

Needs or wants



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Corporate governance and compensation report

Corporate governance

VP Bank Group constantly strives to earn the trust of all stakeholder groups. Accordingly, it acts with integrity and in a transparent manner at all times and grants insight into its decision-making and control processes.

Corporate governance stands for responsible corporate management and control. The “Swiss Code of Best Practice for Corporate Governance” defines corporate governance as the entirety of principles focussed on the company’s sustainable interests which aim for transparency and a healthy balance of management and supervision while maintaining decision-making capability as well as efficiency at the highest level of a company.

Good corporate governance ensures transparent management aimed at sustainable achievement. It is designed to serve not only the company but also external stakeholder groups. The overall framework of corporate governance is determined to a significant degree by the legislator and shareholders; the specific manner in which it is designed is the responsibility of the Board of Directors.

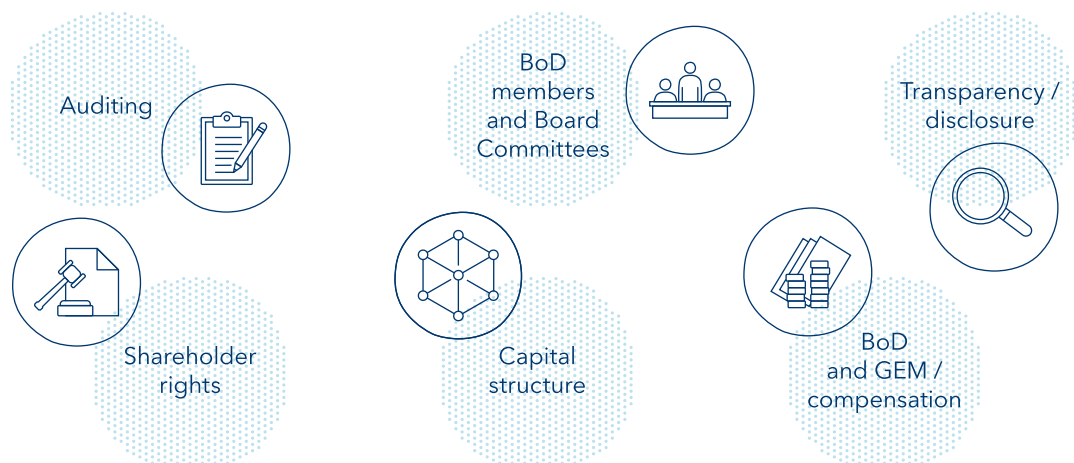
VP Bank Group strives to earn and build on the trust of all stakeholder groups as part of an ongoing process. It therefore acts with integrity and in a fair, transparent manner at all times and grants its stakeholder groups insight into its decision-making and control processes. This is why, for years and of its own accord, it has published information about its strategic objectives as well as its relationships with stakeholders.

This report describes the basic principles underlying the corporate management of VP Bank Ltd, Vaduz, hereinafter referred to as VP Bank, as required by the revised “Directive on Information Relating to Corporate Governance” (DCG) of the Swiss stock exchange SIX Swiss Exchange Ltd dated 29 June 2022 as well as the Liechtenstein legislation.

In its Notification No. 2/2014 issued on 1 September 2014 concerning the revision of the “Directive on Information Relating to Corporate Governance” (DCG), the Regulatory Board stipulated that, in principle, all companies listed on SIX Swiss Exchange Ltd must disclose the same information concerning corporate governance. However, as an issuer that does not have its registered office in Switzerland, VP Bank Ltd is subject to special provisions in certain respects.

Unless otherwise indicated, all details relating to corporate governance are valid as of 31 December 2024.

Functions of corporate governance



1. Group structure and shareholders

1.1 Group structure

1.1.1 Description of operating group structure

As a joint-stock corporation, VP Bank Ltd, Vaduz (hereinafter referred to as VP Bank) is constituted in accordance with Liechtenstein law. It is the parent company (head office) of VP Bank Group. The organisation chart ([Organisation](#) chapter) shows the Group's operating structure. Detailed segment reporting is provided in the financial report in the [Segment reporting](#) chapter.

The Executive Board (EB) is responsible for the operational management of the head office, whereas Group Executive Management is responsible for the management of VP Bank Group. Group Executive Management (GEM) is in charge of the management of the Group. According to the Organisation and Business Rules, not all Members of GEM are also EB Members. Members of Group Executive Management are represented on the Boards of Directors of the subsidiary companies. As a general rule, a Member of Group Executive Management acts as Chair of the Board of the given subsidiary companies.

1.1.2 Listed companies included in the reporting entity

The registered shares A of VP Bank, Vaduz, are listed on SIX Swiss Exchange Ltd; the registered shares B are unlisted.

	ISIN	Year-end Price CHF	Market value CHF million
Registered shares A (listed)	LI0010737216	77.40	465.6 ¹
Registered shares B (unlisted)	LI0010737596	7.70	46.2
Total (market capitalisation of registered shares A plus market value of registered shares B)			511.8

¹ Market capitalisation of listed registered shares A as of 31 December 2024

No other listed companies are included in the reporting entity.

1.1.3 Unlisted companies included in the reporting entity

The subsidiary companies and material shareholdings included in the scope of the reporting entity are listed in the financial report ([Note 38](#)) together with their name, registered office, share capital and percentage of share capital held.

1.2 Significant shareholders (anchor shareholders)

As of 31 December 2024, the following shareholders and shareholder groups have declared that they own more than 10 per cent of the share capital of VP Bank or exercise more than 5 per cent of the voting rights.

Shareholders	Registered shares A	Registered shares B	Votes	Percentage of votes	Percentage of share capital
"Stiftung Fürstl. Kommerzienrat Guido Feger" foundation, Vaduz ¹	1,066,426	4,530,047	5,596,473	46.6%	23.0%
"U.M.M. Hilti-Stiftung" foundation, Schaan	578,270	658,370	1,236,640	10.3%	9.7%
"Marxer Stiftung für Bank- und Unternehmenswerte" foundation, Vaduz	756,885	0	756'885	6.3%	11.4%

¹ Including the institutions controlled by the foundation

During the period under review, no further disclosure notifications were received as foreseen by Art. 25 of the Liechtenstein Act of 23 October 2008 on the Disclosure of Information Concerning Issuers of Securities (DA) and by Art. 120 to 124 of the Swiss Financial Market Infrastructure Act (FinMIA). No shareholder agreements exist.

1.3 Cross-shareholdings

VP Bank has entered into no cross-shareholdings with other companies involving share capital or voting rights.

2. Capital structure

2.1 Capital

The share capital of VP Bank amounts to CHF 66,154,167 and is divided into 6,015,000 fully paid-up registered shares A with a par value of CHF 10.00 each, as well as 6,004,167 fully paid-up registered shares B with a par value of CHF 1.00 each.

	Number	Balance on 31.12.2024 Capital in CHF
Registered shares A	6,015,000	60,150,000
Registered shares B	6,004,167	6,004,167
Total	12,019,167	66,154,167

2.2 Capital band and conditional capital

VP Bank does not have any conditional capital. A capital band is not applicable to VP Bank Ltd as it is a Liechtenstein enterprise.

2.3 Changes in capital

The total shareholders' equity of VP Bank for the past three financial years (as at the respective balance sheet date) changed as follows:

in CHF 1000	31.12.2022	31.12.2023	31.12.2024
Share capital	66,154	66,154	66,154
Capital reserves	47,049	47,049	47,049
Statutory reserves	239,800	239,800	239,800
Other reserves	363,615	366,007	368,193
Provisions for general banking risks	63,150	63,150	63,150
Retained earnings	149,498	145,469	139,456
Total	929,266	927,629	923,802

2.4 Shares and participation certificates

The registered shares A of VP Bank can be traded freely on SIX Swiss Exchange Ltd. The registered shares B are unlisted but are widely held among the regional population.

Both share categories bestow the membership rights provided for in the Liechtenstein Persons and Companies Act (PCA) and the company's Articles of Association.

Each registered share A (par value of CHF 10.00) and each registered share B (par value of CHF 1.00) grants the holder the right to one vote at the annual general meeting of VP Bank, irrespective of the par value of the share.

VP Bank has issued no participation certificates.

2.5 Dividend-right certificates

VP Bank has issued no dividend-right certificates.

2.6 Limitations on transferability and nominee registrations

The registration and transfer of registered shares is regulated in detail in Art. 7 of the Articles of Association. The Articles of Association can be found online at vpbank.com/regulations. Only shareholders entered into the share register are entitled to exercise membership rights vis-à-vis the company.

The Board of Directors can refuse to enter holders of registered shares B into the share register on important grounds (Art. 7a of the Articles of Association). During the reporting year, the Board of Directors did not make use of their powers of authority in this respect.

2.7 Convertible bonds and options

VP Bank has issued neither convertible bonds nor options based on its own shares.

3. Board of Directors

The Board of Directors bears responsibility for the medium- to long-term strategic orientation of VP Bank Group. It is responsible for the overall management, supervision and control of the company.

Liechtenstein legislation provides for a clear separation of the overall management, supervision and control duties performed by the Board of Directors and the duties performed by operational management. Accordingly, the Board of Directors of VP Bank consists exclusively of non-executive Members (i.e. Members not actively involved in management).

3.1 Members of the Board of Directors

The Board of Directors of VP Bank consists of seven Members. No Member of the Board of Directors has belonged to Group Executive Management, the Executive Board of VP Bank or the Executive Board of any subsidiary company during the past three financial years.

As a bank, VP Bank maintains business relationships with numerous domestic and foreign companies. This is also true for the Members of the Board of Directors as well as for individuals or legal persons that are closely related to the Members of the Board of Directors.

The list in table below provides information on the names, ages, positions, joining dates and remaining terms of office of the Members of the Board of Directors.

At the annual general meeting of 26 April 2024, Philipp Elkuch was re-elected for a term of office of three years.

Thomas R. Meier declared that he would not be seeking re-election and resigned as Chairman of the Board of Directors after six years in the post and two terms of office. After the annual general meeting, Stephan Zimmermann was elected by the Board of Directors as its Chairman. Stephan Zimmermann was elected to the Board of Directors of VP Bank in April 2023.

In addition, Dirk Klee was elected to the Board of Directors for a term of office of three years at the annual general meeting held on 26 April 2024. However, Dirk Klee resigned from his position on the Board of Directors of VP Bank with effect from 30 September 2024, having taken on a new professional challenge that was incompatible with his role at VP Bank.

Surname	Year of birth	Position	Joined Board of Directors in	Elected until AGM in	Committee memberships
Stephan Zimmermann	1956	Chairman	2023	2026	Strategy & Digitalisation Committee ¹ , Nomination & Compensation Committee
Ursula Lang	1967	Vice Chairwoman	2016	2025	Risk Committee ¹ , Nomination & Compensation Committee, Audit Committee
Dr Mauro Pedrazzini	1965	Vice Chairman	2022	2025	Strategy & Digitalisation Committee, Risk Committee
Stefan Amstad	1970	Member	2023	2026	Audit Committee ¹ , Risk Committee
Philipp Elkuch	1969	Member	2021	2027	Nomination & Compensation Committee ¹ , Strategy & Digitalisation Committee
Dr Beat Graf	1964	Member	2014	2026	Nomination & Compensation Committee, Audit Committee
Katja Rosenplänter-Marxer	1981	Member	2020	2026	Risk Committee

¹ Chairperson



Stephan Zimmermann

Born 1956, Citizen of Switzerland

Chairman of the Board of Directors, Chairman of the Strategy & Digitalisation Committee and Member of the Nomination & Compensation Committee

Education

1987

INSEAD Young Managers Programme, Fontainebleau, France

1978

Degree in Information Technology and Business Administration, Swiss Bank Corporation, Switzerland

1975

Commercial Diploma, Basel Business School, Switzerland

Professional background

2019-2023

UBS Business Solutions Inc., Zurich, Switzerland, Chairman of the Board of Directors

1998-2019

UBS Group Inc., Zurich, Switzerland

2016-2019: Vice Chairman Global Wealth Management

2014-2016: Strategy Initiatives & Industry Affairs

2011-2014: COO Global Wealth Management

2010-2011: Head of Group Internal Audit

2009-2010: CEO UBS Deutschland AG

2005-2009: COO Global Wealth Management & Swiss Bank

1998-2009: Member of the Group Managing Board

1975-1997

Swiss Bank Corporation, Basel, Switzerland

1995-1997: Member of the Group Executive Board

1975-1994: various management positions

Other activities and vested interests

- Member of the Supervisory Board of State Street Bank International GmbH, Munich



Ursula Lang

Born 1967, Citizen of Switzerland

Vice Chairwoman of the Board of Directors,
Chairwoman of the Risk Committee and Member of
the Nomination & Compensation Committee and the
Audit Committee

Education

1996

Admission to the Swiss bar

1993

lic. iur. degree, University of Zurich

Professional background

Since 2015

Self-employed attorney-at-law (specialised in Criminal Law, Commercial Criminal Law, Compliance), Owner of the Lang Law Firm, Zurich, Switzerland

1998-2013

Credit Suisse, Zurich, Switzerland

2011-2013: General Counsel for Switzerland and in the Private Banking & Wealth Management segment

2008-2011: Head of Compliance Switzerland and, from 2009, also Co-Head of Global Compliance

2006-2008: Global Head of Anti-Money Laundering Compliance

2000-2006: Compliance employee at Credit Suisse Private Banking and Credit Suisse Financial Services

1998-2000: Employee in the Legal department

1996-1998

Stiffler & Nater Rechtsanwälte, Zurich, Attorney-at-law

1994-1996

District Court of Horgen, Zurich, legal trainee and clerk

Other activities and vested interests

· None



Dr Mauro Pedrazzini

Born 1965, Citizen of Liechtenstein

Vice Chairman of the Board of Directors, Member of the Strategy & Digitalisation Committee and the Risk Committee

Education

1999

Executive MBA, University of St.Gallen

1996

PhD in Physics, Research Centre for Plasma Physics, ETH Lausanne

1991

Undergraduate degree in Physics, Chemistry and Astronomy (lic. phil. nat.), University of Berne, Switzerland

Professional background

Since 2021

Owner of MPCE Mauro Pedrazzini Consulting & Engineering Est., Eschen

2013-2021

Minister in the Government of the Principality of Liechtenstein, Head of the Ministry for Social Affairs (Health, Social Affairs, Family and Equal Opportunities), Member of the Advisory Council on the Management of State Assets

2006-2013

LLB Asset Management AG, Vaduz, Head of Equity Management

2001-2013

Financial analyst and fund manager

2003-2013: LLB Asset Management

2001-2003: Liechtensteinische Landesbank AG (LLB)

1992-2001

Balzers AG (currently Oerlikon Balzers AG), Liechtenstein, Research and Development project manager, Head of Engineering, Head of Research and Development

1990-1991

University of Berne, research assistant in the Laboratory for High-Energy Physics

Other activities and vested interests

- None



Stefan Amstad

Born 1970, Citizen of Switzerland

Member of the Board of Directors
Chairman of the Audit Committee and Member the
Risk Committee

Education

1999

Swiss Certified Auditor

1996

lic. oec. publ. degree, University of Zurich, Switzerland

Professional background

2012–2023

SIX Group Ltd, Zurich, Switzerland, Head of Internal Audit

1998–2012

Ernst & Young Ltd, Zurich, Switzerland

Review and advisory services for national and international financial institutions, since 2002 as Lead Auditor of banks and collective investments licensed by FINMA, since 2005 as Partner of Ernst & Young

2008–2011: Country Head Assurance Financial Services and Member of the FS EMEIA Assurance Management Committee as well as Member of the Executive Board of Ernst & Young Switzerland

2005–2008: People Partner Assurance Financial Services Switzerland

2002–2012: Auditor-in-Charge for various large and complex banking audits

1996–1998

UBS Group Inc., Zurich, Switzerland, Internal Auditor

Other activities and vested interests

- Co-founder, Chairman of the Board of Directors and unit holder in Sharkgroup AG, Uster, Switzerland
- Member of the Board of Directors of Immo Invest Partner AG, Glattbrugg, Switzerland



Philipp Elkuch

Born 1969, Citizen of Liechtenstein

Member of the Board of Directors, Chairman of the Nomination & Compensation Committee and Member of the Strategy & Digitalisation Committee

Education

1999

Master of International Economics and Management, Bocconi University, Milan, Italy

1994

Mechanical Engineering degree, ETH, Zurich, Switzerland

Professional background

Since 2023

Primefactor Ltd, Zurich, Founder and Owner

2019-2023

Sulzer, Winterthur, Global Head of Digital Strategy & Transformation

2013-2019

DXC Technology, Zurich, Switzerland

2016-2019: Managing Director, Switzerland

2013-2016: Managing Partner, Digital Consulting, Switzerland, Austria and Germany

2000-2013

AFRY, Switzerland, Finland and Italy

2010-2013: Member of the Board of Directors of the subsidiary companies in Austria, Czech Republic and Hungary

2012-2013: Senior Vice President, Energy Business Group, Switzerland, UAE and UK

2009-2012: Business Area President, Renewable Energies, Eastern Europe, Switzerland, Germany and Austria

2004-2009: CEO, AFRY Italia, Genoa, Italy

2000-2003: Director, Energy Management Consulting, Switzerland, Germany, Finland and Spain

1994-1999

ABB, Baden, Switzerland, Project Manager for power plant construction, Colombia, USA and Malaysia

Other activities and vested interests

- Chairman of the Board of Directors of EVU lution AG, Landquart
- Member of the Board of Initiative digital-liechtenstein.li, Vaduz
- Member of the Board of Directors of Gruner AG, Basel



Dr Beat Graf

Born 1964, Citizen of Switzerland

Member of the Board of Directors, Member of the Audit Committee and the Nomination & Compensation Committee

Education

2023

Renewal of risk manager certification, Swiss Association for Quality, Berne, Switzerland

2014

Programme for Members of the Board, Swiss Board School, IMP-HSG, St. Gallen, Switzerland

2007

Master of Advanced Studies in Risk Management, University of Applied Sciences and Arts, Lucerne, Switzerland

1996

Dr iur. degree, University of Fribourg, Switzerland

1990

lic. iur. degree, University of Fribourg, Switzerland

Professional background

Since 2004

Allgemeines Treuunternehmen (ATU), Vaduz, Liechtenstein

Since 2015: Chairman of the Council of Trustees, Chairman of the Executive Board and Member of the Board of Directors of various ATU subsidiary companies

2012-2015: Member of the Executive Board and responsible for the coordination of all ATU subsidiaries

2007-2012: Member of the Executive Board and Head of Compliance

2004-2007: Head of Compliance

1999-2004

LM Legal Management AG, St. Gallen, Switzerland, Founding Partner and Managing Director

1991-1999

UBS Inc., St. Gallen, Switzerland

1998-1999: Deputy Head of Legal Services Eastern Switzerland

1993-1998: Assistant in the Legal department

1991-1993: Apprenticeship as a corporate client advisor

Other activities and vested interests

- Member of the Board of Trustees of the "Stiftung Fürstl. Kommerzienrat Guido Feger" foundation, Vaduz, Liechtenstein
- Member of the Board of Trustees of the "Privatbank Personalstiftung" foundation, Vaduz, Liechtenstein



Katja Rosenplänter-Marxer

Born 1981, Citizen of Germany

Member of the Board of Directors, Member of the Risk Committee and Sustainability Officer on the Board of Directors

Education

2010

Specialist course in commercial and company law at DeutscheAnwaltAkademie (German Lawyers' Academy)

2010

Admission to the bar in Germany

2009

Second state law exam, Assessor iuris, Germany

2007-2009

Clerkship, Regional Court of Konstanz, Germany

2006-2007

Master of Science in Educational Leadership, Northern Arizona University, Flagstaff, USA

2005-2006

Studies in Public Management, Northern Arizona University, Flagstaff, USA

2005

First state law exam, Magister iuris, Germany

2000-2005

Law degree, University of Konstanz, Germany

Professional background

2012-2017

Law office of Marxer & Partner Rechtsanwälte, Vaduz, Liechtenstein, Legal Associate

2010-2012

Law office of Wagner & Joos, Konstanz, Germany, Attorney-at-law

2009

Law office of Gnann, Thauer & Kollegen, Freiburg, Germany, Articled clerk

2008-2009

City of Konstanz, Germany, Articled clerk

2008

Law office of Baiker & Kollegen, Konstanz, Germany, Articled clerk

2008

Public prosecutor's office, Konstanz, Germany, Articled clerk

2007-2008

District Court of Villingen-Schwenningen, Germany, Articled clerk

2007

HSBC Trinkaus & Burkhardt AG, Düsseldorf, Germany, Trainee

Other activities and vested interests

- Member of the Board of Trustees of the "Lebenswertes Liechtenstein" foundation, Vaduz
- Member of the Board of Directors of Institut für Agrarökologie AG, Aarau

3.2 Other activities and vested interests

The other activities of the Members of the Board of Directors and any interests can be found in the biographies in the previous chapter.

3.3 Number of authorised activities

VP Bank has not issued any statutory rules concerning the number of authorised activities.

3.4 Election and term of office

Details concerning the election and terms of office of the current Members of the Board of Directors can be found in the analysis shown in section 3.1. Pursuant to Art. 16 of the Articles of Association, the Board of Directors must comprise at least five Members who are elected for a term of three years. The Members of the Board of Directors are elected individually (re-election is permitted). The Board of Directors elects the Chairman and Vice Chairman from among its Members for a term of three years (re-election is permitted).

3.5 Internal organisation

The internal organisation and modus operandi of the Board of Directors are set out in the Articles of Association (Art. 17 to 19) and in the Organisation and Business Rules (OBR, sections 2 to 4). The Organisation and Business Rules can be found online at vpbank.com/regulations.

In collaboration with the Executive Board / Group Executive Management, the Board of Directors annually reviews the Group's strategy in keeping with the provisions of the Articles of Association and the OBR and establishes the medium- and long-term objectives as well as the management guidelines of VP Bank Group. The Board of Directors decides on the annual budget proposed by the Executive Board / Group Executive Management for the head office and Group, on strategically important projects, on consolidated and individual company financial statements, as well as on important personnel-related issues.

3.5.1 Division of tasks within Board of Directors

The Chairman - or, in their absence, the Vice Chairman - conducts, in the name of the Board of Directors, the direct supervision and control of the Executive Board and Group Executive Management. To be able to fulfil its duties in an optimum manner, the Board of Directors is supported by four committees: the Nomination & Compensation Committee, the Audit Committee, the Risk Committee and the Strategy & Digitalisation Committee.

3.5.2 Composition, tasks and areas of responsibility of the Board committees

The tasks, powers of authority, rights and obligations of the various committees are laid down in the OBR. In addition, the functions of the committees of the Board of Directors are governed by way of separate business regulations.

Minutes are kept on the meetings and the matters dealt with by the committees at their respective meetings and submitted to the Board of Directors. In addition, the committee chairmen inform the Board of Directors at the following Board meeting about all important matters as part of a standard agenda item.

Nomination & Compensation Committee

The Nomination & Compensation Committee comprises the Members Philipp Elkuch (Chairman), Stephan Zimmermann, Ursula Lang and Beat Graf. Pursuant to section 3.2 OBR, the committee is primarily responsible for the following tasks:

- assisting the Chairman of the Board of Directors in the fulfilment of their management and coordination duties, as well as the entire Board of Directors on matters of corporate governance, organisation (Articles of Association, regulations) and monitoring of business developments;
- defining the criteria for the election of Members of the Board of Directors for the attention of the Board of Directors; performing the evaluation and submitting the related motions to the Board of Directors;
- submitting motions to the Board of Directors on the composition of the committees of the Board of Directors;
- preparing and submitting motions for the appointment/dismissal of the Chief Executive Officer and, in cooperation with the Chief Executive Officer, the other Members of the Executive Board / Group Executive Management and the holders of key functions;
- evaluating the structure, size, composition and performance of the Board of Directors and the Executive Board / Group Executive Management annually and recommending changes if necessary;
- assessing the knowledge, skills and experience of the individual Members of the Board of Directors and the Executive Board / Group Executive Management as well as of the respective governing body as a whole and communicating the assessment to the Board of Directors and the Executive Board / Group Executive Management annually; assessing the knowledge, skills and experience of the holders of key functions annually;
- reviewing the progress of the Board of Directors in the selection and appointment of the Executive Board / Group Executive Management and making recommendations to the Board of Directors;
- ensuring that the decision-making of the Executive Board / Group Executive Management and the Board of Directors is not influenced by any individual or group in a way that is detrimental to the interests of the bank;
- developing the compensation policy regulations;
- submitting motions to the Board with regard to the compensation paid to the Chairman and other Members of the Board of Directors;
- submitting proposals for the Board of Directors to determine the compensation of the Members of the Executive Board / Group Executive Management and the heads of Risk Management and Compliance;
- dealing with fundamental issues concerning personnel policy (such as salary and equity-participation systems, management development and succession planning, leadership principles, management culture and management development, staff welfare benefits and further development of the diversity policy) for the attention of the Board of Directors.

Audit Committee

The Audit Committee comprises Stefan Amstad (Chairman), Beat Graf and Ursula Lang. The Audit Committee assists the Board of Directors in fulfilling the duties assigned to it under the Banking Act with regard to the overall management, supervision and control of the head office and of VP Bank Group. Pursuant to section 3.3 OBR, the Audit Committee is responsible in particular for the following tasks:

- receiving and dealing with the reports of Group Internal Audit and the auditors under banking legislation as well as assessing the appropriateness of the procedures deployed to remedy the pending matters arising from the audit;
- critically assessing financial and sustainability reporting (individual and consolidated accounts, income statement, statement of comprehensive income, balance sheet, changes in shareholders' equity, statement of cash flow, notes and annual report, sustainability declaration, interim financial statement);
- critically assessing the changes to principles of financial statement reporting and discussion thereof with the Chief Financial Officer, the Head of Group Internal Audit and the Group Auditor or, as applicable, the lead auditor from the external auditors under banking legislation;
- deciding whether the individual company and consolidated financial statements can be recommended to the Board of Directors for submission to the annual general meeting;
- critically assessing the annual audit process for sustainability reporting;

- assessing the implementation of the bank's tax strategy;
- assessing the functional capability of the internal control system;
- assessing the measures taken designed to ensure compliance with and observance of legal (e.g. compliance with capital adequacy, liquidity and risk-diversification provisions) and internal provisions (compliance);
- taking note of significant interactions with the respective supervisory authorities and assessing the measures taken to implement the conditions imposed as well as assessing the appropriateness of the procedures implemented to ensure compliance with regulatory conditions imposed and of remedial action taken;
- assessing the methodology and quality (efficacy) of the external auditing firm (external auditors and Group Auditor under banking legislation) as well as cooperation between the internal and external auditors, in particular by examining the reports of the external auditors under banking legislation for the Board of Directors and discussing the planning of the audit by the group auditor and the external auditors under banking legislation;
- monitoring and assessing efficacy, independence and performance, in particular by examining the reports of Group Internal Audit and assessing and approving the audit plan and multi-year planning of Group Internal Audit;
- assessing the performance, fees to and independence of the external auditors, especially in terms of the compatibility of their auditing activities with any advisory mandates they may have;
- advising the Board of Directors on the appointment or dismissal of the external auditors as the auditors under banking legislation, or, depending on the situation, of another independent audit body for auditing sustainability reporting;
- submitting motions to the Board of Directors for the appointment and removal of the Head of Group Internal Audit;
- advising the Board of Directors on the appointment and removal of the Chief Financial Officer.

Risk Committee

Ursula Lang (Chairwoman), Mauro Pedrazzini, Stefan Amstad and Katja Rosenplänter-Marxer belong to the Risk Committee. The Risk Committee assists the Board of Directors in fulfilling the tasks assigned to it under the Banking Act regarding the overall management, supervision and control of the head office and of VP Bank Group. Pursuant to section 3.4 OBR, the Risk Committee is responsible in particular for the following tasks:

- advising the Board of Directors concerning the bank's current and future overall risk appetite and strategy and supporting the Board of Directors in monitoring the implementation of the risk strategy by the Executive Board / Group Executive Management;
- receiving and dealing with the risk reports as well as assessing the appropriateness of procedures deployed to measure, manage and monitor risks;
- assessing significant risks for the bank and discussing them with the Chief Risk Officer and the competent experts;
- assessing the functional capability of risk management and monitoring as well as of the internal control system;
- assessing the functional capability of the measures taken designed to ensure compliance with and observance of legal (e.g. compliance with capital adequacy, liquidity and risk-diversification provisions) and internal provisions (compliance);
- receiving and dealing with reports from the areas and departments answerable to the Chief Risk Officer;
- assessing the quality (effectiveness) of risk governance as well as the cooperation between Risk Management, Risk Monitoring, the Executive Board / Group Executive Management, the Risk Committee and the Board of Directors;
- reviewing whether the pricing of the offered liabilities and assets takes adequate account of the bank's business model and risk strategy and, should this not be the case, requiring a plan with corrective measures;
- evaluating whether the incentives offered as part of the system of compensation take into account the risk, equity, liquidity as well as the probability and timing of revenues;
- advising the Board of Directors on the appointment or removal of the Chief Risk Officer.

Strategy & Digitalisation Committee

Stephan Zimmermann (Chairman), Philipp Elkuch and Mauro Pedrazzini belong to the Strategy & Digitalisation Committee. The Strategy & Digitalisation Committee assists and advises the Board of Directors on strategic issues and projects. Pursuant to section 3.5 OBR, the following tasks, in particular, are incumbent on it:

- preparing strategic issues for the attention of the Board of Directors;
- handling strategic issues on an in-depth basis (e.g. digitisation in banking, sustainability);
- ensuring ongoing steering and management processes in the area of strategy;
- assessing the appropriateness of strategy development, implementation and controlling processes;
- reviewing the bank's vision, mission, corporate objectives and strategy periodically and on an ad hoc basis (strategy review);
- reviewing the implementation of strategic measures using appropriate quantitative and qualitative target values (strategy controlling);
- ensuring that a consistent, effective strategy process is embedded in the bank;
- evaluating the strategic conformity of mergers, acquisitions, collaborations, business cases, etc.;
- critically assessing planning figures and financial implications of strategy plans (including scenario calculations);
- in-depth consideration of relevant client, market and technology developments to ensure the bank's capacity to innovate.

Surname	Board of Directors	Nomination & Compensation Committee	Audit Committee	Risk Committee	Strategy & Digitalisation Committee
Number of meetings	19	10	6	8	8
Stephan Zimmermann	19	6	1		8
Dr. Thomas R. Meier ¹	5	4			3
Stefan Amstad	18		6	8	
Philipp Elkuch	19	10			8
Dr. Beat Graf	17	10	6		
Ursula Lang	19	10	2	8	
Dr. Mauro Pedrazzini	19			8	8
Katja Rosenplänter-Marxer	19			8	
Dr. Dirk Klee ²	8		3		4

¹ President of the Board of Directors since 26 April 2024

² Member of the Board of Directors from 26 April 2024 until 30 September 2024

3.5.3 Modus operandi of the Board of Directors and its committees

At the invitation of the Chairman, the Board of Directors normally meets seven to ten times per year as well as for one strategy meeting in camera and an innovation day. In principle, the meetings consist of three parts:

- a Board-internal part;
- a consultative part during which Members of the Executive Board and Group Executive Management are also in attendance to present their proposals and exchange information;
- a decision-taking part during which the Board of Directors arrives at its decisions. In order to be informed at first hand, the CEO is also present during the decision-taking part of Board meetings.

Specific topics addressed by the Board of Directors and its committees can require, if needed, that further individuals can be called upon to attend (executives of VP Bank Group, representatives of the auditors under banking legislation, as well as internal or external specialists and advisors). During the financial year 2024, the Board of Directors held eleven ordinary meetings and six extraordinary meetings. In addition, together with the Executive Board / Group Executive Management, the Board of Directors held two all-day workshops concerning strategy and innovation.

The Nomination & Compensation Committee (NCC) usually meets six to ten times per annum. In case of need, the CEO participates in the meetings of the NCC in an advisory capacity. During 2024, the NCC met on ten occasions.

The Audit Committee usually meets on five to eight occasions per annum, with the meeting dates being set to accommodate the needs arising from specific tasks (closing of accounts, financial reporting, auditors' reports, etc.). The CFO, the Chief Risk Officer and the Head of Group Internal Audit attend the meetings. For the purpose of addressing audit-specific topics, representatives of the external auditing firm (as a general rule, the Auditor-in-Charge) attend the meetings. Last year, the Audit Committee convened for six meetings. At one joint meeting with the Risk Committee, an exchange of information took place with the Executive Board / Group Executive Management regarding the quality of the internal control system and other matters.

The Risk Committee usually meets on five to eight occasions per annum. The Chief Risk Officer and the Head of Group Internal Audit attend the meetings. Last year, the Risk Committee convened for eight meetings.

At one joint meeting with the Audit Committee, an exchange of information took place with the Executive Board / Group Executive Management regarding the quality of the internal control system and other matters.

The Strategy & Digitalisation Committee usually meets on six to eight occasions per annum. The CEO and other representatives of the Executive Board / Group Executive Management attend meetings of the Strategy & Digitalisation Committee. During 2024, the Strategy & Digitalisation Committee met on a total of eight occasions.

Chairman Emeritus Dr Heinz Batliner †

Princely Councillor of Commerce Dr Heinz Batliner, Vaduz, died on 20 September 2024. He joined VP Bank as an Authorised Officer in 1960. He then served as Manager / General Manager and Chairman of the Board of Directors, and he was made Chairman Emeritus of VP Bank in 1996. Under his management, the bank became one of the major banks in Liechtenstein. Both clients and employees were at the heart of his overall thinking as a banker. Due to his excellent specialist knowledge and management style, and in particular thanks to his human qualities, he was always a role model who helped shape the bank's identity. The Board of Directors, Executive Board and employees of VP Bank are extremely grateful for his exemplary commitment to the bank's prosperity and will cherish the memory of Dr Heinz Batliner.

3.6 Rules on competences

The Board of Directors is the corporate body in charge of overall management, supervision and control of the Executive Board. It bears ultimate responsibility for the strategic direction of VP Bank Group. The powers and duties of the Board of Directors are laid down in detail in Art. 17 of the Articles of Association as well as in sections 2.2 to 2.4 OBR. The tasks and competencies of the four Board committees are described in section 3 OBR.

The Board of Directors has delegated to the Executive Board / Group Executive Management the responsibility for the operational management of VP Bank Group as well as the overall management, supervision and control of the subsidiary companies of VP Bank Group. The tasks and competencies of the Executive Board / Group Executive Management are laid down in the Articles of Association (Art. 21) and in the OBR. The OBR contains more detailed provisions regarding the Executive Board / Group Executive Management in section 5 thereof.

3.7 Information and control instruments vis-à-vis the Executive Board and Group Executive Management

The Board of Directors and its committees have at their disposal various informational and control tools for managing and supervising the activities of the Executive Board / Group Executive Management. Among those instruments are the strategy process, medium-term planning, the budgeting process and reporting.

The Members of the Board of Directors regularly receive various reports: monthly financial reports (individual company and Group basis), risk-controlling reports, as well as periodic reports on the semi-annual and annual financial statements (consolidated and individual company accounts). The latter also contain qualitative information, as well as budget variances, period-specific and multi-year comparisons, key performance indicators and risk analyses, all of which cover the head office, the subsidiaries and the Group in aggregate. These reports enable the Board of Directors at all times to gain a picture of significant developments and the risk situation. Those reports that lie within the scope of tasks of the Audit or Risk Committees are dealt with by the respective committee and corresponding motions are forwarded to the Board of Directors for approval. The most recent reports undergo a comprehensive review at each Board meeting.

The Board of Directors reviews twice a year the implementation of business strategies and strategy controlling on the basis of the reporting by the Executive Board / Group Executive Management.

A further important instrument to assist the Board of Directors in fulfilling its supervisory and control function is Group Internal Audit, which conducts its activities in compliance with the internationally recognised standards of the Institute of Internal Auditing Switzerland (IIAS) and the Institute of Internal Auditors (IIA). The duties and powers of Group Internal Audit are laid down in specific regulations.

As an independent body, it examines in particular the internal control system, management processes and risk management.

The Chairman of the Board of Directors receives all minutes of the Executive Board / Group Executive Management meetings. In addition, this person also exchanges information with the CEO on a weekly basis and on an ad hoc basis with the other Members of the Executive Board / Group Executive Management.

4. Executive Board and Group Executive Management

The Executive Board (EB) is responsible for the operational management of the head office (VP Bank Ltd, Vaduz), whereas Group Executive Management is responsible for the management of VP Bank Group. Group Executive Management (GEM) is in charge of the management of the Group. Its tasks and competencies are specified in the OBR as well as in the functional descriptions for the individual Members of the Executive Board / Group Executive Management. The Chairman of the Executive Board / Group Executive Management (CEO) is responsible for the overall management of the Group and group-wide coordination.

The Members of the Executive Board / Group Executive Management generally meet every two weeks for a session. Additional meetings and workshops are held for the purpose of assessing the strategy and corporate developments as well as for dealing with annual planning, budgeting and other current issues.

4.1 Members of the Executive Board and Group Executive Management

As of 31 December 2024, the Executive Board and Group Executive Management were made up of the following individuals:

Surname	Year of birth	Position	At VP Bank since	Member since
Dr. Urs Monstein	1962	Chief Executive Officer (CEO), Chief Operating Officer (COO)	2018	2018
Roger Barmettler	1972	Chief Financial Officer (CFO), Stellvertreter des CEO	2020	2021
Patrick Bont	1975	Chief Risk Officer (CRO)	2020	2020
Dr. Mara Harvey ¹	1971	Head of Region Europe	2023	2023
Adrian Schneider	1985	Head of Region LI & BVI	2023	2023
Dr. Rolf Steiner	1968	Head of Group Products & Solutions	2019	2023

¹ Member of Group Executive Management, although not of the Executive Board of VP Bank Ltd, Vaduz

Paul Arni, Chief Executive Officer of VP Bank Group, left VP Bank by mutual agreement on 8 May 2024. Urs Monstein, Chief Operating Officer, has assumed the role of Chief Executive Officer of VP Bank Group on an interim basis.

The Board of Directors appointed Urs Monstein as Group CEO with effect from 5 November 2024. Urs Monstein joined VP Bank in 2018 as Chief Operating Officer and has many years of experience and comprehensive know-how in the financial sector.

Roger Barmettler, Chief Financial Officer of VP Bank, informed the Board of Directors that he would be seeking a new professional challenge outside VP Bank. Mara Harvey, CEO of VP Bank (Switzerland) Ltd and Head of Region Europe, also decided to leave VP Bank for personal reasons. Roger Barmettler and Mara Harvey remained available as Members of the GEM until the end of 2024 and assisted in the handover.

The Board of Directors has been embracing the change as an opportunity to align the organisation more consistently with clients and the strategic transformation. Since 1 January 2025, Group Executive Management has consisted of the client-facing units of Region Liechtenstein, International Locations, Products, Services & Investments and Strategic Transformation. The client-facing units are complemented by the Chief Financial Officer and Chief Risk Officer units.

Urs Monstein is managing International Locations on an interim basis, and Philippe Wüst, Head of Group Finance, is serving as CFO ad interim. The new Strategic Transformation unit will be led by Rolf Steiner (previously Head of Group Products & Solutions). As the Head of Investment & Client Services, Chief Investment Officer Felix Brill has been appointed as a Member of the Executive Board / Group Executive Management.

As a result, the Executive Board / Group Executive Management of VP Bank has been composed as follows since 1 January 2025:

- Urs Monstein: CEO and Head of International Locations ad interim
- Adrian Schneider: Region Liechtenstein
- Felix Brill: Investment & Client Services
- Rolf Steiner: Strategic Transformation
- Patrick Bont: Chief Risk Officer
- Philippe Wüst: Chief Financial Officer ad interim

4.2 Other activities and vested interests

The other activities of the Members of the Executive Board / Group Executive Management and any interests can be found in the biographies set out below.



Dr Urs Monstein

Born 1962, Citizen of Switzerland

Chief Executive Officer (CEO) and Chief Operating Officer (COO) of VP Bank Group

Education

1996

Swiss Banking School, Zurich, Switzerland

1994

Dr iur., University of St.Gallen, Switzerland

1991

lic. oec., University of St.Gallen, Switzerland

1988

lic. iur., University of St.Gallen, Switzerland

Professional background

Since 2018

VP Bank Ltd, Vaduz, Liechtenstein

Since 11.2024: Chief Executive Officer (CEO)

05-10.2024: Chief Executive Officer ad interim

2018-10.2024: Chief Operating Officer (COO);

02-09.2019: Chief Executive Officer ad interim, Chief Operating Officer

2006-2018

Bank Julius Bär & Co. Ltd, Zurich, Switzerland

2012-2017: Global Head of IT / Chief Information Officer

2010-2011: Head of Strategic Programs

2008-2009: COO International / Program Manager

2006-2007: Program Manager Strategic Initiatives

2004-2006

Bank Ehinger & Armand von Ernst, Zurich, Switzerland, Chief Operating Officer, Member of the Executive Board

1998-2003

UBS Group Inc., Zurich, Switzerland

2001-2003: Head of Strategic Project Management

2000-2001: Head of Private Banking Services Switzerland

1998-1999: Project Manager Migration Private Banking Switzerland

1992-1997

Union Bank of Switzerland, Zurich, Switzerland

1996-1997: Head of the Investment Clients and Securities Administration Unit

1995-1996: Training placement for corporate clients, Geneva

1993-1995: Assistant to the Chairman of the Executive Board, Region Switzerland

1992-1993: Controlling Region Switzerland

1987-1990

University of St.Gallen, Switzerland, research assistant (tax law, public law)

Other activities and vested interests

- Member of the Board of the Liechtenstein Bankers Association, Vaduz
- Member of the Board of the Liechtenstein Chamber of Commerce and Industry (LIHK), Vaduz
- Chairman of the Board of Directors of Data Info Services AG, Vaduz



Roger Barmettler

Born 1972, Citizen of Switzerland

Chief Financial Officer (CFO) and Deputy CEO of VP Bank Group

Education

2001

Swiss Certified Accountant, Treuhandkammer Zurich, Switzerland

1997

Bachelor of Science in Business Administration, University of Lucerne, Switzerland

Professional background

2020-2024

VP Bank Ltd, Vaduz, Liechtenstein

March 2021 to December 2024: Chief Financial Officer

June 2020 to February 2021: Chief Financial Officer ad interim

2020: Head of Group Finance

2018-2019

UBS Inc., Zurich, Group Accounting

2005-2018

Credit Suisse AG, Zurich

2014-2018: Liquidity Measurement & Reporting

2013-2014: Head of Credit Risk Reporting Private Banking

2011-2012: COO of Risk Analytics & Reporting

2006-2011: Group Accounting, Financial Reporting & Consolidation

2005-2006: Audit Manager Financial Audit Team

2004-2005

UBS Investment Bank, Zurich, Switzerland, Senior Auditor, Group Internal Audit

2002-2003

KPMG LLP, Philadelphia (USA), Senior Auditor

1997-2004

KPMG Fides Peat, Zurich, Switzerland, Audit Manager

Other activities and vested interests

• None



Patrick Bont

Born 1975, Citizen of Switzerland

Chief Risk Officer (CRO) of VP Bank Group

Education

2015-2016

EMBA in Digital Transformation, HTW Chur, University of Applied Sciences, Switzerland

2010-2012

LL.M. in Company, Foundations and Trust Law, University of Liechtenstein

1995-2001

lic. iur., University of St.Gallen, Switzerland

Professional background

Since 2020

VP Bank Ltd, Vaduz, Liechtenstein, Chief Risk Officer

2009-2020

Financial Market Authority (FMA) Liechtenstein, Vaduz

2016-2020: Member of the Executive Board, Division Manager Banking

2013-2015: Member of the Executive Board, Division Manager Other Financial Intermediaries

2010-2013: Head of Legal and International Affairs

2009-2010: Lawyer, Executive Board staff

2001-2009

UBS Inc., Zurich/Hong Kong

2005-2009: Director, Head of Business Management, Group General Counsel Area, UBS Corporate Center, Zurich

2007-2008: Director, Head of Business Management, Legal & Compliance, UBS Investment Bank, Hong Kong

2003-2005: Business Analyst, Operational Risk, UBS, Corporate Center, Zurich

2001-2003: Junior Client Advisor, UBS Wealth Management, Zurich

Other activities and vested interests

- University of Liechtenstein, Lecturer for the Compliance certificate course



Dr Mara Harvey

Born 1971, Citizen of Switzerland and the UK

Chief Executive Officer (CEO) VP Bank (Switzerland) Ltd and Head of Region Europe

Education

2018-2019

Senior Leadership Program, IMD, Lausanne, Switzerland

2014

Strategies for Leadership, IMD, Lausanne, Switzerland

2012

Leadership in Financial Services, Harvard Business School

1999

PhD in Economics, University of Fribourg, Switzerland

1994

Degree in Economics, University of Fribourg, Switzerland

1990

Business School (Scuola Cantonale di Commercio), Bellinzona, Switzerland

Professional background

2023-2024

VP Bank (Switzerland) Ltd, Chief Executive Officer (CEO), Head of Region Europe

2021-2022

Marty's Smart Way GmbH, Kreuzlingen, Switzerland, Founder and CEO

2010-2021

UBS Inc. and UBS Switzerland AG, Zurich, Switzerland

2020-2021: Head of Global Wealth Management Client Services and Vice Chairwoman GFO

2016-2020: Head of Global UHNW Germany, Austria and Italy

2018-2020: Head of Global UHNW UK and Northern Europe

2014-2018: Founder and Head of UBS Unique

2015-2016: Head UHNW & Global Family Offices Europe International and Head of Global UHNW Client Engineering

2012-2015: Head of UHNW Europe Client & Business Development

2010-2012: Chief of Staff Global Wealth Management

2002-2010

UBS Deutschland AG, Frankfurt am Main, Germany

2009-2010: Senior Client Advisor for UHNW and Single Family Offices

2007-2009: Head of Human Resources & Education for Northern, Eastern & Central Europe; Deputy Head of Human Resources & Education for Wealth Management Global (excluding Americas). Promotion to Managing Director

2002-2007: Strategy & Business Development, Wealth Management DE

2000-2002

UBS Inc., Zurich, Switzerland

2001-2002: Business Management, Private Banking, business divisions Germany / Benelux / Tourism and previously business division Europe

2000-2001: Analyst, Large and Structured Transactions, Risk Transformation and Capital Management, Private and Corporate Clients

Other activities and vested interests

- Marty's Smart Way GmbH, founder and CEO



Adrian Schneider

Born 1985, Citizen of Switzerland

Head of Region Liechtenstein & BVI

Education

2022

Oxford Advanced Management & Leadership Programme (OAML), Saïd Business School, University of Oxford, United Kingdom

2022

Certificate in ESG Investing, CFA Institute, Charlottesville, USA

2019

Chartered Alternative Investment Analyst (CAIA), Chartered Alternative Investment Analyst Association

2018

Financial Risk Manager (FRM), Global Association of Risk Professionals

2015

Chartered Financial Analyst (CFA) Charterholder, CFA Institute, Charlottesville, USA

2012

Master of Science in Banking and Financial Management (MSc), University of Liechtenstein, Vaduz, Liechtenstein

2010

Bachelor of Science in Business Administration (BSc), University of Liechtenstein, Vaduz, Liechtenstein

2005

Federal Vocational Baccalaureate, VET School Chur, Switzerland

2005

Computer Scientist (Federal Diploma of Vocational Education and Training, VET School Chur and Hamilton Bonaduz AG, Switzerland)

Professional background

Since 2023

VP Bank Ltd, Vaduz, Head of Region Liechtenstein & BVI

2022-2023

BZ Bank Limited, Wilen, Switzerland, Chief Executive Officer

2019-2022

Graubündner Kantonalbank, Chur, Switzerland, Head of the Investment Center / Chief Investment Officer, Member of the Management Board

2011-2019

Kaiser Partner Privatbank AG, Vaduz, Liechtenstein

2014-2019: Head of Investment Solutions, Deputy Executive Officer

2011-2014: Portfolio Manager, Member of the Management

2009

Financial Market Authority (FMA) Liechtenstein, Vaduz, Liechtenstein, Trainee

2006-2007

Graubünden Cantonal Administration, Chur, Switzerland, ICT Support

2005-2006

Hamilton Bonaduz AG, Bonaduz, Switzerland, Application Developer

Other activities and vested interests

- Member of the CFA Society Liechtenstein, Vaduz



Dr Rolf Steiner

Born 1968, Citizen of Switzerland

Head of Group Products & Solutions

Education

2008

CFA Charterholder

1998

Postgraduate diploma in Management and Manufacturing Science, ETH Zurich, Switzerland

1997

Doctorate (Dr sc. techn.) at the Institute for Signal and Information Processing, ETH Zurich, Switzerland

1994

Postgraduate diploma in Information Technology, ETH Zurich, Switzerland

1993

Electrotechnology Studies Dipl. El. Ing., ETH Zurich, Switzerland

Professional background

Since 2019

VP Bank Ltd, Vaduz, Liechtenstein

2023-2024: Head of Group Products & Solutions

2019-2022: Group Chief of Staff

2018-2019

Deutsche Bank (Switzerland) Ltd, Zurich, Switzerland, Head of Strategic Transformation EMEA, Wealth Management

2016-2018

Bank Vontobel Ltd, Zurich, Switzerland

2017-2018: Head of Advisory Process & Client Interface, Wealth Management

2016-2017: Head of Sales & Business Management, Wealth Management

2005-2016

Credit Suisse AG, Zurich, Switzerland, 2016: COO of Swiss Universal Bank Finance; 2012-2015: Head of Market & Segment Management Premium Clients Switzerland & Global External Asset Managers

2011-2012: Head of Center of Competence Region Zurich, Private Banking Switzerland

2009-2010: Head of Business Support Region Zurich, Private Banking Switzerland

2006-2009: Head of Business Development for Private Banking Switzerland

2005: Head of Private Banking Program Office of OneBank reorganisation

2003-2005

UBS Inc., Zurich, Switzerland, Head of Product Management Client Reporting, Wealth Management & Business Banking

1999-2003

McKinsey & Company, Zurich, Switzerland, Engagement Manager

Other activities and vested interests

- Member of the CFA Institute and the CFA Society Switzerland
- Foundation Council of AXA Foundation for Occupational Benefits, Principality of Liechtenstein

4.3 Number of authorised activities

VP Bank has not issued any statutory rules concerning the number of authorised activities.

4.4 Management contracts

VP Bank has no management contracts with third parties that involve the delegation of management functions.

5. Compensation, shareholdings and loans

5.1 Content and method of determining compensation and equity-participation programmes

The content and method of determining the compensation and the equity-participation programmes of the Board of Directors and Executive Board / Group Executive Management are described in the [compensation report](#).

5.2 Transparency of compensation, shareholdings and loans from foreign-domiciled issuers

As an issuer domiciled outside Switzerland, VP Bank discloses information on compensation, shareholdings and loans as provided for in section 5.3 of the Appendix to the Directive on Information Relating to Corporate Governance (DCG) dated 29 June 2022. The details can be found in the [compensation report](#).

6. Shareholders' participation rights

6.1 Voting right restrictions and proxies

Each registered share grants the holder the right to one vote at the annual general meeting of VP Bank, irrespective of the par value of the shares. Each shareholder may either attend in person or be represented by another shareholder by means of a written proxy. There are no restrictions on voting rights or statutory group clauses.

6.2 Statutory quorums

Amendments to the Articles of Association regarding a change in the ratio of the registered shares A to registered shares B (Articles of Association, Art. 4 (2)) as well as to the provisions governing the restriction on registration of registered shares B (Articles of Association, Art. 7a (1)) require the approval of at least a two-thirds' majority of all shares issued by VP Bank (Articles of Association, Art. 14 (4)).

6.3 Convocation of the annual general meeting

Convocation of the annual general meeting is made in accordance with the provisions of law and the Articles of Association (Art. 11).

6.4 Agenda

The agenda for the annual general meeting is based upon the provisions of law and those of the Articles of Association (Arts. 11 to 14).

6.5 Entries in the share register / invitation to the annual general meeting

Registered shares are entered into the share register with the name, citizenship, address and date of birth of the owner. Only registered shareholders are entitled to exercise membership rights vis-à-vis the company.

Registered shareholders who have been entered into the share register receive an invitation to the annual general meeting, including the agenda, sent to the address known to VP Bank. Upon successful registration, shareholders receive an entry pass together with the relevant voting material.

The invitation to the annual general meeting is also published in the Liechtenstein newspapers, in the Swiss financial press and online.

7. Change of control and defensive measures

As VP Bank Ltd is a licensed bank domiciled in Liechtenstein whose shares are listed on SIX Swiss Exchange Ltd, it also must observe several Swiss regulations in addition to those of Liechtenstein. The former include, in particular, the provisions regarding the disclosure of significant shareholders which are included in the Financial Market Infrastructure Act (FinMIA) and the related Financial Market Infrastructure Ordinance (FinMIO). Consequently, shareholders are to make ad hoc notification to both SIX Swiss Exchange Ltd and VP Bank Ltd whenever the defined thresholds are crossed.

The Articles of Association of VP Bank contain no comparable regulations as to “opting out” and “opting in” as reflected in the Swiss provisions. Neither do any change of control clauses exist in favour of the Members of the Board of Directors or the Executive Board or Group Executive Management.

The provisions of the Liechtenstein Act on Takeovers (TOA) apply.

7a. Transparency in relation to non-financial matters

Information concerning non-financial matters can be found in the [Sustainability statement 2024](#) of VP Bank Group.

8. Auditor

8.1 Duration of mandate and term of office of the lead auditor

For reasons of corporate governance, and with a view to the introduction of a mandatory rotation principle, PricewaterhouseCoopers AG, Zurich, were appointed as Group and statutory auditors, starting with the 2020 financial year, following the proposal of the Board of Directors at the annual general meeting of 26 April 2019. At the annual general meeting of 26 April 2024, PricewaterhouseCoopers AG were reappointed as Group and statutory auditors for the 2024 financial year.

Roman Berlinger has been the lead auditor since 2023.

8.2 Audit fee¹

in CHF 1000	2024	2023
Audit of annual financial statements	780	673
Other audit-related and certification services	1,445	872
Total	2,225	1,545

¹ Professional fees are reported exclusive of VAT and expenses.

The costs for the financial, supervisory and special statutory audits of the companies of VP Bank Group amounted to CHF 2,225,151 for the 2024 financial year (2023: CHF 1,544,703).

8.3 Additional professional fees¹

in CHF 1000	2024	2023
Tax-advisory services	52	64
Other services	228	426
of which audit-related services	12	
of which legal services		
of which other advisory services	216	426
Total	280	490

¹ Professional fees are reported exclusive of VAT and expenses.

In the 2024 financial year, PricewaterhouseCoopers billed CHF 279,846 (2023: CHF 490,477) for additional services rendered.

In assigning additional tasks to the auditors, the bank ensures that these services are commensurate with their activities as external auditors and lead to no conflicts of interest.

8.4 Supervisory and control instruments in relation to the external audit

The Audit Committee reviews the multi-year audit planning as well as the planned annual auditing activities and, in a specific agenda item, discusses these with the Auditor-in-Charge from the external auditing firm as well as the Head of Group Internal Audit. The Audit Committee attaches particular importance to a risk-oriented approach in the planning and conduct of the audit, as well as appropriate coordination of the auditing activities of the external auditors with those of Internal Audit.

All reports by the external auditors are reviewed at the meetings of the Audit Committee. In 2024, the external auditors were present at all meetings of the Audit Committee in which external audit-related items were on the agenda. In addition, the Auditor-in-Charge was in attendance at the Board of Directors' meeting to present and deal with the auditors' report prescribed under the Banking Act.

Each year, the Audit Committee examines and evaluates the effectiveness and independence of the external auditors. In doing so, it relies on documents generated by the external auditors, such as the auditors' report prescribed under the Banking Act, management letters, as well as oral and written statements of position on individual issues and technical questions in connection with financial-statement reporting and the audit. Furthermore, a systematic annual assessment is made with reference to checklists and professional fee comparisons within the auditing industry. Based on this evaluation, a motion is submitted to the Board of Directors for the attention of the annual general meeting as regards the election of the external auditors and the Group Auditor.

9. Information policy

All announcements of VP Bank required by law are made in a legally binding manner in the official Liechtenstein publication media or, where the law permits electronic announcements, via an electronic means of communication determined by VP Bank (Articles of Association, Art. 25(1)).

VP Bank informs shareholders and capital market participants in an open, comprehensive and timely manner. Its information policy is based on the principle of equal treatment of all capital market participants. VP Bank informs shareholders and capital market participants by means of detailed annual and semi-annual reports, which are drawn up for VP Bank Group in accordance with International Financial Reporting Standards (IFRS), as well as via media releases concerning the latest changes and developments.

As a company listed on SIX Swiss Exchange Ltd, VP Bank is also subject in particular to the obligation to immediately publicise any price-sensitive events (ad hoc publicity obligation).

10. Trading lock-up periods

A general lock-up period for trading of VP Bank financial instruments (shares, bonds, money market papers) and derivatives of these applies for all employees of the Group one working day prior to and on the actual date of publication of the annual and semi-annual results.

Because of their position or role, Members of the Board of Directors, the Executive Board / Group Executive Management, management level two as well as Group Finance and Group Internal Audit are categorised as insiders for the purposes of VP Bank financial instruments or derivatives of these. In addition, regular reviews are carried out to establish which additional persons and areas may potentially have access to material unpublished information about VP Bank Group. These persons and areas are recorded in an insider list for VP Bank financial instruments.

These persons (including related parties) and areas are subject to lock-up periods, in particular during the following periods: between 1 June and the time at which the semi-annual results are published, and between 1 December and the time at which the annual results are published, no transactions may be executed with VP Bank financial instruments or derivatives of these.

The lock-up periods are not deemed lifted by any ad hoc disclosures in line with the SIX Swiss Exchange Directive on ad hoc publicity. If orders subject to restrictions are executed during the lock-up periods, this will also be considered a violation of the Group Standard.

In consultation with the Chief Risk Officer, the Chairman of the Board of Directors or the Chief Executive Officer may at any time order further trading restrictions, such as in the case of M&A transactions.

Allocations of shares as part of stock-ownership and other incentivisation plans are not considered to be a purchase, and the corresponding allocation date is therefore not relevant for adherence to the retention periods.

Compensation report

The compensation report sets out the principles applicable to and the components of compensation, equity-participation programmes and allocations comprising the compensation of the Board of Directors and the Members of Group Executive Management (GEM). It also contains information concerning compensation schemes and compensation paid to Members of the Board of Directors and GEM for the 2024 financial year.

Regulatory framework

The basis of the compensation policy of VP Bank is the implementation of the Regulation (EU) No. 575/2013 with reference to Directive 2013/36/EU (CRD V), which, among other things, regulates the risks associated with compensation policies and practices.

On the one hand, Liechtenstein has implemented this Regulation in the Banks and Finance Companies Act (Banking Act, BankA), in particular in Art. 7a(6) and 7(c) thereof. Furthermore, relevant content is set out in specific terms in Annex 4.4 of the Liechtenstein Ordinance on Banks and Finance Companies (Banking Ordinance, BankO).

The Directive on Information Relating to Corporate Governance (DCG) and the DCG Guidelines dated 1 January 2023 set out the specific requirements governing the disclosure of compensation paid to Members of the Board of Directors and Group Executive Management for companies listed on SIX Swiss Exchange Ltd. In issuing this compensation report, VP Bank complies with this obligation.

Compensation policy

Acting on the basis of regulatory requirements, the Board of Directors has issued compensation policy regulations for VP Bank Group, which are reviewed annually in order to ensure that they are up to date, compliant and reasonable.

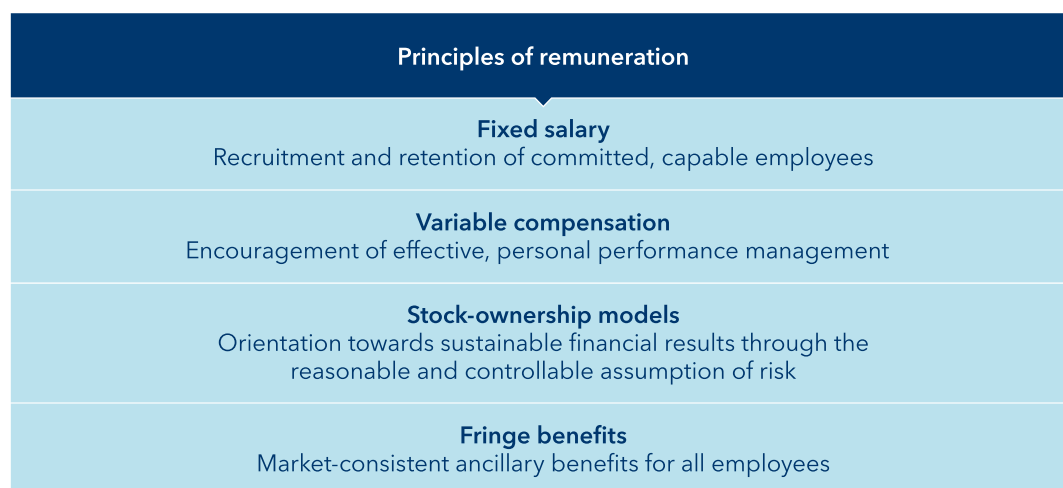
For a number of years, the compensation policy of VP Bank Group has corresponded to the size of VP Bank, its internal organisation and the scope and complexity of its business model. This primarily encompasses the offering of banking services for financial intermediaries and private clients in the disclosed target markets, in Liechtenstein and at the international locations. In addition, the Group has an international fund competence centre. Details of the business model can be found in the [Strategy and targets](#) chapter.

Principles of compensation

Compensation plays a central role in the recruitment and retention of employees. VP Bank subscribes to fair, performance-oriented and balanced practices in terms of compensation which are in keeping with the long-term interests of shareholders, employees and clients alike.

The principles applied are laid down in the compensation policy.

- The compensation policy and practices of VP Bank Group are simple, transparent and sustainability-oriented – especially with regard to environmental, social and governance aspects. They are in line with the Group’s business strategy, objectives and values, as well as its long-term overall success, and take its equity situation into account.
- Performance orientation and performance differentiation are substantive components of the compensation policy and ensure the interlinking of variable compensation with the achievement of the strategic goals of the business.
- The compensation policy is compatible with and helps foster robust and effective risk management. It makes sure that compensation-based conflicts of interests of the functions or persons involved are avoided. The assumption of excessive risks by employees to increase compensation in the short term should be prevented where possible by setting appropriate incentives.
- The compensation policy renders possible fair and attractive compensation in line with the market to enable VP Bank Group to attract, motivate and retain qualified and talented employees. Conformity with market conditions is reviewed regularly.
- The compensation system is not founded on a purely formula-based approach and therefore possesses sufficient flexibility to take account of the business performance of VP Bank Group or its subsidiary companies.
- Compensation practices follow the principle of equal treatment. The level of fixed compensation depends on the function. The level of variable compensation reflects Group performance, the performance of the segment or team and/or individual performance.
- The compensation policy is subject to regular review. Relevant legal provisions are applied and implemented in compensation practices. Prescriptions specific to functions, in particular those relating to identified employees (risk takers), are taken into account.



Components of compensation

The total compensation of the employees of VP Bank Group comprises a fixed compensation component, an additional variable salary, an equity-participation programme, as well as additional perquisites (fringe benefits). In laying down the structure of compensation, an appropriate relationship between the fixed components and variable compensation as well as a function-specific compensation component is taken into account. In particular, risk takers, which include Group Executive Management (GEM), receive a maximum variable compensation component which complies with the legal ratio to the annual salary (maximum of 1:2). Limitation of the ratio of fixed to variable compensation at VP Bank to a maximum of 1:2 was approved by the shareholders at the 53rd annual general meeting on 29 April 2016.

Fixed compensation

The annual salary set out in the individual employment contract and payable in cash in monthly instalments forms the basis of compensation. The level thereof varies in accordance with the function exercised and the demands and responsibilities deriving therefrom which are assessed based on objective criteria. This enables internal comparability as well as equal treatment in compensation matters and also permits a comparison with market data. VP Bank considers the fixed compensation component to be compensation for the employee's activities performed in an orderly manner. The fixed salary is reviewed annually for ongoing appropriateness within the scope of the salary and wage round negotiations and, where necessary, adjusted.

Variable compensation

The variable compensation component can consist of a directly paid-out portion as well as of deferred compensation instruments.

- **Immediately payable variable compensation (bonus):** The bonus is the part of the variable compensation component settled annually in cash as compensation for the contribution made to earnings in the previous financial year. Should the bonus be particularly high in relation to overall compensation, a part of the payment thereof can be withheld. Where it appears sensible and appropriate, such withheld portion can also be settled in the form of deferred compensation instruments or in the form of equity shares which may not be disposed of during a limited period.
- **Deferred compensation instruments:** Using deferred compensation instruments, the long-term alignment of the interests of shareholders and employees is to be achieved by a participation of the employees in the growth in the value of the Group. VP Bank Group deploys both risk-exposed equity-share- and index-based plans as well as cash plans as deferred compensation instruments. Entitlement to deferred compensation instruments is dependent on the function exercised and the individual. A Performance Share Plan (PSP) exists for the Members of GEM and selected key managers. The PSP is a long-term, variable management equity-participation programme in the form of registered shares A of VP Bank. At the end of the five-year plan period and depending upon performance, 50 to 150 per cent of the allocated vested benefits are transferred in the form of registered shares A of VP Bank. Once the equity shares have been transferred, they remain blocked for one year. In addition, a Cash Deferral Plan exists for the Members of GEM and selected key managers. Cash distributions made are distributed in a linear fashion over five years. The Restricted Share Plan (RSP) may be used for risk takers in order to comply with regulatory requirements and also, in individual justified cases, to compensate for any postponed variable salary components, to implement special retention measures or to compensate for loss of benefits at previous employers or for any severance payments. The RSP will be paid out annually in fifths over a scheduled duration of five years in the form of registered shares A of VP Bank. Once the equity shares have been transferred, they remain blocked for one year.

Through the deployment of deferred compensation instruments, VP Bank Group complies with the legal regulations concerning payment schemes for risk takers, i.e. as a general rule, a minimum of 40 per cent of the variable compensation is granted in the form of deferred compensation instruments which are linked to a possible malus and/or claw-back rule and accordingly can be forfeited. The rules on deferred compensation instruments are set out in separate plan regulations.

VP Bank, under certain conditions, may withhold, reduce or cancel variable compensation components awarded to an employee (malus) or reclaim amounts which have already been paid (claw-back). This applies in particular in the event that employees are subsequently found to have been at fault or if disproportionately high risk is taken in order to increase corporate earnings. On leaving VP Bank, the relevant rules laid down by the Board of Directors in the regulations governing the compensation instruments apply.

The variable compensation component constitutes an additional voluntary benefit payable by VP Bank Group to which no legal entitlement exists, not even after repeated, unconditional payment thereof.

Equity-participation programme

Every year, employees are offered the chance to purchase VP Bank registered shares A on preferential terms. The number thereof depends in equal shares on the level of the fixed salary and the period of employment as of the measurement date, 1 May. The shares are subject to a sales restriction period of three years.

Fringe benefits

Fringe benefits are ancillary benefits which VP Bank offers its employees on a voluntary basis, often as a result of practices which are customary in the given location or business segment. In principle, the benefits are only of a minor amount. They are settled and reported in accordance with local regulations.

They include the following benefits in particular:

- Insurance benefits in excess of statutory provisions
- Retirement-benefit-related amounts, in particular voluntary employer contributions
- Preferential conditions for employees in the case of banking transactions, such as reduced-rate mortgages for an individual's own home
- Further fringe benefits which are customary in the given location

Governance

Responsibilities

The Board of Directors of VP Bank is responsible for managing and structuring the compensation policy. Any change or adjustment to the compensation policy must be approved by the Board of Directors.

The Nomination & Compensation Committee (NCC) supports the Board of Directors with regard to all aspects relating to the compensation policy. In addition, each year, the NCC reviews the compensation policy regulations in order to ensure that they are up to date, compliant and appropriate. It also reviews the class of risk takers and monitors their remuneration. The NCC comprises the Members Philipp Elkuch (Chairman), Beat Graf, Ursula Lang and Stephan Zimmermann (see the [Corporate governance chapter, section 3.5.2](#)).

GEM is responsible for all aspects involving the implementation of compensation processes within the scope of the policy and lays down the framework thereof for the individual companies. It specifies the fixed and variable compensation of key managers, including the managers in charge of subsidiary companies. Furthermore, it issues annual implementing regulations to the companies and/or supervisors for the fixing of individual variable compensation.

The individual supervisors agree tasks and goals as part of the management by objectives (MbO) process and evaluate the achievement of goals at the end of the period. In addition to performance, particular attention is paid to the observance of all relevant regulatory provisions.

	Group Executive Management	Chief Executive Officer	Nomination & Compensation Committee	Board of Directors
Compensation policy	Proposal		Review/request	Approval
Compensation of the Chairman of the Board of Directors			Request	Approval
Compensation of the other Members of the Board of Directors			Request	Approval
Total amount of variable compensation at VP Bank Group	Proposal		Review/request	Approval
Compensation of the Chief Executive Officer			Request	Approval
Compensation of the other Members of the Executive Board		Proposal	Review/request	Approval
Compensation of the heads of Risk Management and Compliance	Proposal		Review/request	Approval
Compensation of other designated employees	Review/request		Approval	
Compensation of other employees	Approval			

Content and method of determining fixed and variable compensation

The compensation policy regulations as well as the risk policy regulations of VP Bank stipulate that the bank's compensation systems and human resources management are to be designed in a manner that minimises personal conflicts of interest and behavioural risks.

With the budget, the Board of Directors approves the framework for the fixed compensation and, at the end of the year, decides on the level of provisions for variable salary components - taking the annual results into account.

The total amount of variable compensation is determined within a range known as the "value share" and is based primarily on the net profit of VP Bank Group. The Board of Directors conducts a facts-based assessment of the total amount of variable compensation and can adapt the amount. In times of adverse operating conditions, the overall amount of variable compensation is reduced accordingly based on the value share approach and can even amount to zero. This takes into consideration the multi-annual, risk-adjusted profitability of VP Bank Group (cf. graph below), which takes account of the sustainable level of profitability, capital costs and thus current and future risks.

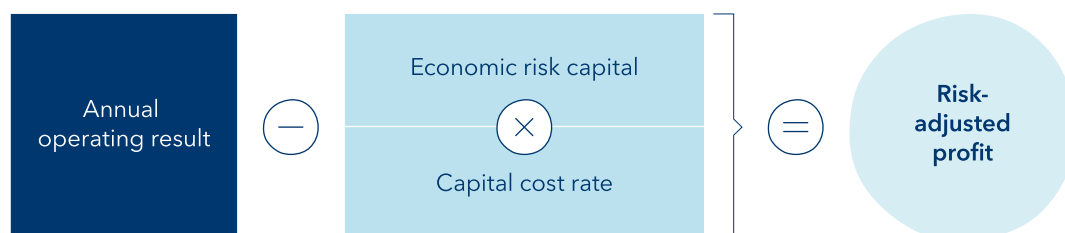
The sum of provisions for variable compensation must be affordable in the aggregate. This should never result in VP Bank Group or any individual subsidiary company falling into financial difficulties. The impact on the Group's equity situation is taken into consideration in this process.

Further to a request by the NCC (see the [Corporate governance chapter, section 3.5.2](#)), the Board of Directors establishes the principles applicable to compensation and the amount of compensation paid to the Board of Directors, as well as the fixed and variable compensation of the Members of GEM and the Heads of Risk Management and Compliance.

Allocation of variable compensation

The allocation of variable payments is made on a discretionary basis and in addition to the attainment of quantitative and/or qualitative goals also takes account of the degree of compliance with statutory requirements, guidelines set by the company, including the Code of Conduct, as well as any requirements defined by the client. Longer-term perspectives may also flow into the performance evaluation. The performance evaluation of identified employees is based upon the individual's goals as well as the goals of the team, the business segment, the subsidiary company and the overall result of VP Bank Group on the basis of the value share approach. The variable compensation of employees in controlling functions, internal audit or with legal and compliance tasks is determined based upon the achievement of the targets related to their tasks irrespective of the results of the business units being controlled. A participation in the results of the company or of VP Bank Group is admissible within normal limits and is sensible within the spirit of equal treatment. Achievement of targets is evaluated after the end of the financial year within the scope of the performance management process. The amount of the individual variable compensation is determined by the employee's superior.

Calculation of risk-adjusted profit



Compliance with compensation provisions

The compensation practices of VP Bank are in compliance with Annex 4.4 of the BankO as well as the EU Directive and are geared to long-term success. The decision concerning the earmarking of a total amount for compensation ultimately lies with the Board of Directors.

VP Bank does not make guaranteed payments in addition to fixed salaries such as end-of-service indemnities agreed in advance. Special payments upon commencement of employment may occur in given individual cases – as a rule, these relate to compensation for foregone benefits from the previous employer.

In application of Liechtenstein law, variable salary components, where applicable, may be cancelled, those withheld may be forfeited or those already paid out may be reclaimed. This applies in particular in the event that employees are found to have been at fault or excessive risk is assumed to achieve goals.

Compensation, shareholdings and loans to selected groups of persons

Board of Directors

The Board of Directors receives compensation for the duties and responsibilities conferred on them by law and pursuant to Art. 20 of the Articles of Association. This is laid down annually by the Board of Directors in plenary session acting on the proposal of the NCC. Compensation is paid to the Members of the Board of Directors on a graduated basis according to their function on the Board of Directors and its committees or in other bodies. Three quarters of this compensation is paid in cash and one quarter is settled in the form of freely disposable VP Bank registered shares A, the number of which is determined by the current market price at the time of receipt.

Audited section

Compensation paid to the Members of the Board of Directors (audited)

in CHF 1000	Fixed		Remuneration ^{1,2} thereof in registered shares A (market value)		Retirement Benefit plans		Total remuneration		
	2024	2023	2024	2023	2024	2023	2024	2023	
Board of Directors									
Stephan Zimmermann	Chairman ^A	373	93	93	23			373	93
Dr. Thomas R. Meier	Chairman ^B	163	490	41	123			163	490
Ursula Lang	Vice Chairwoman ^C	180	180	45	45			180	180
Dr. Mauro Pedrazzini	Vice Chairman ^D	160	153	40	38			160	153
Stefan Amstad	BoD ^E	160	107	40	27			160	107
Philipp Elkuch	BoD ^F	160	160	40	40			160	160
Dr. Beat Graf	BoD ^G	145	145	36	36			145	145
Dr. Dirk Klee	BoD ^H	47		0				47	
Katja Rosenplänter-Marxer	BoD ^I	150	140	38	35			150	140
Michael Riesen	BoD ^J		53		13				53
Total Board of Directors		1,538	1,522	373	381	0	0	1,538	1,522

^A Chairman of the Board of Directors since 26. April 2026 (previously member), Chairman of the Strategy & Digitalisation Committee since 26. April 2024 (previously member), member of the Audit Committee until 26. April 2024, Member of the Nomination & Compensation Committee since 26. April 2024

^B Chairman of the Board of Directors until 26. April 2026

^C Chairwoman of the Risk Committee, Member of the Nomination & Compensation Committee, Member of the Audit Committee since 1. October 2024

^D Member of the Strategy & Digitalisation Committee, member of the Risk Committee

^E Chairwoman of the Audit Committee, member of the Risk Committee

^F Chairman of the Nomination & Compensation Committee, member of the Strategy & Digitalisation Committee.

^G Member of the Audit Committee, member of the Nomination & Compensation Committee

^H Member of the Board of Directors from 26. April until 30. September 2024, member of the Strategy & Digitalisation and of the Audit Committee during that time

^I Member of the Risk Committee, Sustainability Officer of the Board of Directors

^J Member of the Board of Directors until 28. April 2023

¹ Social-security costs on the emoluments paid to the Board members are borne by VP Bank.

² Compensation for out-of-pocket expenses is not included.

VP Bank has concluded no agreements on severance payments with Members of the Board of Directors.

Shareholdings and loans to the Members of the Board of Directors and related persons (audited)

in CHF 1000	Shareholdings in VP Bank				Loans and credits	
	Number of Shares (including related parties, excluding qualifying participants)					
	Registered shares A		Registered shares B			
	2024	2023	2024	2023	2024	2,023
Board of Directors						
Stephan Zimmermann	1,542	278				
Dr. Thomas R. Meier ^A		5,313				
Stefan Amstad	861	318				
Philipp Elkuch	1,672	1,129			2,220	1,520
Dr. Beat Graf	3,443	2,951				
Ursula Lang	3,355	2,745				
Dr. Dirk Klee ^B						
Katja Rosenplänter-Marxer	1,868	1,359				
Dr. Mauro Pedrazzini	1,264	721				
Total Board of Directors	14,005	14,814	0	0	2,220	1,520

^A Chair of the Board of Directors until 26 April 2024.

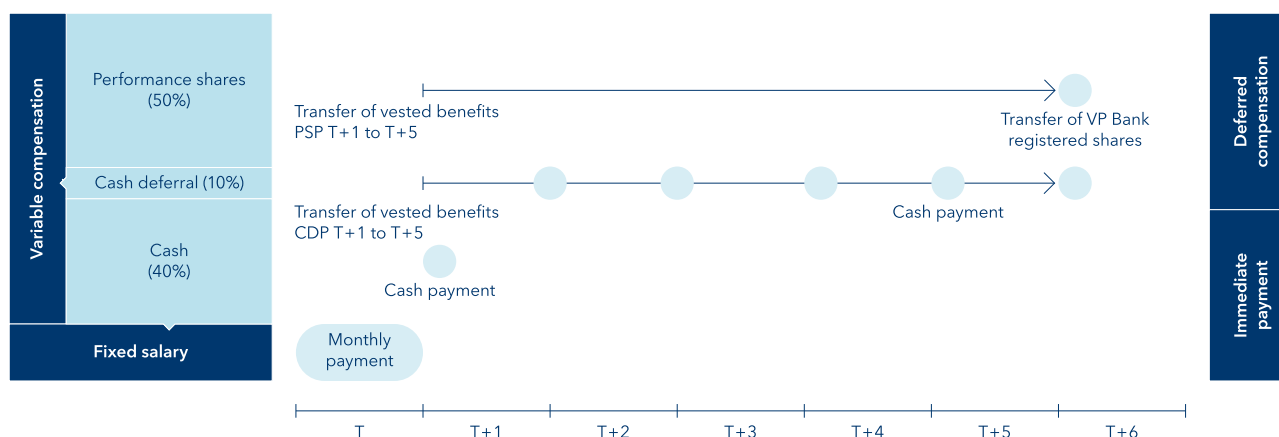
^B Member of the Board of Directors from 26 April 2024 until 30 September 2024.

End of audited section

Group Executive Management (GEM)

In accordance with the model approved by the Board of Directors on 26 October 2023, the compensation payable to GEM consists of the following components:

1. A fixed base salary; this is contractually agreed between the Board of Directors and individual Members. In addition to the base salary, VP Bank pays proportionate contributions to the management insurance scheme and the pension fund.
2. A Performance Share Plan (PSP); this is a long-term, variable management equity-participation programme in the form of registered shares A of VP Bank Ltd and promotes long-term commitment in the form of equity shares. At the end of the five-year plan period and depending upon performance, 50 to 150 per cent of the allocated vested benefits are transferred in the form of equity shares. This vesting multiple is determined from the weighting of an average group net income and the average net new money over the first three years of the plan period. Once the equity shares have been transferred, they remain blocked for one year. Until the time of transfer of ownership, the Board of Directors reserves the right to reduce or suspend the allocated vested benefits in the case of defined occurrences and in extraordinary situations. The share of the PSP makes up 50 per cent of total variable performance-related compensation.
3. A Cash Deferral Plan (CDP); this is a long-term management equity-participation programme in the form of cash payments. Payment is spread out pro rata over five years. Until the time when each respective payment is made, the Board of Directors reserves the right to reduce or suspend the cash benefits allocated in the case of defined occurrences and in extraordinary situations. The share of the cash deferral makes up 10 per cent of total variable performance-related compensation.
4. Direct cash compensation (STI), the share of which amounts to 40 per cent of total variable performance-related compensation. The Board of Directors determines the planning parameters of the variable profit-sharing (PSP, CDP, STI) and their amount annually. The target share of total compensation varies according to function and market customs. VP Bank has concluded no agreements on severance pay with the Members of GEM. An external advisor who has no other mandates from VP Bank Group was commissioned to structure the compensation model.



Compensation 2024

As an exception to the standard arrangement (see the section on deferred compensation instruments), no Performance Share Plan (PSP) or Cash Deferral Plan (CDP) have been established for deferred variable compensation for 2024. This is due to the fact that the CEO and all GEM Members (as at 31 December 2024) have waived their variable compensation in recognition of last year's challenging circumstances. In addition, the number of participating selected key managers has been significantly reduced due to the small total amount of variable compensation. Variable compensation for 2024 will be paid to all selected key managers entirely in the form of equity shares according to the Restricted Share Plan (RSP). Under the RSP, each year, one fifth of the equity shares are paid out in the form of registered shares A of VP Bank over a scheduled duration of five years. These will remain blocked for a further year after the transfer.

Audited section

Compensation paid to GEM (audited)

	Remuneration ^{1,2}										Total remuneration	
	Fixes basic salary		Short Term Incentive (STI)		Cash Deferral Plan (CDP)		Performance and Restricted Share Plan (PSP/RSP)		Retirement Benefit plans		2024	2023
in CHF 1000	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Group Executive Management	3,289	3,303	600	774	0	176	0	986	664	436	4,663	5,674
Highest remuneration												
Paul H. Arni	200	700	600	200	0	50	0	250	245	109	1,046	1,309

¹ These amounts do not include fees or lump-sum allowances.

² Length of service awards and severance pay are included.

The Members of GEM were paid a fixed basic salary of CHF 3.29 million in the 2024 financial year. As previously mentioned, all GEM Members (as of 31 December 2024) have waived the payment of variable compensation for the 2024 financial year.

The payment made to Paul Arni constitutes partial payment of the target bonus for 2024, which was paid out with the aim of terminating the employment relationship early during the current strategy period. Any remaining deferred compensation elements allocated during previous years will be carried forward in accordance with the applicable plan rules (after three or five years).

End of audited section

Deferred compensation from previous years

The following payments were made to the Members of GEM in the 2024 financial year for variable deferred compensation from previous years.

The second tranche of CHF 82,600 was paid out from CDP 2022-2026 and the first tranche of CHF 75,250 from CDP 2023-2027.

A total of 5,476 performance shares with a market value of CHF 520,270 on the date of allocation were transferred to the Members of GEM from PSP 2021-2023, which was part of the compensation for the 2020 financial year. The vesting multiple applied was 60 per cent.

The vested benefits from previous management equity-participation programmes (PSP 2022-2024, PSP 2023-2025, PSP 2024-2028, CDP 2022-2026, CDP 2023-2027 and CDP 2024-2028) will continue to run unchanged until the end of the plan period. The following table, "Outstanding management equity-participation programmes", shows an overview of outstanding rights to deferred variable compensation from previous financial years for the Members of GEM in post on 31 December 2024.

Outstanding management equity-participation programmes

Performance Share Plan	Vesting date	Performance shares		Shares (vesting)	
		Number	Value	Number	Value
PSP 2022-2024	01.03.2025	10,343	1,032,438	To be determined	To be determined
PSP 2023-2025	01.03.2026	8,590	752,570	To be determined	To be determined
PSP 2024-2028	01.03.2029	10,330	877,534	To be determined	To be determined

Cash Deferral Plan	Vesting date		Value on vesting date	Value	
	First	Last	Annually	Total	Outstanding
CDP 2022-2026	01.03.2024	01.03.2027	82,600	413,000	247,800
CDP 2023-2027	01.03.2025	01.03.2028	75,250	376,250	301,000
CDP 2024-2029	01.03.2025	01.03.2029	35,100	175,500	175,500

Overview of outstanding allocations of deferred compensation (to the Members of Group Executive Management in post on 31 December 2024)

Audited section

Shareholdings and loans to Group Executive Management and related persons (audited)

in CHF 1000	Shareholdings in VP Bank				Loans and credits	
	Number of Shares (including related parties, excluding qualifying participants)					
	Registered shares A		Registered shares B		2024	2023
2024	2023	2024	2023			
Management						
Dr. Urs Monstein, CEO	8,410	7,306			2,614	2,614
Paul H. Arni, ^A		587				750
Roger Barmettler, CFO	884				672	
Dr. Rolf Steiner						
Patrick Bont, CRO	177					
Adrian Schneider	220	220				
Dr. Mara Harvey					745	
Total Management	9,691	8,113	0	0	4,031	3,364

^A Member of the Group Executive Management until 31 December 2022.

End of audited section