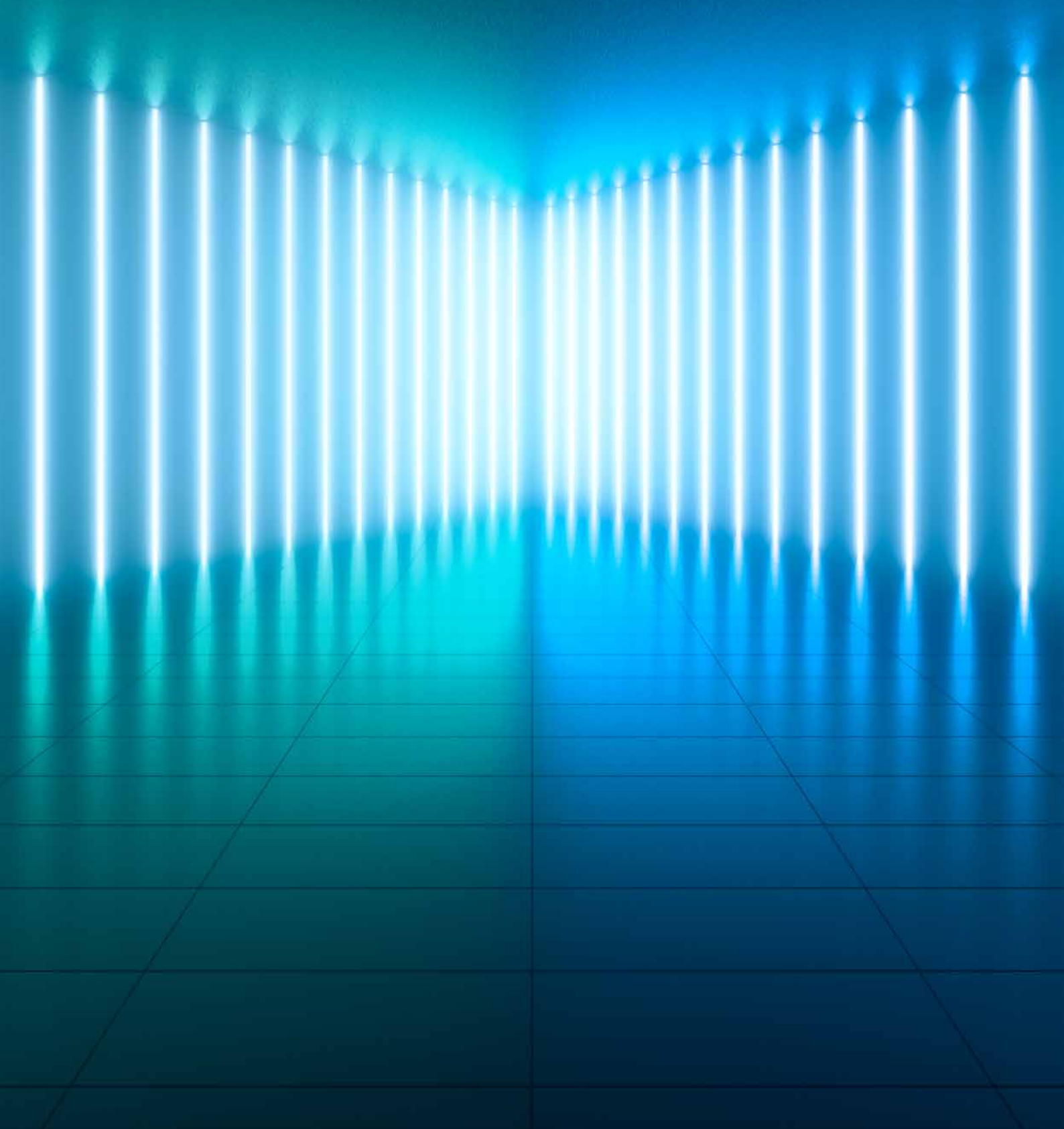


Compensation Report



Letter to shareholders

Dear shareholders,

I am pleased to present SoftwareOne's 2022 Compensation Report on behalf of the Nomination and Compensation Committee (NCC) and the Board of Directors (BoD). Our 2022 Compensation Report outlines SoftwareOne's overall compensation policy, principles and compensation framework. It discloses the compensation awarded to members of both the BoD and the Executive Board (EB) throughout the 2022 financial year. It is compiled in accordance with the Ordinance against Excessive Compensation (OaEC) applicable to Swiss listed companies, the Directive on Information related to Corporate Governance of SIX Swiss Exchange, as well as the Swiss Code of Best Practice.

Our EB has been strengthened following an organisational update, in support of delivering our ambitious goals. We are pleased to report the addition of a new EB position, namely the CHRO role reflecting our focus on People, Culture and Values. Moreover, as part of the company reorganisation, the COO position no longer exists, as responsibilities have been transferred to the two business line Presidents.

This third full financial year as a public company was characterised by the continuous development of our compensation framework. Consistent with previous years, the overall goal was to continue to focus on long-term value creation by aligning the interests of the EB with SoftwareOne's shareholders, as well as by recognising and retaining talent in the highly competitive global technology market.

As regards to the 2022 BoD's remuneration and in line with Swiss market best practices, we maintained our commitment to having a substantial part of the BoD remuneration (40%) paid in the form of shares. For the EB, we believe our established pay-for-performance compensation framework fits the purpose of motivating our EB members to create sustainable value for SoftwareOne and its shareholders. During 2023, we will conduct our bi-annual market benchmark to assess our alignment both in terms of structure and remuneration level, for the Board of Directors' and Executive Board.

To better align our compensation practices with SoftwareOne's corporate culture, goals, and evolving strategic ambitions, our Short-Term Incentive (STI) was further developed in 2022. In particular, the performance metrics and their weightings have been changed to emphasise the relevance of growth combined with cost discipline. We are committed to focus on SoftwareOne's future business development while strengthening our commitment towards ESG. With this, 70% of the STI is driven by the financial performance, measured on gross profit and EBITDA margin, and 30% depends on the achievement of ESG targets and strategic goals driving business growth and operational excellence.

In 2023 we will close the first 3-year performance period of our Long-Term Incentive (LTI) programme. For the next cycle starting in 2023 we aim to continue adjusting this programme after reviewing best market practices while ensuring we stay close to our objectives of long-term value creation. We will add a third metric with EBITDA margin thus increasing focus on profitability. In addition, we will replace gross profit with revenue growth in line with our business transformation. With that we will also change the weighting to 40% for revenue growth, 40% on EBITDA margin and 20% on rTSR.

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

2023 Annual General Meeting (AGM)

In line with the Code of Obligations OaEC and our Articles of Incorporation, we will ask our shareholders to cast a prospective and binding vote on the maximum aggregate amount of compensation for the BoD for their term of office from the 2023 AGM to the 2024 AGM and for EB members for the financial year 2024. In addition, we will ask our shareholders to endorse this 2022 Compensation Report in a consultative vote.

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

Sincerely,

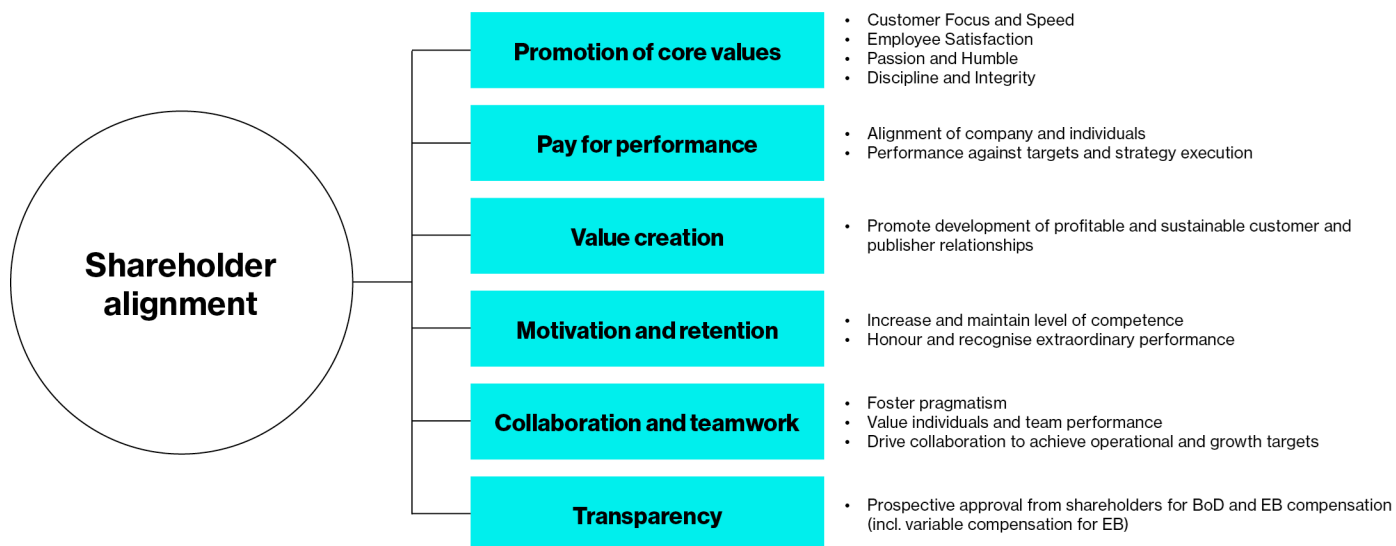


Marie-Pierre Rogers
Chairwoman of the Nomination and
Compensation Committee

Compensation policy and principles

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

Compensation policy and principles



In order to evaluate SoftwareOne's positioning in the market and overall competitiveness, the NCC conducts market benchmarks every second year to assess the compensation structure and level for both the BoD and the EB. The peer selection process is based on the company services and products, geographical relevance, size, and scope. Additional details on the selected peer companies are given in the respective paragraphs regarding the BoD and the EB compensation.

Compensation governance

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

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

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

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

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

A: Approve

P: Propose

R: Review

Role of the shareholders at the AGM

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

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

The graph below illustrates these compensation-related resolutions for shareholder approval at the 2023 AGM and illustrates their impact on the respective financial year:

Overview of say-on-pay votes at AGM 2023

Financial Year	2022				2023				2024				2025			
Quarter	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Compensation report vote (Consultative)	2022 Compensation Report															
BoD vote (Binding)									Maximum aggregate amount for the term AGM 2023 – AGM 2024							
EB vote (Binding)									Maximum aggregate amount for FY 2024							

Role and activities of Nomination and Compensation Committee

The NCC is composed of at least three members of the BoD (Art. 15) who are elected individually at the AGM by the shareholders on an annual basis pursuant to Swiss law and SoftwareOne's Articles of Incorporation. The NCC has the duties of supervision and governance of SoftwareOne's compensation frameworks and philosophy, compensation of the EB as well as the performance evaluation of EB members. The NCC regularly invites the CEO and may invite other members of the Executive Board or, subject to prior notification of the responsible member of the EB, members of the company's management to its meetings as it deems desirable or appropriate. However, the CEO or other members of the EB may not be present when the NCC reviews the compensation or other aspects of the employment of the respective person. The Chairperson of the Board or the Chairperson of the NCC may not be present when the NCC reviews the compensation of the respective person. The Chairperson of the NCC ensures that the BoD is kept informed in a timely and adequate manner during the term of office regarding the NCC's area of responsibility. Please refer to the [Corporate Governance Report](#) section for further details on NCC composition, duties, election and NCC members, including external mandates, as well as for other Board and Executive Board members. The Chairperson of the NCC convenes NCC meetings as often as required by SoftwareOne's business, but at least three times a year. During 2022, the NCC held six meetings covering the following agenda items as illustrated in the table below:

	Agenda item during 2022	January	February	March	April	June	October
Compensation governance and policy	Preparation of AGM invitation including maximum amount of compensation for the BoD and EB		x	x			
	Review BoD composition and succession framework and assessment of BoD	x			x	x	x
	Review EB composition and succession framework				x	x	x
	Review of external Partners						x
EB compensation framework	Review of STI performance and payouts for FY 2021 and target setting for FY 2022 for the EB	x	x	x			
	Target setting for LTI grant in FY 2022 for the EB		x	x			
Communication	2021 Compensation and Governance Report	x	x				
	Analysis of compensation voting results at the AGM and review of proxy advisor reports					x	

In addition, the NCC met in a separate session in July and September to review the LTI framework.

Board of Directors compensation

Elements of compensation

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

The following table illustrates the annual base fees for the BoD memberships and the additional compensation for duties in committees. It remained unchanged for 2022:

Audited Annual base fee for BoD membership for non-executive Directors in CHF	Annual committee fees				
	Audit Committee		Nomination and Compensation Committee		
	Chairperson	Member	Chairperson	Member	
Chairperson	400,000	Not entitled			
Lead Independent Director	150,000	40,000	20,000	40,000	20,000
Ordinary member	120,000	40,000	20,000	40,000	20,000

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

Peer group and benchmarking

The assessment of the competitiveness of the BoD compensation for non-executive BoD members in Switzerland, was last carried out in 2021 through a benchmarking analysis conducted by Willis Towers Watson (WTW) targeting compensation levels as well as compensation structure and pay instruments. The selected peer group considers the closest 23 companies in terms of size as well as global reach within the main Swiss Indices (SMI and SMIM), allowing for an adequate and representative comparison.

The benchmarking exercise showed that the compensation of the members of the Board of Directors was in line with general market practice, both in terms of level and structure, whereas some individual elements were below the peer group median. It was concluded that the current levels of compensation will be kept as such for the time being, thus no changes were made.

During 2023 we will conduct our bi-annual benchmark study for the BoD compensation to review adequacy with best market practices.

Compensation awarded to the Board of Directors in 2022

The following table outlines the total compensation awarded to the BoD in 2022. After the 2020 AGM, the adjusted framework came into effect, whereby annual fees are paid 60% in cash and 40% in equity.

Audited Members of the BoD in CHF	Board	Audit Committee	NCC	Settled in cash	Settled in shares ⁵⁾	Social security contributions ⁶⁾	Total compensation FY 2022	Total compensation FY 2021
Daniel von Stockar ¹⁾	Chairper- son		Member	240,000	160,000	28,678	428,678	428,633
Peter Kurer	Lead In- depen- dent Di- rector		Member	102,000	68,000	9,977	179,977	179,835
José Alberto Duarte	Member	Member		84,000	56,000	–	140,000	140,000
René Gilli ²⁾	Member			36,000	–	2,896	38,896	128,997
Timo Ihamuotila	Member	Chairper- son		96,000	64,000	12,034	172,034	171,987
Marie-Pierre Rogers	Member		Chairper- son	96,000	64,000	11,960	171,960	171,987
Jean-Pierre Saad ²⁾	Member	Member		42,000	–	–	42,000	140,000
Adam Warby ³⁾	Member		Member	84,000	56,000	10,538	150,538	87,214
Isabelle Romy ³⁾	Member	Member		84,000	56,000	10,538	150,538	87,214
James Freeman ⁴⁾	Member	Member		42,000	32,667	7,135	81,802	–
Total				906,000	556,667	93,756	1,556,423	1,535,867

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

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

3) Adam Warby and Isabelle Romy started in the BoD effective 20 May 2021.

4) James Freeman started in the BoD effective 5 May 2022.

5) Represents gross amounts settled in blocked shares prior to any deductions such as employee social security and income withholding tax for the fiscal year 2022. The number of blocked shares is determined by dividing each BoD member's individual share compensation amount (40 % of annual fee) for one term of office by the closing price of SoftwareOne's share price on the allocation date rounded down. Residual amounts are paid in cash.

6) Employer-paid social security contributions.

Approved versus total compensation awarded to the BoD

At the 2021 AGM, shareholders approved a maximum aggregate compensation amount of CHF 1.8 million for the BoD for the compensation period from 2021 AGM to the 2022 AGM. For this period the effective compensation amounted to CHF 1.6 million and is thus within the approved limits.

At the 2022 AGM, shareholders approved a maximum aggregate compensation amount of CHF 1.65 million for the BoD for the compensation period from the 2022 AGM to the 2023 AGM. As this compensation period is not yet complete, a conclusive assessment will be provided in the Compensation Report 2023.

Share ownership

The table below shows the shareholdings of the BoD as of 31 December 2022, including information for the 2021 financial year. This table includes available shares and blocked shares in connection with BoD compensation.

Audited Members of the BoD	Number of directly held shares ¹⁾		Total shareholdings as of 31 December 2022	Total shareholdings as of 31 December 2021
	Available shares	Blocked shares ²⁾		
Daniel von Stockar	17,489,874	27,655	17,517,529	17,505,107
Peter Kurer	299,630	11,752	311,382	286,103
José Alberto Duarte	–	9,678	9,678	5,331
René Gilli ³⁾	12,445,068	4,569	12,449,637	12,449,637
Timo Ihamuotila	20,000	11,061	31,061	26,093
Marie-Pierre Rogers	23,745	11,061	34,806	21,838
Jean-Pierre Saad ⁴⁾	–	5,331	5,331	5,331
Adam Warby	4,000	6,830	10,830	6,483
Isabelle Romy	–	6,830	6,830	2,483
James Freeman	–	4,347	4,347	–
Total	30,282,317	99,114	30,381,431	30,308,406

1) Ordinary registered shares of SoftwareONE Holding AG.

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

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

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

Executive Board compensation

Elements of compensation

The following section outlines SoftwareOne's compensation framework for 2022. It was amended after extensive review by the NCC and its external advisors following the IPO in 2019 and further refined thereafter. We are convinced that a continuous review of this framework by the NCC enables a proper fit to the corporate culture, goals, and strategic ambitions of SoftwareOne in an ongoing volatile environment.

As of 2022, the compensation framework for members of the EB consists of fixed and variable compensation elements. The fixed compensation element comprises a base salary as well as pension and other benefits (e.g., car allowances). The variable compensation element consists of a Short-Term Incentive (STI) and a Long-Term Incentive (LTI) plan. The payout or vesting of variable compensation elements is subject to performance including SoftwareOne share performance, financial and strategic successes, and ESG progress. The EB compensation elements are summarised in the following table:

ELEMENTS OF COMPENSATION	Fixed compensation elements		Variable compensation elements	
	Base salary	Pension and other benefits	Short-Term Incentive plan	Long-Term Incentive plan
Purpose	Attract, retain and reward the roles and responsibilities of respective functions	Participation in pension, insurance care plans and additional benefits in line with local market practice	Motivation and reward for annual objective achievements (company and individual goals)	Participation in the long-term success of SWO and alignment with shareholder interests
Performance period	–	–	One year	Three years
Performance measures	–	–	Gross Profit, EBITDA margin, ESG and strategic goals	Gross profit and relative total shareholder return (TSR)
Payout range	–	–	0 to 150 % of target STI	0.0 to 2.0 times number of granted performance share units (PSUs)
Payment	Cash	Contributions to pension and insurance plans	Cash	Shares
		Other benefits paid out in cash		

Fixed compensation elements

Base salary

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

Pension and other benefits

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

Further, pursuant to Article 20 of the Articles of Incorporation, new members joining the EB may receive compensation for the loss of their remuneration or for financial disadvantages incurred because of changing their jobs. If applicable, such lost compensation is replaced on a like-for-like basis (i.e., no increase in replacement value) and reported in the compensation table for the relevant reporting period under "Other benefits".

Variable compensation elements

Short-Term Incentive plan

The STI compensation elements of the EB reward the overall company performance and the EB members' individual contribution to the SoftwareOne success in line with the compensation principle of pay-for-performance. The plan is determined by the achievement of financial goals (weighted at 70%) and strategic goals (weighted at 30%). Financial goals are determined based on gross profit and EBITDA margin, with the achievement of a predefined EBITDA margin threshold being a prerequisite for the STI payout, which depends on financial performance. Strategic goals comprise ESG objectives in the areas of CO₂ reduction, diversity (with an additional focus on gender diversity), succession planning and strategic ambitions to drive business growth and operational excellence. The latter are determined for each EB member and address their individual functional duties and responsibilities.

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

Performance achievement across STI goals

Performance considerations	Weighting	Measurement level	Metric	Performance achievement
Financial goals	70%	Group success	Gross profit	0–150%
			EBITDA ¹⁾ margin (precondition for STI payout driven by financial performance)	
Strategic goals	30%	Individual contribution	ESG objectives in the areas of CO ₂ reduction, diversity with the focus on gender diversity, and succession planning	
			Strategic goals to drive business growth and operational excellence	

¹⁾ 'Adjusted EBITDA' is defined as the underlying like-for-like earnings before interests, tax, depreciation and amortisation including one-time specific adjustments in operating expenses.

At the beginning of the one-year performance period, the NCC proposes, and the BoD approves the minimum, target, and maximum achievement for the respective performance metrics. For performance below or at the minimum, 0% is paid out, whereby on-target performance is awarded with a 100% payout. In case of overperformance, up to 150% can be achieved. The required achievement levels are derived from the company's strategic business plan and aligned with a robust budget for the respective year. As these represent commercially sensitive information, no details on the required achievement levels are disclosed. Relevant performance achievements and the resulting STI payout factor for the financial year 2022 are reported on page 88. At the end of the performance period, the NCC proposes, and the BoD approves the financial performance achievements and ESG progress against the set targets. EB members' individual contributions to SoftwareOne's success, as measured by achievement of strategic goals, are initially evaluated by the CEO, reviewed by the NCC, and approved by the BoD, while the achievement of strategic objectives established for the CEO is evaluated by the NCC and approved by the BoD. Under specific circumstances, the BoD may apply discretion in interpreting the NCC's recommendation regarding the final STI payout. The payout of the STI is made entirely in cash.

In case of termination of employment during the performance period, the payout of the STI may be reduced or forfeited depending on the conditions of such termination and subject to the applicable law.

Long-Term Incentive plan

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

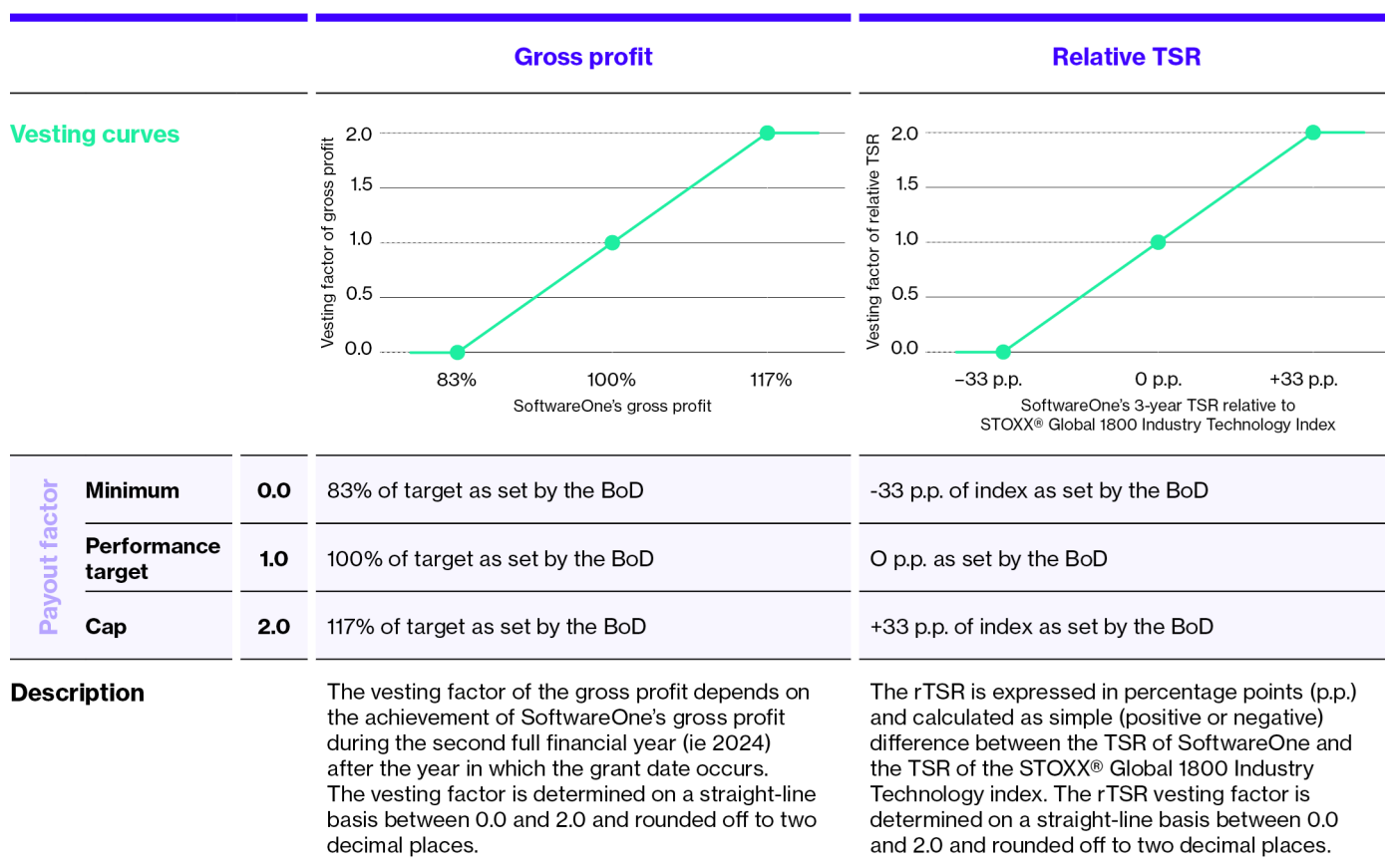
At the beginning of each three-year performance period (i.e., at grant date), eligible participants are granted an individual number of performance share units (PSUs) derived by dividing the individual LTI award (in CHF) by the fair value at grant (in CHF). After the conclusion of the three-year performance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

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

LTI performance metrics		Gross profit	Relative total shareholder return
Description	SoftwareOne's gross profit as disclosed in the financial report	Total shareholder return (TSR) measured relative to the STOXX® Global 1800 Industry Technology Index	
Weighting		75 %	25 %
Performance period	Second full financial year after the year in which the grant date occurs	Three consecutive years starting at grant date	
Vesting range	0.0–2.0 times number of PSUs granted		

At the beginning of each performance period, the BoD determines the minimum, target and cap for each LTI performance metric upon the NCCs recommendation. The latter is supported by the comprehensive evaluation process, which considers the current strategic performance aspirations and the general market situation. We deem absolute targets for the gross profit metric, commercially sensitive and confidential strategic information and hence disclose these on a relative basis to avoid unfair competitive disadvantage for SoftwareOne. The following illustration outlines the minimum, target and cap for the respective metrics:

Performance metrics illustration



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

The service condition requires a continuous employment of the plan participant at vesting. In case of termination of employment, none or a reduced number of PSUs vest depending on the conditions of such termination and subject to the applicable law.

As of 2021, a claw back provision, which allows for a partial or full recovery of equity allocated to EB members under the Long-Term Incentive plan was introduced and applies in specific situations which may cause damage to the group or otherwise negatively affect the legitimate interests of SoftwareOne.

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

Peer group and benchmarking

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

In this regard, the NCC adopted a comprehensive approach to the peer group construction in March 2020, which led to the compilation of two complementary peer groups: the Swiss Market Index Mid (SMIM) and a peer group of selected European technology companies. The blend of the selected peer companies provides a good balance between the industries and geographies from which key talents are sourced. When setting the EB's pay levels, the NCC targeted the middle of the respective market ranges.

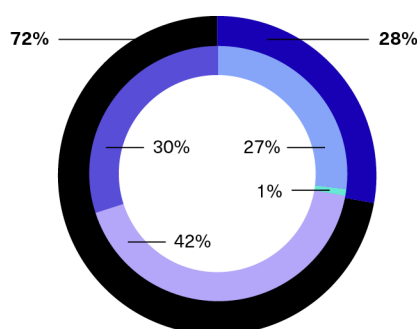
These constructed peer groups – compiled together with Willis Towers Watson - provide one of the references for a periodic review of EB member compensation in terms of both level and structure.

Compensation mix

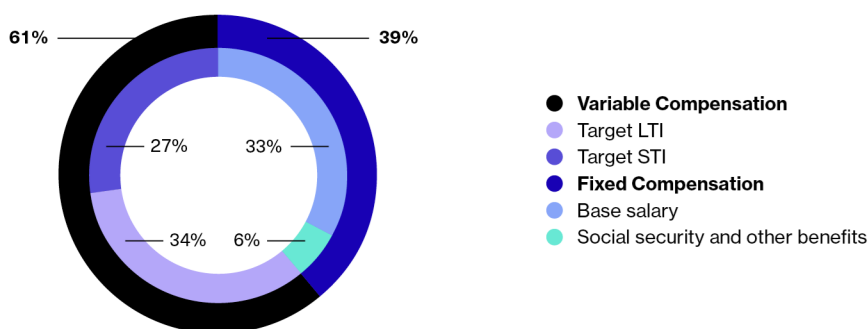
In 2022, the total target compensation of the CEO was split into around 72% variable compensation and 28% fixed compensation. Of the 72% variable target compensation portion, 30% consisted of the target STI and 42% of the target LTI portion. For other EB members excluding the CEO, the fixed compensation was on average 39% (28% - 43%) and the variable compensation 61% (57% - 72%). The variable target compensation consisted of 27% (25% - 31%) target STI and 34% (32% - 37%) target LTI of total target compensation.

Target compensation mix

of the CEO



of an average EB member



Compensation awarded to the EB in 2022

The following table outlines details concerning the compensation awarded to the CEO as the highest paid member of the EB and to the other EB members from 1 January to 31 December 2022. The total compensation awarded in 2021 is also listed.

Audited in CHF	Fixed compensation			Variable compensation		Total compensation FY 2022 ⁵⁾	Total compensation FY 2021
	Base salary	Social security contributions	Other benefits ³⁾	Realized STI	Awarded LTI grant value ⁴⁾		
Dieter Schlosser, CEO ¹⁾	769,924	9,896	8,316	635,135	1,162,500	2,585,771	2,174,339
Aggregate amount of EB members excluding CEO ²⁾	2,190,939	185,857	143,694	1,340,221	2,251,857	6,112,568	4,838,413
Total	2,960,863	195,753	152,010	1,975,356	3,414,357	8,698,339	7,012,752

1) The CEO is compensated in SGD (average exchange rate in 2022 of CHF 1 to SGD 1.443 applied).

2) Please note that of the five EB members, two are compensated in USD (average exchange rate in 2022 of CHF 1 to USD 1.047 applied) and the three other EB members in CHF.

3) Other benefits comprise payments related to additional insurances, car allowance and further benefits granted.

4) The third LTI grant took place in 2022. For details regarding the grant logic and the calculation of the fair value at grant date refer to the financial notes.

5) Numbers for 2021 and until November 2022 are for five EB members, whilst from November 2022 relate to six EB members.

Approved versus total compensation awarded to the EB

The total compensation for the EB for 2022 of CHF 8.7 million (including social security contributions) is below the total maximum aggregate compensation amount of CHF 12 million, which was approved by the AGM in May 2021.

Outcome of the 2022 STI performance achievement

For 2022, the STI performance metrics consisted of the financial (weighted at 70%) and strategic (weighted at 30%) goals. Financial goals were determined based on gross profit and EBITDA margin. Strategic goals comprised ESG objectives in the areas of CO₂ reduction, diversity with a focus on gender, succession planning and individual strategic goals to drive business growth and operational excellence tied to each EB member.

In terms of gross profit, growth was 13.8% YoY ccy in 2022, with double-digit growth across all regions. Software & Cloud Services demonstrated continued strong growth, while momentum in Software & Cloud Marketplace improved compared to the prior year. In the context of STI 2022 however, this resulted in the underachievement of the target performance level. Due the level of growth and tight cost control, the adjusted EBITDA margin performance achievement was above the threshold, thus enabling payout of the portion of STI, driven by financial performance.

For 2022, ESG progress was measured in the areas of CO₂ reduction, diversity with a focus on gender, and succession planning. During this one-year performance period we achieved measures with the expansion of our MTWO business, an increased gender diversity in our top leadership group and by establishing a succession plan inventory. Overall, the individual contribution of EB members to SoftwareOne's success, as measured by the achievement of strategic goals to drive business growth and operational excellence, was above target. During 2022, we re-aligned our organisational structure including our purpose, vision, strategy, and brand. We successfully initiated our finance and business economics transformation, implemented our digital enterprise change, and adopted and implemented our new business lines Software & Cloud Services and Software & Cloud Marketplace, achieving related development objectives.

Performance achievement across STI goals

Performance considerations	Weighting	Measurement level	Metric	Performance achievement
Financial goals	70%	Group success	Gross profit	
			EBITDA ¹⁾ margin (precondition for STI payout driven by financial performance)	
		Individual contribution	ESG objectives in the areas of CO ₂ reduction, diversity with the focus on gender diversity, and succession planning	
Strategic goals	30%		Strategic goals to drive business growth and operational excellence	
STI Payout factor				

The overall 2022 STI performance achievements resulted in the final STI payout factor of 75% for the CEO and 65% - 79% for other full-year EB members. For members of the EB who joined during 2022, the STI performance achievement covers the time period since joining SoftwareOne and, considering the short tenure, is an abbreviated assessment focusing on individual contribution to the company success. No discretionary adjustments have been made regarding the STI 2022.

Outcome of the LTI performance achievement going forward

The first vesting under the current LTI will occur in 2023. Respectively, information regarding the LTI performance achievements and vesting factors will be provided in the Compensation Report 2023 as such information is not available prior to the actual 2023 vesting date.

Share ownership

In 2021, we introduced ownership requirements for the EB members with a five-year build-up period. The minimum shareholding requirement level has been set at 300% and 200% of base salary respectively for the CEO and EB members. We are pleased to report that all EB members present throughout the whole of 2022 have met their build up commitment.

The table below shows the shareholdings of each EB member as of 31 December 2022, considering the number of directly held shares and restricted shares. The total shareholdings as of 31 December 2021 are also listed:

Audited EB members	Number of directly held shares		Total shareholdings as at 31 December 2022	Total shareholdings as at 31 December 2021
	Vested shares ¹⁾	Blocked shares ²⁾		
Dieter Schlosser	918,788	-	918,788	858,788
Alex Alexandrov	758,626	-	758,626	982,823
Neil Lomax	892,948	-	892,948	872,948
Bernd Schlotter	33,000	-	33,000	-
Rodolfo Savitzky	53,340	-	53,340	-
Julia Braun ³⁾	-	-	-	-
Hans Grüter ⁴⁾	-	-	-	436,954
Total	2,656,702	0	2,656,702	3,151,513

¹⁾ Also includes shares individually purchased under the ESP.

²⁾ Consisting of MEP restricted shares, subject to staggered restriction periods for a term of three years with early leaver conditions.

³⁾ Julia Braun joined SoftwareOne effective 1 November 2022.

⁴⁾ Hans Grüter retired from the EB effective 31 December 2021.

Further compensation information

Employment agreements

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

Their employment agreements also prohibit the EB members from competing against SoftwareOne for a period of up to 12 months after termination of their employment contract. For the specified non-competitive period, SoftwareOne agrees to pay a compensation to the EB member for their compliance with this non-competitive undertaking of an amount equal to 80% of their last base salary (excluding any ancillary benefits and subject to deduction of any social security and further deductions). This is payable in arrears in monthly instalments, for as long as the EB member complies with the non-competitive agreement. However, SoftwareOne may at any time up to two months prior to the last day of employment, waive compliance with the non-competitive agreement whereupon such payments will no longer be due.

Payments to current or former members of the Executive Board

In relation to 2022, payments in the sum of CHF 0.6 million (including social contributions) were made to the former EB member Hans Grueter. No further payments other than those and the ones set out in the compensation table for EB members were made to current or former EB members or 'closely related persons'.

Loans to members of the Executive Board

Article 23 of SoftwareOne's Articles of Incorporation allow for loans and credits of up to CHF 1 million at market-based conditions to be granted to EB members. In 2022, no loans or credits were made to EB members.

Outlook 2023

The LTI programme, which started in 2020, will reach its first vesting event in 2023 and we will share more details on the programme performance of the first cycle and related vesting.

In 2023 we will close the first 3-year performance period of our Long-term Incentive (LTI) programme. For the next cycle starting in 2023 we aim to continue adjusting this programme after reviewing best market practices while ensuring we stay close to our objectives of long-term value creation. We will add a third metric with EBITDA margin and increase the focus on profitability. In addition, we will replace gross profit with revenue growth in line with our business transformation. With that we will also change the weighting to 40% for revenue growth, 40% on EBITDA margin and 20% on rTSR.

We are also planning to add a new board member with much experience in technology and IT leadership positions and in leading large international transformation programmes. We will submit for approval to our annual general meeting in May 2023.



Ernst & Young Ltd
Maagplatz 1
P.O. Box
CH-8010 Zurich

Phone: +41 58 286 31 11
Fax: +41 58 286 30 04
www.ey.com/ch

To the General Meeting of
SoftwareONE Holding AG, Stans

Zurich, 30 March 2023

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



Opinion

We have audited the compensation report of SoftwareONE Holding AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables marked "audited" on pages 80 to 82 and page 87, 89 of the compensation report.

In our opinion, the compensation report complies with Swiss law and Art. 14-16 VegüV.



Basis for opinion

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

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



Other information

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

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

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

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



Board of Directors' responsibilities for the compensation report

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



Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

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

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

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

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

Ernst & Young Ltd

Kaspar Streiff
Licensed audit expert
(Auditor in charge)

Max Lienhard
Licensed audit expert