0.1% in 2020 and 0.1% in 2019).

The Board considers that the Executive Management's long-term incentive plan in the form of a stock option plan guarantees a long-term alignment of the interests of the Executive Management with those of the shareholders, in particular in light of the growth strategy pursued by the Company.

Contributions and benefits

Pursuant to Art. 21^{ter} Para. 1 of the Aol, social insurance contributions and pension fund contributions are made to members of the Executive Management. Social insurance contributions are made in accordance with applicable laws and depend on the level of remuneration; such contributions for the Executive Management members are fully aligned with those for the other employees working in Switzerland.

Pension fund contributions and benefits depend on the level of management, age and remuneration. Such contributions and benefits for the Executive Management members are fully aligned with those for the rest of the Management working in Switzerland.

Other remuneration

The members of the Executive Management receive a fixed indemnity covering their estimated out-of-pocket expenses, which inter alia depend on the position of the concerned Executive Management member and the applicable local tax rules. The fixed indemnity was last amended in 2018. It must not represent more than 7% of the fixed remuneration.

All the employees of the Group, including the members of the Executive Management, enjoy the same benefits, such as favourable conditions on their Swissquote trading accounts or access to sport facilities at a discounted price. The Company does not provide benefits such as a company car or health insurance coverage. The aggregate amount of the benefits enjoyed by the members of the Executive Management is deemed immaterial and is therefore not reported in this Remuneration Report.

Duration of contracts

The termination period of the employment contracts of the members of the Executive Management is six months.

Unless the termination of the employment contract with a member of the Executive Management is considered abusive by a tribunal, such member of the Executive Management would not receive any severance payment.

The employment contracts of the members of the Executive Management do not contain any post-contractual non-compete clauses.

Remuneration Report

3.3 Elements of the remuneration of the members of the Executive Management and other related aspects

(continued)

Change-of-control

In accordance with the company-wide Employee Share and Option Plan (applicable to all eligible employees and not only to the members of the Executive Management), in case of change of control, the Board may seek to replace outstanding options by new grants having the equity securities of the acquiring company or another related company as underlying asset, in which case the value of the options granted will be at least equal to the value of the options that they replace. In accordance with the Employee Share and Option Plan, the Board may also decide to accelerate the vesting of outstanding options. Subject to the aforementioned exceptions, the employment contracts of the members of the Executive Management do not contain any change-of-control arrangement.

Clawback

In accordance with the Company's clawback policy, the Company is entitled to seek repayment of some or all of the performance-based remuneration received by a member of the Executive Management over a period of up to three years in the event of a material restatement of the Company's financial statements, accounting issue or breach of duty. Instead of seeking reimbursement of performance-based remuneration, the Company may also declare a member of the Executive Management ineligible to additional performance-based compensation for a certain period.

3.4 Benchmark

As a growth company, it is essential for the Company to be in a position to attract and retain the talents that are required for its continuous development. From a human resources perspective, the Group is competing with a broad spectrum of companies in its Swiss home market, but also in other countries where the Group has subsidiaries. The sectors in which the Group competes for talents include financial services and fintechs, but also, and more generally, all industries in which advanced software development engineers and digitalisation skills are in demand. Whilst the Board reviews the latest developments in remuneration systems in such industries and sectors, the Board has not identified specific companies considered to be relevant enough for benchmarking purposes.

The Board notes that, to date, the Company was able to attract and retain the right talents and that, as of 31 December 2021, there had been only one departure from the Executive Management in the past 10 years, and that concerned a shift from the Executive Management to the Board. Conversely, the remuneration of the Executive Management appears to be perceived as reasonable by the shareholders, considering, inter alia, that the General Meeting has, since the entry into force of the Ordinance, always approved with a large majority the proposals of the Board with respect to the maximum aggregate remuneration of the Executive Management. The Board remains vigilant with respect to the needs to adapt the Company's remuneration systems and the remuneration offered with the aim of contributing to the achievement of the Company's growth objectives.

Remuneration Report

4 Remuneration for 2021

The remuneration reported in this Section is applicable to all activities of the concerned persons in the Group, including, for the Board members, their board activities for the Company and Swissquote Bank Ltd, and, for the members of the Executive Management, their activities in the Board of Directors of the foreign subsidiaries of the Group.

For the sake of clarity, in 2021 as in the past years, there were no deviations in the determination and payment of the remuneration compared to the policies described in this Remuneration Report. As a result, the Company does not have a derogation policy.

This Section of this Remuneration Report was audited by the Company's auditors.

4.1 Remuneration of the members of the Board of Directors

The tables in this Section state the total remuneration for the members of the Board for the financial years 2021 and 2020. The cash components correspond to gross figures and include social insurance contributions paid by the Board members. Therefore, the figures relating to social insurance contributions only cover the amount paid by the Company. Other remuneration consists of a fixed indemnity covering estimated out-of-pocket expenses.

	Fixed remuneration		Contributions and benefits	Other remuneration	Total
in CHF	Cash	Shares (tax value)			
BOARD REMUNERATION 2021					
Markus Dennler, Chairman	169,007	44,948	14,753	2,000	230,708
Monica Dell'Anna, member	102,260	25,925	11,173	2,000	141,358
Martin Naville, member	102,260	25,925	11,173	2,000	141,358
Beat Oberlin, member	107,466	27,945	8,896	2,000	146,307
Jean-Christophe Pernollet, member	112,671	29,965	12,124	2,000	156,760
Michael Ploog, member	72,877	27,945	6,657	1,306	108,785
Subtotal	666,541	182,653	64,776	11,306	925,276
Difference between tax value and IFRS fair value of shares granted to the Board					34,890
Total remuneration 2021					960,166

As reflected in the above table, the total remuneration is calculated by taking into consideration the fair value of the shares granted to the Board. For information on the tax value and on the fair value, reference is made to Section 4.3.

In 2021, no remuneration was paid, and no credit or loan was granted, to former Board members. Furthermore, no remuneration was paid to related parties and no credit or loan was granted to related parties, except Lombard loans, which were granted at market conditions.

Remuneration Report

4.1 Remuneration of the members of the Board of Directors (continued)

	Fixed remuneration		Contributions and benefits	Other remuneration	Total
in CHF	Cash	Shares (tax value)			
BOARD REMUNERATION 2020					
Markus Dennler, Chairman	150,000	30,004	16,209	2,000	198,213
Monica Dell'Anna, member	100,000	20,050	10,932	2,000	132,982
Martin Naville, member	100,000	20,050	10,932	2,000	132,982
Beat Oberlin, member	100,000	20,050	9,322	2,000	131,372
Jean-Christophe Pernellet, member	100,000	20,050	10,932	2,000	132,982
Subtotal	550,000	110,204	58,327	10,000	728,531
Difference between tax value and IFRS fair value of shares granted to the Board					21,051
Total remuneration 2020					749,582

As reflected in the above table, the total remuneration is calculated by taking into consideration the fair value of the shares granted to the Board. For information on the tax value and on the fair value, reference is made to Section 4.3.

In 2020, no remuneration was paid, and no credit or loan was granted, to former Board members. Furthermore, no remuneration was paid to related parties and no credit or loan was granted to related parties, except Lombard loans, which were granted at market conditions.

Board remuneration changes from 2020 to 2021

In 2021, the Board reassessed its remuneration in light of the Company's growth, the increasing diversity and complexity of the Company's activities and the continuous expansion and strengthening of the regulation and external requirements. These developments naturally generate a higher workload for Board members, in particular the Chair of the Board and the Chairs of the committees. Taking into account these aspects, the Board resolved to increase the fixed remuneration of the Chair by 25%, the fixed remuneration of the Chair of the Audit & Risk Committee by 25%, the fixed remuneration of the Chair of the Nomination & Remuneration Committee by 17% and the fixed remuneration of the other incumbent members by 8%. Michael Ploog joined the Board in May 2021; his remuneration also covers his work as secretary of the Board, which he will carry until the AGM 2022.

Overall, the total remuneration increased from CHF 749,582 to CHF 960,166 representing an increase of 28.1% as a result of the aforementioned increase and the extension of the Board's composition from five to six members.

More specifically, the total fixed remuneration in cash increased from CHF 550,000 to CHF 666,541, representing an increase of 21.2% and the shares' total tax value increased from CHF 110,204 to CHF 182,653, representing an increase of 65.7%. Furthermore, the total social insurance contributions increased from CHF 58,327 to CHF 64,776, representing an increase of 11.1% and the other remuneration increased from CHF 10,000 to CHF 11,306, representing an increase of 13.1%.

Remuneration Report

4.2 Remuneration of the members of the Executive Management

This Remuneration Report informs on the remuneration of the highest paid member of the Executive Management as well as the aggregate remuneration of all members of the Executive Management. This is in line with market practice and results from the application of the Ordinance.

The cash components correspond to gross figures and include social insurance contributions and pension fund contributions paid by the members of the Executive Management. Therefore, the figures relating to social insurance contributions and pension fund contributions and benefits only cover the amount paid by the Company. Other remuneration consists of a fixed indemnity covering estimated out-of-pocket expenses.

	Fixed remuneration	Variable remuneration				
		Short-term incentive plan (STIP)	Long-term incentive plan (LTIP)	Contributions and benefits	Other remuneration	Total
in CHF	Cash					
EXECUTIVE MANAGEMENT REMUNERATION 2021						
Marc Bürki, CEO (highest paid)	542,500	352,625	68,304	122,047	21,600	1,107,076
Aggregate of all members of the Executive Management	3,290,408	1,703,000	546,432	823,897	146,700	6,510,437

The aggregate cash bonus represents 51.8% of the aggregate fixed remuneration. Reference is made to Section 6 for further information.

The total remuneration includes the remuneration of Michael Ploog, who was a member of the Executive Management until March 2021. Except for that, in 2021, no remuneration was paid to former members of the Executive Management. Furthermore, in 2021, no credit or loan was granted to former members of the Executive Management. Moreover, no remuneration was paid to related parties and no credit or loan was granted to related parties, except Lombard loans, which were granted at market conditions.

Remuneration Report

4.2 Remuneration of the members of the Executive Management (continued)

	Fixed remuneration	Variable remuneration				
		Short-term incentive plan (STIP)	Long-term incentive plan (LTIP)	Contributions and benefits	Other remuneration	Total
in CHF	Cash					
EXECUTIVE MANAGEMENT REMUNERATION 2020						
Marc Bürki, CEO (highest paid)	520,000	322,400	45,000	97,377	21,600	1,006,377
Aggregate of all members of the Executive Management	3,167,667	1,963,953	350,997	626,799	142,500	6,251,916

The aggregate cash bonus represents 62.0% of the aggregate fixed remuneration.

In 2020, no remuneration was paid, and no credit or loan was granted, to former members of the Executive Management. Furthermore, no remuneration was paid to related parties and no credit or loan was granted to related parties, except Lombard loans, which were granted at market conditions.

Executive Management remuneration changes from 2020 to 2021

The total fixed remuneration slightly increased from CHF 3,167,667 to CHF 3,290,408, representing an increase of 3.9%, as a result of the review of the fixed remuneration of the members of the Executive Management early in 2021 and the changes made to the Executive Management's composition.

Despite the maximum level of achievement of the objectives set to the Executive Management for 2021, the total cash bonus decreased from CHF 1,963,953 to CHF 1,703,000, representing a decrease of 13.3%, as a result of the changes in the composition of the Executive Management. Reference is made to Section 6 for further information on the assessment of the achievement of the objectives set to the Executive Management.

Despite the lower number of stock options granted in 2021 compared to 2020, the fair value of the stock options granted increased from CHF 350,997 to CHF 546,432, representing an increase of 55.7%. This is due to the fair value of each stock option, which is higher than at the time of the 2020 grant, mainly because of the higher market value of the Swissquote share.

The total social insurance contributions and pension fund contributions and benefits increased from CHF 626,799 to CHF 823,897, representing a total increase of 31.4%. This mainly results from the exercise of stock options allocated in previous years. Reference is made to Section 8.2 for further information.

The other remuneration slightly increased from CHF 142,500 to CHF 146,700, representing an increase of 2.9%. This is due to specific circumstances pertaining to 2020 (such as an unpaid leave) which led to a lower amount of fixed indemnity in 2020.

Overall, the total remuneration increased from CHF 6,251,916 to CHF 6,510,437, representing a total increase of 4.1%.

Remuneration Report

4.3 Valuation principles

The cash bonus accrues in the financial year under review and is payable in the following financial year. It is therefore based on the results of the financial year under review.

The fair value of the shares is determined in accordance with the International Financial Reporting Standards (IFRS). It represents the market price, i.e. the price that would be received for a share in an orderly transaction between market participants on the grant date.

The market price of the shares granted to the Board in 2021 was CHF 200.5. The market price of the shares granted to the Board in 2020 was CHF 85.9.

The tax value of the shares is determined based on the Swiss Federal Tax Administration Circular Letter No. 37 on Taxation of Employee Participations and Circular Letter No. 37A on Tax Treatment of Employee Participations with the Employer. It represents the market price of the share on grant date discounted by a fixed percentage for a certain period of blocking.

Shares granted to the Board in 2021 are blocked for three years from their grant date and their tax value amounts to CHF 168.3 per share. This tax value represents the market price of the share on grant date (i.e. CHF 200.5) discounted by 16.0%.

Shares granted to the Board in 2020 are blocked for three years from their grant date and their tax value amounts to CHF 72.1 per share. This tax value represents the market price of the share on grant date (i.e. CHF 85.9) discounted by 16.0%.

The fair value of the options is determined based on the Black-Scholes valuation model. The most significant inputs into the model are the market value of the Swissquote share at grant, the strike price, the expected life of the options and the volatility. The volatility is measured over a period of ten years. Other inputs into the model are the risk-free interest rate and the dividend yield. One option grants the right to acquire one share in the Company (ratio 1:1). For the financial year 2021, the fair value amounts to CHF 24.8 on average per option on grant date. For the financial year 2020, the fair value amounts to CHF 12.0 on average per option on grant date.

Remuneration Report

4.4 Loans and credits to the Board and the Executive Management

Pursuant to Art. 21 Para. 2 of the Aol, the Company may grant loans and credits to the members of the Board and of the Executive Management at market terms or at terms which apply to all employees. Loans and credits which do not satisfy such conditions are authorised provided that, in each single case, they do not exceed the amount of CHF 100,000 and to the extent that they have been approved by the General Meeting, either individually or as part of an aggregate amount.

The following loans and credits were granted to and were still outstanding as at 31 December 2021 with current and former members of the Board and of the Executive Management, as well as their closely related persons. All loans were granted at market conditions.

in CHF	2021	2020
MEMBERS OF THE BOARD		
Markus Dennler, Chairman	–	–
Monica Dell'Anna, member	–	–
Martin Naville, member	–	–
Beat Oberlin, member	–	–
Jean-Christophe Pernellet, member	–	–
Michael Ploog, member ¹	–	–
Closely related persons	22,490	–
Former members	–	–
Total as at 31 December	22,490	–

in CHF	2021	2020
MEMBERS OF THE EXECUTIVE MANAGEMENT		
Marc Bürki, CEO	5,058,458	7,580,434
Paolo Buzzi, Deputy CEO	–	8,060,708
Yvan Cardenas, CFO	–	–
Gilles Chantrier, CRO	–	–
Alexandru Craciun, CTO ²	17,471	–
Jan De Schepper, CSO	–	–
Lino Finini, COO	–	–
Morgan Lavanchy, CLO	–	–
Closely related persons	1,823,943	1,796,381
Former members	–	–
Total as at 31 December	6,899,872	17,437,523

¹ Michael Ploog was newly elected to the Board at the AGM 2021. He previously served as member of the Executive Management of the Company from 1999 to March 2021.

² Alexandru Craciun joined the Executive Management on 1 April 2021.

Remuneration Report

5 Reconciliation of remuneration with the approval of the General Meeting

At the AGM of 5 May 2020, the shareholders approved a maximum aggregate remuneration of the Board amounting to CHF 870,000 for the period of office from the AGM of 5 May 2020 until the completion of the AGM of 6 May 2021. The total amount of remuneration paid out for this period was CHF 727,040, which is in line with what was approved at the AGM of 5 May 2020. The above-mentioned maximum aggregate remuneration included a reserve of CHF 100,000 in order to cover potential exceptional tasks requiring an additional remuneration, in particular in case of unforeseen circumstances. No such additional remuneration was paid, i.e. the reserve was not used.

At the AGM of 6 May 2021, the shareholders approved a maximum aggregate remuneration of the Board amounting to CHF 1,200,000 for the period of office from the AGM of 6 May 2021 until the completion of the AGM of 6 May 2022. The total amount of remuneration that will be paid out for this period is anticipated to be in line with the maximum aggregate remuneration approved at the AGM of 6 May 2021. The final amount that will be paid will be disclosed in the 2022 Remuneration Report.

With respect to the remuneration of the Executive Management, the shareholders approved at the AGM of 5 May 2020 a maximum aggregate remuneration of CHF 6,700,000 for the financial year 2021, taking into consideration an Executive Management comprising eight members. The total amount of remuneration paid out and accrued for this period was CHF 6,510,437 for the entire Executive Management in 2021, which is in line with what was approved at the AGM of 5 May 2020.

At the AGM of 6 May 2021, the shareholders approved a maximum aggregate remuneration for the Executive Management amounting to CHF 7,900,000 for the financial year 2022. The total amount of remuneration that will be paid out and accrued for this period is anticipated to be in line with the maximum aggregate remuneration approved at the AGM of 6 May 2021. The final amount that will be paid and accrued will be disclosed in the 2022 Remuneration Report.

Remuneration Report

6 Objectives for 2021 and assessment of their achievement

As described in Section 3.3, the Board sets, at the beginning of each financial year, a list of quantitative and qualitative objectives to the Executive Management to assess its performance and set the amount of the annual cash bonus (short-term incentive), if any. These objectives are set to the Executive Management as a whole, rather than on an individual basis. The objectives are aligned with the

Company's strategy and the guidance communicated to the public.

The table below describes the objectives that were set for the financial year 2021, together with their respective weighting and level of achievement, as assessed by the Board upon the NRC's recommendation:

Category of objectives	Weight	Objective*	Achievement	
Financial	60%	Achievement of pre-tax profit target	Overachieved	175%
		Achievement of net revenues target	Overachieved	
Growth	15%	Successful launch of the neo-bank app Yuh	Achieved	85%
		Successful launch of contracts for difference on single stocks	Achieved	
		Delivery of the roadmap for crypto-related projects	Partially achieved	
		Successful launch of onboarding projects	Partially achieved	
Defensive / Conservative	15%	Maintaining of high standards in compliance/reputation**	Achieved	98%
		High level of availability of the platforms and other IT systems**	Partially achieved	
		Limited operational losses	Overachieved	
Other	10%	Delivery of IT development roadmap (excluding Growth projects)	Achieved	106%
		Update of the organisation & succession plan**	Achieved	
		Improvement of customer Net Promoter Score	Overachieved	
		Improvement of ESG rating	Achieved	
			Total achievement in 2021	148%
			Target award value (100% achievement)	25% of fixed remuneration
			Award for 2021 (cap reached)	65% of fixed remuneration

* Pre-tax profit and net revenues correspond to 2/3 and 1/3 of the financial objectives, respectively. All other objectives are equally weighted in their respective category.

** These objectives cannot be overachieved.

The following elements help read the above table:

- As stated in Section 3.3, the maximum cash bonus for the Executive Management members is 65% of their fixed remuneration and is reached if the level of achievement of the objectives reaches 125%. For 2021, the level of achievement was largely beyond 125% and the cash bonus was set at 65% of the fixed remuneration.

The level of achievement of each objective as disclosed in the above table was set using this scale:

Less than 50%:	Not achieved
From 50% to 90% (excluded):	Partially achieved
From 90% to less than 110% (excluded):	Achieved
110% and more:	Overachieved

Remuneration Report

6 Objectives for 2021 and assessment of their achievement (continued)

- The level of achievement for each category of objectives takes into account the exact assessment of each relevant objectives and is calculated with the formula set by the Board for that purpose.
- The Board may decide to deviate from the strict application of the formula under exceptional circumstances, if the absence of deviation would, in its view, lead to an inappropriate amount of the cash bonus. The deviation may be downwards (e.g. in case of material risk or compliance issues) or upwards (e.g. in case of significant adverse circumstances that could not be anticipated). No such deviation was made in 2021.

- The bonus of the employees of the Group also depends on the achievement of the objectives set to the Executive Management, ensuring a full alignment of the workforce's interests with those of the members of the Executive Management. In case of fair or good performance, the bonus of the employees other than the Executive Management members corresponds to a percentage of these employees' salary that is smaller than the percentage of the fixed remuneration of the Executive Management. In case of partial achievement of the objectives, the bonus of the employees other than the Executive Management members may, depending on the level of achievement of the objectives and the hierarchical level of the employee, correspond to a percentage of these employees' salary that is higher than the percentage of the fixed remuneration of the Executive Management.

7 Key comparisons

7.1 CEO pay-ratio

The following table provides information on the ratio between CEO's remuneration and the average and median employee remuneration and confirms that the CEO's remuneration is sound and sensible:

in CHF thousands	CEO	Average employee remuneration	Ratio	Median employee remuneration	Ratio
Total comparable remuneration 2021	933.2	146.5	637%	132.7	703%

For the purposes of calculating these ratios, the gross remuneration paid in 2021 (including the cash bonus paid with respect to the year 2020) was taken into consideration and the following rules were applied to define the most relevant sample of employees:

- Employees working for a Group entity located in Switzerland on the basis of a permanent contract;
- Employees eligible for a cash bonus (i.e. employees of the sales force under a commission scheme were excluded);
- Employees employed since January 2020 and still employed in December 2021 (to ensure an appropriate comparison in terms of cash bonus); and
- CEO, other members of the Executive Management and apprentices excluded.

Remuneration Report

7.2 Distribution between shareholders, the Executive Management and employees

The Board seeks to ensure an appropriate distribution of the Company's profit among the following stakeholders:

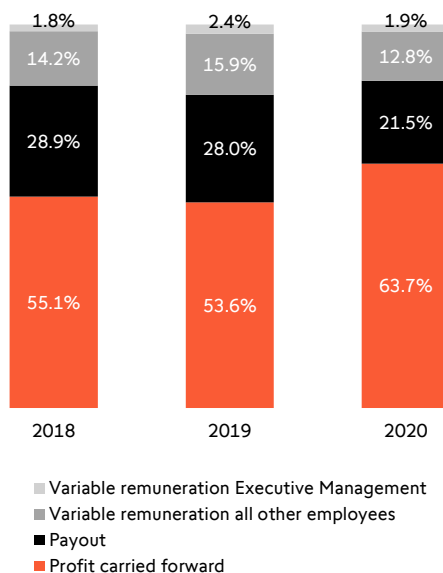
- The shareholders, via the dividend or any other form of payout;
- The Executive Management members, via the variable remuneration;
- The other employees of the Group, via the variable remuneration; and
- The Group itself, which may benefit from an increased equity base thanks to the profit carried forward.

For the purposes of ensuring that the distribution among the stakeholders is appropriate, the Board carries out analyses using the concept of "base profit". The "base profit" is an adjusted concept of the net profit, in which the variable remuneration (net of tax) of the employees of the Group (including the Executive Management members) is reintegrated. The above-mentioned analyses take into consideration several factors such as the Company's profitability, the capital situation, the growth pattern, the development opportunities and other prevailing circumstances.

For example, in the context of a sustainable increase of the Company's profitability, the dividend per share and the variable remuneration of the employees of the Group (including the Executive Management members) are expected to increase. Nevertheless, the relationship between the dividend per share and the variable remuneration is not always linear. While the variable remuneration is capped, the dividend is not (to the extent of the profit carried forward). At the same time, the Group seeks to pay a dividend per share that has a certain level of stability when the variable remuneration could be nil under certain circumstances.

The chart below presents the distribution of the base profit from 2018 to 2020. Since the dividend for the year 2021 still needs to be approved by the General meeting, the situation for 2021 will be provided in the Remuneration Report 2022:

Distribution of base profit



In the context of a profit that roughly doubled from 2019 to 2020 and in light of the dividend's increase from CHF 1 to CHF 1.5 in the same period, one can note that the payout, the variable remuneration of the Executive Management members and the variable remuneration of the other employees of the Group are evolving alongside. Moreover, the above chart shows that, in 2020, the respective shares of the payout, the variable remuneration of the Executive Management members and the variable remuneration of the other employees of the Group decreased in favour of the profit carried forward. The aim was to ensure a solid equity base in order to enable the Company to capture its full growth potential and take opportunities such as acquisitions.

Remuneration Report

8 Share ownership

As at 31 December 2021, the number of shares and options held by current Board members, members of the Executive Management and closely related persons, was 3,613,243 or 23.6% of the share capital.

The following tables were produced in accordance with Art. 663c CO and are also available in Note 27 to the consolidated financial statements (Section VII).

8.1 Shareholdings

The tables below indicate the shareholdings of the members of the Board, the members of the Executive Management and their closely related persons.

	Number of shares as at 31 December 2021	Number of shares as at 31 December 2020
MEMBERS OF THE BOARD		
Markus Dennler, Chairman	32,148	31,881
Monica Dell'Anna, member	2,000	1,846
Martin Naville, member	11,707	11,553
Beat Oberlin, member	3,786	3,620
Jean-Christophe Pernellet, member	4,342	4,164
Michael Ploog, member ¹	45,266	56,374
Closely related persons	84	114
Total as at 31 December	99,333	109,552

	Number of shares as at 31 December 2021	Number of shares as at 31 December 2020
MEMBERS OF THE EXECUTIVE MANAGEMENT		
Marc Bürki, CEO	1,767,070	1,813,327
Paolo Buzzi, Deputy CEO	1,606,145	1,789,383
Yvan Cardenas, CFO	320	320
Gilles Chantrier, CRO	340	340
Alexandru Craciun, CTO ²	1,716	–
Jan De Schepper, CSO	2,093	520
Lino Finini, COO	1,820	1,820
Morgan Lavanchy, CLO	340	340
Closely related persons	37,185	51,820
Total as at 31 December	3,417,029	3,657,870

¹ Michael Ploog was newly elected to the Board at the AGM 2021. He previously served as member of the Executive Management of the Company from 1999 to March 2021.

² Alexandru Craciun joined the Executive Management on 1 April 2021.

Remuneration Report

8.2 Stock options

The table below provides a comprehensive overview of the information on options (i) held as at 31 December 2021 by Executive Management members and a retired Executive Management member now Board member and (ii) which have been granted in 2021 and in past years. As a reminder, Board members cannot be granted stock options. However, a retired Executive Management member can keep their stock options previously granted. If such retired Executive Management member happens to be a Board member, then the information on their shareholdings and stock options must be disclosed in accordance with Art. 663c CO.

The total stock options outstanding as at 31 December 2021 represent 91,346 options, including 36,518 options that were exercisable as at 31 December 2021 and 54,828 options for which the start of the exercise period is ranging from 2022 to 2024. Outstanding options granted to members of Executive Management prior to their appointment to Executive Management are stated separately and represent 5,535 options.

Each option gives the right to acquire one Swissquote share (SQN; ISIN CH0010675863) at the strike price set for the concerned grant. The lock-up period ends the day before the start of the exercise period as indicated in the table below:

Grant no.	Tranche no.	Date of grant	Start of exercise period	Expiry date	Spot price at grant	Mark-up strike to spot price	Strike price	Number of options granted	IFRS fair value per option	Aggregate IFRS fair value of options granted	Total options outstanding as at 31 December 2021	Total options outstanding as at 31 December 2020
18	3	2016/08	2019/08	2020/08	24.72	3.8%	25.95	4,722	4.03	19,026	-	4,722
19	2	2017/08	2019/08	2021/08	32.40	5.0%	34.02	7,865	5.27	41,486	-	6,292
19	3	2017/08	2020/08	2022/08	32.40	5.0%	34.02	7,870	5.26	41,363	3,148	7,870
20	1	2018/08	2019/08	2021/08	65.53	5.0%	68.81	6,000	9.98	59,860	-	6,000
20	2	2018/08	2020/08	2022/08	65.53	5.0%	68.81	6,000	10.10	60,585	2,400	6,000
20	3	2018/08	2021/08	2023/08	65.53	5.0%	68.81	6,000	10.04	60,211	3,600	6,000
21	1	2019/08	2020/08	2022/08	42.96	16.1%	49.89	13,336	5.89	78,545	9,902	13,336
21	2	2019/08	2021/08	2023/08	42.96	16.1%	49.89	13,336	5.81	77,467	8,968	13,336
21	3	2019/08	2022/08	2024/08	42.96	16.1%	49.89	13,328	5.63	75,029	13,328	13,328
22	1	2020/08	2021/08	2023/08	84.50	12.4%	95.00	9,750	12.42	121,084	8,500	9,750
22	2	2020/08	2022/08	2024/08	84.50	12.4%	95.00	9,750	12.08	117,762	9,750	9,750
22	3	2020/08	2023/08	2025/08	84.50	12.4%	95.00	9,750	11.50	112,151	9,750	9,750
23	1	2021/08	2022/08	2024/08	163.60	13.1%	185.00	7,328	18.38	134,671	7,328	-
23	2	2021/08	2023/08	2025/08	163.60	13.1%	185.00	7,336	25.48	186,903	7,336	-
23	3	2021/08	2024/08	2026/08	163.60	13.1%	185.00	7,336	30.65	224,858	7,336	-
Total											91,346	106,134
- Of which in exercise period as at 31 December											36,518	44,220
- Of which exercise period not started as at 31 December											54,828	61,914
Total options granted in 2020								29,250		350,997		
Total options granted in 2021								22,000		546,432		
Options granted prior to the appointment to the Executive Management											5,535	9,931

As reflected in the table above, each grant is divided in three equal tranches, each having a two-year exercise period, but with a different start. The start of the exercise period for tranche 1 is one year after the date of grant, the one for tranche 2 is two years after the date of grant and the one for tranche 3 is three years after the date of grant. As a result, and for a whole grant, one third of the options become exercisable after one year and one third of the options expire five years after the date of grant.

For the grants that will be made in 2022 and the years after, the Board has resolved that the vesting of the options would occur three years after their grant (three-year cliff vesting), which strengthens the long-term component of the stock option plan.

The table above provides for each grant the spot price at grant (which is the market price of the Swissquote share at the time of grant) and the strike price of the grant, i.e. the share price above which the option is in the money.

Remuneration Report

8.2 Stock options (continued)

The mark-up of the strike price compared to the spot price is the difference between the strike and the spot prices divided by the spot price. In 2021, the strike price was set 13.1% above the spot price.

The table on the previous page also provides the total number of options granted to (if the case may be, at the time) members of the Executive Management for each grant and tranche.

The Executive Management members were granted 22,000 options in 2021. The IFRS fair value of each option is determined based on the Black-Scholes formula and takes into account the market price of the Swissquote share and the volatility of such price at the time of grant, the duration of the options and of the exercise periods. Details are provided in Note 17.2 to the consolidated financial statements (Section VII). The total fair value of options granted to Executive Management members in 2021 is CHF 546,432, which is the amount that is included in the total remuneration of the Executive Management in Section 4.2 of this Remuneration Report.

The total outstanding options are further analysed in the table below:

			Marc Bürki	Paolo Buzzi	Yvan Cardenas	Gilles Chantrier	Alexandru Craciun	Jan De Schepper	Lino Finini	Morgan Lavanchy	Michael Ploog			
			CEO	Deputy CEO	CFO	CRO	CTO	CSO	COO	CLO	Retired 2021	Total options outstanding as at 31 December		
			Year joining the Executive Management											
			1999	1999	2019	2017	2021	2019	2019	2017	-			
Grant no.	Tranche no.	Date of grant	Number of options outstanding as at 31 December2021										2021	2020
18	3	2016/08	-	-	-	-	-	-	-	-	-	-	4,722	
19	2	2017/08	-	-	-	-	-	-	-	-	-	-	6,292	
19	3	2017/08	1,574	-	-	-	-	-	-	-	1,574	3,148	7,870	
20	1	2018/08	-	-	-	-	-	-	-	-	-	-	6,000	
20	2	2018/08	1,200	-	-	-	-	-	-	-	1,200	2,400	6,000	
20	3	2018/08	1,200	-	-	-	-	-	-	1,200	1,200	3,600	6,000	
21	1	2019/08	1,667	-	1,667	1,567	-	1,667	1,667	-	1,667	9,902	13,336	
21	2	2019/08	1,667	-	-	1,300	-	1,667	1,000	1,667	1,667	8,968	13,336	
21	3	2019/08	1,666	1,666	1,666	1,666	-	1,666	1,666	1,666	1,666	13,328	13,328	
22	1	2020/08	1,250	1,250	-	1,250	-	1,250	1,250	1,250	1,000	8,500	9,750	
22	2	2020/08	1,250	1,250	1,250	1,250	-	1,250	1,250	1,250	1,000	9,750	9,750	
22	3	2020/08	1,250	1,250	1,250	1,250	-	1,250	1,250	1,250	1,000	9,750	9,750	
23	1	2021/08	916	916	916	916	916	916	916	916	-	7,328	-	
23	2	2021/08	917	917	917	917	917	917	917	917	-	7,336	-	
23	3	2021/08	917	917	917	917	917	917	917	917	-	7,336	-	
Total			15,474	8,166	8,583	11,033	2,750	11,500	10,833	11,033	11,974	91,346	106,134	
- Of which in exercise period as at 31 December			8,558	1,250	1,667	4,117	-	4,584	3,917	4,117	8,308	36,518	44,220	
- Of which exercise period not started as at 31 December			6,916	6,916	6,916	6,916	2,750	6,916	6,916	6,916	3,666	54,828	61,914	
Options granted prior to the appointment to the Executive Management			-	-	-	-	3,416	2,119	-	-	-	5,535	9,931	

Remuneration Report

8.2 Stock options (continued)

Options granted to members of the Executive Management can be exercised during the respective exercise periods, subject to compliance with the Group's policy on insider trading.

In 2021, Executive Management members exercised 41,628 options in aggregate, representing a gross capital gain of CHF 4,351,866, of which CHF 845,094 relates to options granted to members of the Executive Management prior to their appointment to the Executive Management. From his retirement from the Executive Management on 31 March 2021 until 31 December 2021, Michael Ploog exercised 4,347 options, representing a gross capital gain of CHF 422,430.

The Group has the obligation to deliver Swissquote shares when optionees exercise stock options. In order to secure its obligations towards optionees, the Company acquires and sells treasury shares.

On a cumulative basis and since the listing of the Company in 2000, the Company succeeded in acquiring, selling and delivering treasury shares at such prices and such quantities that, at 31 December 2021, the amount of the coverage of the Company's obligations toward optionees is lower than the remittance value the Company will receive should optionees exercise all options granted and outstanding at 31 December 2021.

It is worth noting that, had the Company covered the exercise of stock options via the conditional capital, the dilution would have been very limited. Indeed, in 2021, the number of stock options exercised by Executive Management members corresponds to 0.3% of the share capital (0.1% in 2020 and 0.1% in 2019).

Remuneration Report

9 Approval of the Remuneration Report

This Remuneration Report provides full transparency for the financial year 2021 with regard to the Group's remuneration arrangements and remuneration paid to the Board and the Executive Management. The Board intends to recommend that the General Meeting approve this Remuneration Report at the AGM of 6 May 2022 (consultative vote).

10 Articles of Incorporation

The principles applicable to performance-based pay and to the allocation of equity securities, convertible rights and options are set out in Art. 21^{bis} Para. 2, and 21^{ter} Para. 1 to 3 of the Aol and the principles applicable to the additional amount for payments to members of the Executive Management appointed after the vote on pay at the General Meeting are set out in Art. 14^{bis} Para. 6 of the Aol.

The rules on loans, credit facilities and post-employment benefits for members of the Board and Executive Management are set out in Art. 21 Para. 1 and 2 of the Aol.

The vote on pay at the General Meeting is set out in Art. 14^{bis} and 21 Para. 2 of the Aol.

For further information on remuneration matters, reference is made to the Aol last amended on 6 May 2021 and applicable as at 31 December 2021, which are available at <https://en.swissquote.com/company/investors#articles-incorporation> in the French original version together with an English free translation.

Report of the statutory auditor to the General Meeting of Swissquote Group Holding Ltd Gland on the Remuneration Report 2021

We have audited the remuneration report of Swissquote Group Holding Ltd for the year ended 31 December 2021. 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 Section 4 on pages 191 to 196 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 Swissquote Group Holding Ltd for the year ended 31 December 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers SA



Christophe Kratzer

Audit expert
Auditor in charge



Jonathan Derungs

Audit expert

Lausanne, 16 March 2022

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