

Remuneration Report

Dear Shareholders,

On behalf of the Nomination and Compensation Committee (NCC), I am pleased to share with you the Remuneration Report for the fiscal year 2021/22. This Remuneration Report has been prepared in accordance with the "Ordinance against Excessive Compensation in listed Companies" (OaEC), Art. 663c paragraph 3 of the Swiss Code of Obligations and the Corporate Governance Directive issued by SIX Exchange Regulation, and the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse*.

In fiscal year 2021/22, the Group reported a strong set of results, delivering profitable volume growth and good cash flow generation. The sales volume was up +5.3% and recurring EBIT grew by +13.5% in local currencies. The EBIT reported amounted to CHF 553.5 million, up +0.1% in local currencies (-2.3% in CHF). The cash flow generation remained solid and amounted to CHF 266.2 million compared to a very strong prior year (CHF 355.0 million).

This report explains how the performance in the reporting year impacted the compensation paid to the Executive Committee under the incentive plans.

During the reporting year, changes to the Executive Committee entailed the nomination of Peter Boone as the new Chief Executive Officer as of September 1, 2021. Steve Woolley succeeded as President & CEO Americas. Several appointments occurred as of October 1, 2021: Masha Vis-Mertens was appointed Chief Human Resources Officer, succeeding Isabelle Esser. Rogier van Sligter was promoted to sole President EMEA, after the Co-President EMEA, Andrew Fleming, left the Company. Massimo Selmo was appointed Chief Procurement Officer and member of the Executive Committee. Thanks to our strong and well-established talent pool, the vacancies were filled with experienced internal candidates promoted within or onto the Executive Committee.

With regard to the remuneration programs, an extensive review had been conducted in the previous year, based on which the NCC decided that the long-term incentive plan will be awarded exclusively in the form of Performance Share Units (PSU) starting in financial year 2022/23. The NCC believes that this change strengthens the alignment with the interests of the shareholders. The NCC performed its regular activities throughout the year, such as the succession planning for the positions on the Board of Directors and the Executive Committee, the performance goal setting at the beginning of the financial year and the performance assessment at financial year end for the Executive Committee members, the determination of the remuneration of the members of the Board of Directors and the Executive Committee, as well as the

preparation of the Remuneration Report and the say-on-pay vote at the Annual General Meeting of Shareholders.

You will find further information on the activities of the NCC and on Barry Callebaut's remuneration programs on the following pages.

At the 2022 Annual General Meeting of Shareholders, we will request your approval of the maximum aggregate remuneration amount to be awarded to the Board of Directors for the period until the following Annual General Meeting of Shareholders, the maximum aggregate amount of fixed remuneration to be awarded to the Executive Committee in fiscal year 2023/24, and the maximum aggregate amount of variable remuneration awarded to the Executive Committee in fiscal year 2021/22. Additionally, you will have the opportunity to express your opinion on this Remuneration Report in a consultative vote. You will find in the report that the remuneration awarded to the Board of Directors for the compensation period ending with the 2022 Annual General Meeting of Shareholders and the fixed remuneration awarded to the Executive Committee in 2021/22 are within the limits approved at the 2021 Annual General Meeting of Shareholders and the 2020 Annual General Meeting of Shareholders.

We will continue to assess and review our compensation programs to ensure that they are still fulfilling their purpose in the evolving context in which the company operates and we will pursue an open and active dialogue with our shareholders as we continue to enhance the compensation system.



Tim Minges
Chairman of the NCC

Remuneration Report

Remuneration at a glance

Summary of current remuneration system Board of Directors

In order to ensure their independence in the performance of their supervisory function, members of the Board of Directors receive only fixed remuneration in the form of cash and restricted share units (RSU) settled in shares and blocked for three years. The remuneration system for the Board of Directors does not contain any performance-related components.

Annual compensation

(amount in CHF)	Cash	RSUs
Chairman	400,000	700,000
Vice-Chairman	200,000	350,000
Member	100,000	250,000
Committee Chair	40,000	
Committee Member	25,000	

Summary of current remuneration system Executive Committee

The remuneration of the Executive Committee consists of fixed and variable elements.

- The annual base salary forms the fixed remuneration.
- Variable remuneration drives and rewards best-in-class performance based on ambitious and stretched targets. It consists of short-term and long-term elements and benefits.

Base salary	Pay for the function
Benefits	Cover retirement, death and disability risks, attract & retain
Short-Term Incentive (STI)	Drive and reward annual performance, attract & retain
Long-Term Incentive (LTI)	Drive and reward long-term performance, align with shareholders' interests, retain

Executive Committee members are subject to minimum shareholding requirements (CEO 300%, other members 200% of annual base salary).

Remuneration in 2021/22 Board of Directors

The remuneration awarded to the Board of Directors in fiscal year 2020/21 is within the limits approved by the shareholders at the Annual General Meetings of Shareholders (AGM):

Compensation period	Approved amount (CHF)	Effective amount (CHF)
AGM 2020 – AGM 2021	CHF 4,550,000	CHF 4,310,409
AGM 2021 – AGM 2022	CHF 5,000,000	To be determined*

* The compensation period is not yet completed; a definitive assessment will be provided in the Remuneration Report for fiscal year 2022/23.

Changes from 2022 onwards

No changes to the remuneration of the Board of Directors are planned.

Remuneration in 2021/22 Executive Committee

The fixed remuneration awarded to the Executive Committee in fiscal year 2021/22 is within the limits approved by the shareholders at the Annual General Meetings of Shareholders (AGM):

Compensation period	Approved amount (CHF)	Effective amount (CHF)
Fiscal year 2021/22	6,700,000	5,645,596

Short-term performance achievement fiscal year 2021/22

CEO: 84.6% of target; other current members of the Executive committee in the range of 71.0% to 107.5% of target.

Changes from fiscal year 2022/23 onwards

The long-term incentive (LTI) will be awarded in the form of Performance Share Units (PSU) subject to a three-year cliff vesting.

Key Performance Indicators for the short-term incentive (STI) remain unchanged, but the weightings will be adapted.

Remuneration policy and principles

In order to ensure the company's success and to maintain its position as market leader, it is critical to attract, develop and retain the right talents. Barry Callebaut's remuneration programs are designed to support this fundamental objective and are based on the following principles:

- We reward performance and share the Company's success;
- We act with fairness and transparency;
- We offer competitive remuneration;
- We share responsibility with our employees;
- We encourage employee development.

Compensation governance

- Authority for decisions related to remuneration are governed by the Articles of Incorporation of Barry Callebaut AG.
- The maximum aggregate amounts of remuneration of the members of the Board of Directors and of the Executive Committee are subject to a binding vote at the Annual General Meeting.
- In addition, the Remuneration Report for the preceding period is subject to a consultative vote at the Annual General Meeting.
- The Board of Directors is supported by the NCC in preparing all compensation-related decisions regarding the Board of Directors and the Executive Committee.

Remuneration Report

This Remuneration Report describes the fundamental principles of the remuneration system at Barry Callebaut as well as the governance framework related to remuneration decisions. The report provides details on the remuneration of the members of the Board of Directors and the Executive Committee related to fiscal year 2020/21. Shareholdings of the members of the Board of Directors and the Executive Committee are also disclosed (reproduction of Note 3.4 to the Financial Statements of Barry Callebaut AG).

The Remuneration Report has been prepared in accordance with the “Ordinance against Excessive Compensation in listed Companies” (OaEC), Art. 663c paragraph 3 of the Swiss Code of Obligations and the Corporate Governance Directive issued by SIX Exchange Regulation, and the Swiss Code of Best Practice from Corporate Governance issued by economiesuisse.

Remuneration philosophy and principles

The remuneration philosophy and principles are laid out in the Total Reward Policy that was adopted by the Board of Directors in fiscal year 2014/15. Reward programs strengthen the Group’s ability to attract and retain talented individuals and support the employees’ on-going career development within the Company. Barry Callebaut believes that the commitment and performance of its executives, managers and employees should be rewarded, balancing both the success of Barry Callebaut as a Company and the individual’s contribution. Barry Callebaut fosters a performance-oriented culture and uses an annual Performance Management and Development Process (PMDP) to monitor and assess the contributions of all employees to the achievement of business results as well as to their personal and professional development. The remuneration principles are summarized below:

We reward performance and share the Company’s success...	... by balancing a mix of short-term and long-term remuneration components as rewards for Company results, individual performance and long-term success.
We act with fairness and transparency...	... by taking remuneration decisions on the basis of the scope of the function rather than personal attributes, and thus by ensuring internal equity.
We offer competitive remuneration...	... by considering relevant market benchmarks when taking remuneration decisions.
We share responsibility with our employees...	... by providing risk benefits including retirement and health care insurances, in line with the local regulations and market practice.
We encourage employee development...	... by offering challenging work assignments and Company-sponsored training and education.

Governance related to remuneration

Pursuant to the OaEC as implemented in the Company’s Articles of Incorporation (Article 30), the Annual General Meeting of Shareholders votes on the total remuneration of the members of the Board of Directors and the Executive Committee. The Annual General Meeting of Shareholders votes on the motions of the Board of Directors on an annual basis and with binding effect with regard to:

- a) The aggregate maximum amount of the remuneration of the Board of Directors for the forthcoming term of office.
- b) The aggregate maximum amount of the fixed remuneration of the Executive Committee for the forthcoming fiscal year.
- c) The aggregate maximum amount of the variable remuneration of the Executive Committee for the past fiscal year.

The Annual General Meeting of Shareholders votes separately on the aggregate remuneration of the Board of Directors and the Executive Committee.

The Board of Directors reports to the Annual General Meeting of Shareholders on the remuneration system and the actual remuneration for the past fiscal year in the Remuneration Report. The Remuneration Report is subject to a consultative vote by the Annual General Meeting of Shareholders.

Further, the Articles of Incorporation include the remuneration principles applicable to the Board of Directors and to the Executive Committee. Those provisions can be found and downloaded as a PDF under: <https://www.barry-callebaut.com/en/group/investors/corporate-governance> and include:

- Principles of remuneration of the Board of Directors (Articles 32 and 33);
- Principles of remuneration of the Executive Committee (Articles 32 and 34);
- Additional amount for new members of the Executive Committee (Article 31);
- Credits and loans (Article 35).

The Board of Directors of Barry Callebaut entrusted the NCC with providing support in evaluating and reviewing the remuneration strategy and plans, in proposing the individual remuneration packages for the Board of Directors, the members of the Executive Committee and other key members of the Management and in preparing the remuneration proposals to the Annual General Meeting of Shareholders. The Board of Directors has not delegated any decision-making power to the NCC; therefore, remuneration decisions are taken by the full Board of Directors based on recommendations of the NCC.

In the reporting year, the NCC met five times according to the standard annual meeting schedule below.

Remuneration Report

NCC	Standard agenda items	Sept	Nov	Dec	Apr	July
Compensation	Confirmation of relevant benchmarking peer group			x		
	Benchmarking analysis of ExCo compensation (every 2nd year)					x
	Determination of individual LTI grants of ExCo and all other participants					x
	Determination of performance and vesting level of LTI	x	x			
	Determination of individual ExCo target compensation	x				
	Determination of performance achievement under STI plan and related payouts for CEO and ExCo members		x			
	Determination of performance criteria for STI for ExCo		x			
	Benchmarking analysis of Board compensation (every 2nd year)					x
	Determination of Board compensation for following term					x
	Review of talent management ExCo: calibration, succession planning, individual development plans					x
Nomination	Update on personnel changes in key positions	x	x	x	x	x
	Update on key human resources initiatives (diversity, engagement)	x	x	x	x	x
	Review of structure & composition of the Board (profiles, skills sets) and review of potential candidates to the Board	x	x			
Governance	Preparation and review of compensation report, review of shareholders' feedback post-AGM and considerations for future disclosure	x	x		x	
	AGM preparation: preparation of say-on-pay votes		x			
	NCC self-evaluation			x		
	Annual governance and legislative update			x		
	Review of NCC charter and determination of NCC agenda items for term of office					x

In the previous year, the NCC conducted an extensive review of the remuneration programs applicable to the Executive Committee. The findings and decisions taken by the Board of Directors following this review are described in the section "Remuneration of the Executive Committee" below.

Furthermore, the NCC performed its regular activities throughout the year, such as the determination of the remuneration of the Board of Directors and Executive Committee as well as the preparation of the Remuneration Report and of the say-on-pay motions for submission to the Annual General Meeting of Shareholders.

The Chairman of the NCC reports to the Board of Directors after each meeting on the activities of the NCC. The minutes of the NCC meetings are available to all members of the Board of Directors. As a general rule, the Chairman of the Board of Directors and the

CEO attend the meetings in an advisory capacity. To mitigate any potential conflicts of interest, they do not attend the meeting when their own compensation and/or performance are being discussed.

The NCC may decide to consult an external advisor from time to time for specific compensation matters. In the reporting year, a company specialized in executive compensation in Swiss listed companies was engaged to provide independent advice on specific compensation and governance matters. This company has no other mandate with Barry Callebaut.

For further details on the NCC, please refer to the section "Functioning of the Board" in the Corporate Governance Report.

The General Meeting of Shareholders of December 2021 elected the following members to the NCC:

Name	Nationality	Member of the NCC since
Tim Minges (Chairman)	US	2018
Fernando Aguirre	Mexican/US	2013
Elio Leoni Sceti	Italian	2018
Yen Yen Tan	Singaporean	2020

Remuneration Report

Remuneration of the Board of Directors

In order to reinforce the independence of the Board in exercising its supervisory duties towards executive management, the remuneration of its members is not linked to any performance criteria.

The remuneration of the Board of Directors is reviewed annually and determined at the discretion of the Board of Directors. The last benchmarking analysis was conducted in the fiscal year 2019/20 on the basis of Swiss listed companies of similar size and complexity including the following companies: Adecco, AMS, Clariant, Dufry, EMS Chemie, Geberit, Lindt, Logitech, Sika, Sonova, Straumann, Temenos, Vifor Pharma.

The remuneration of the Board of Directors consists of fixed compensation in cash and a grant of Barry Callebaut AG shares blocked for a period of three years after vesting. The fixed compensation in cash amounts to CHF 400,000 for the Chairman of the Board of Directors, CHF 200,000 for the Vice-Chairman, CHF 140,000 for members chairing a Board Committee, CHF 125,000 for members participating in a Board Committee and CHF 100,000 for the other members. The compensation in cash is paid out in quarterly instalments. The remuneration in restricted share units (RSU) is allocated based on a monetary amount of CHF 700,000 for the Chairman, CHF 350,000 for the Vice Chairman and CHF 250,000 for the other members of the Board of Directors. The number of RSU to be granted is calculated by dividing the monetary amount by the 3-month average share price preceding the beginning of the term of office; the RSU are granted at the beginning and vest at the end of the term of office. The resulting shares are allocated at the end of the term of office and are blocked for three years.

The remuneration of the Board of Directors is summarized below.

Annual compensation

	Cash (amount in CHF)	Shares (amount in CHF)
Chairman	400,000	700,000
Vice-Chairman	200,000	350,000
Member	100,000	250,000
Committee Chair	40,000	
Committee Member	25,000	

At the Annual General Meeting of Shareholders in December 2020, the shareholders approved a maximum aggregate amount of CHF 4,550,000 for the remuneration in cash and in RSU for the Board of Directors for the period from the Annual General Meeting of Shareholders in December 2020 until the Annual General Meeting of Shareholders in December 2021. The remuneration paid for this term of office amounts to CHF 4,310,409 and is therefore within the limit approved by the shareholders.

At the Annual General Meeting of Shareholders in December 2021, the shareholders approved a maximum aggregate amount of CHF 5,000,000 for the remuneration in cash and in RSU for the Board of Directors for the period from the Annual General

Meeting of Shareholders in December 2021 until the Annual General Meeting of Shareholders in December 2022.

The remuneration effectively paid for the portion of this term of office included in this Remuneration Report (that is, from January 1, 2022 until August 31, 2022) is within the limit approved by the shareholders.

A conclusive assessment for the entire period will be included in the Remuneration Report 2022/23.

During fiscal year 2021/22, no compensation was paid to former members of the Board of Directors. No compensation was paid to parties closely related to members or former members of the Board of Directors.

During fiscal year 2021/22, no loans or credits were granted to members of the Board of Directors, former members of the Board of Directors nor to related parties. As of August 31, 2022, there were no outstanding loans or credits to members of the Board of Directors, to former members nor to related parties.

Board members do not receive any lump-sum payments for expenses. The remuneration of the members of the Board of Directors is subject to the mandatory social security contributions. Pursuant to the Articles of Incorporation, the members of the Board of Directors may in principle be eligible for pension fund contributions by the Company. However, in fiscal year 2020/21 no such contributions were made.

Remuneration Report

Remuneration of the Board of Directors for fiscal year 2021/22 (audited figures)

in CHF	Fixed compensation	Other compensation ¹	Total cash-related remuneration	Number of RSU ²	Value of RSU ³	Total remuneration 2021/22
Board Member						
Patrick De Maeseneire Chairman/Delegate	400,000	148,466	548,466	330	693,080	1,241,546
Markus R. Neuhaus Vice-Chairman Chairman of the AFRQCC ⁴	240,000	80,043	320,043	165	346,867	666,910
Fernando Aguirre Member of the NCC ⁵	125,000	—	125,000	118	247,347	372,347
Angela Wei Dong Member of the AFRQCC ⁴	125,000	57,685	182,685	118	247,347	430,032
Nicolas Jacobs Member of the AFRQCC ⁴	125,000	60,759	185,759	118	247,347	433,106
Elio Leoni Sceti Member of the NCC ⁵	125,000	—	125,000	118	247,347	372,347
Tim Minges Chairman of the NCC ⁵ Member of the AFRQCC ⁴	165,000	—	165,000	118	247,347	412,347
Antoine de Saint-Affrique ⁶ Member of the Board	66,667	46,469	113,136	76	165,680	278,816
Yen Yen Tan Member of the NCC ⁵	125,000	57,685	182,685	118	247,347	430,032
Total remuneration Board of Directors	1,496,667	451,107	1,947,774	1,279	2,689,709	4,637,483

1 Including social security contributions.

2 Number of shares granted in relation to the fiscal year under review; Grants to the BoD are based on the service period between Annual General Meetings of Shareholders.

3 Value defined as grant value at the beginning of the term of office.

4 Audit, Finance, Risk, Quality & Compliance Committee.

5 Nomination & Compensation Committee.

6 Member of the Board as of December 8, 2021.

Remuneration of the Board of Directors for fiscal year 2020/21 (audited figures)

in CHF	Fixed compensation	Other compensation ¹	Total cash-related remuneration	Number of RSU ²	Value of RSU ³	Total remuneration 2020/21
Board Member						
Patrick De Maeseneire Chairman/Delegate	400,000	155,033	555,033	375	749,858	1,304,891
Markus R. Neuhaus Vice-Chairman Chairman of the AFRQCC ⁴	240,000	83,697	323,697	188	375,262	698,959
Fernando Aguirre Member of the NCC ⁵	125,000	—	125,000	134	268,616	393,616
Suja Chandrasekaran ⁵ Member of the NCC ⁵	41,666	22,944	64,610	51	101,949	166,559
Angela Wei Dong Member of the AFRQCC ⁴	125,000	63,245	188,245	134	268,616	456,861
Nicolas Jacobs Member of the AFRQCC ⁴	125,000	54,231	179,231	134	268,616	447,847
Elio Leoni Sceti Member of the NCC ⁵	125,000	—	125,000	134	268,616	393,616
Tim Minges Chairman of the NCC ⁵ Member of the AFRQCC ⁴	165,000	—	165,000	134	268,616	433,616
Yen Yen Tan ⁷ Member of the NCC ⁵	83,334	40,302	123,636	83	166,667	290,303
Total remuneration Board of Directors	1,430,000	419,452	1,849,452	1,367	2,736,816	4,586,268

1 Including social security contributions.

2 Number of shares granted in relation to the fiscal year under review; Grants to the BoD are based on the service period between Annual General Meetings of Shareholders. The 15% reduction of the number of shares for the compensation period from the AGM 2019 until the AGM 2020 is reflected pro rata from September 1, 2020, until December 9, 2020.

3 Value defined as closing share price at the beginning of the term of office.

4 Audit, Finance, Risk, Quality & Compliance Committee.

5 Nomination & Compensation Committee.

6 Member of the Board and NCC until December 9, 2020.

7 Member of the Board and NCC as of December 9, 2020.

Remuneration Report

Remuneration of the Executive Committee

The individual remuneration of the members of the Executive Committee is reviewed annually and determined at the discretion of the Board of Directors, based on the proposal of the NCC, in accordance with the principles set out in the Executive Total Reward Policy, market information and data, scope and level of responsibility of the position, and profile of the incumbents in terms of qualification, experience and skills set.

The remuneration structure for the Executive Committee of Barry Callebaut consists of four main remuneration elements: a fixed annual base salary, an annual short-term cash bonus pursuant to the Company's Short-Term Incentive Plan, share-based long-term incentives pursuant to the Company's Long-Term Incentive Plan and other benefits.

Base salary (fixed)	Annual gross base salary	<ul style="list-style-type: none"> • Determined at the discretion of the Board of Directors based on various criteria such as market value of the role, scope of the position and profile (experience, skills) of the incumbent • Target weight in % of total remuneration: CEO 25%–40%, Executive Committee 25%–40%
Annual cash bonus (variable)	Barry Callebaut Short-Term Incentive Plan (STIP)	<ul style="list-style-type: none"> • Target 120% of annual base salary for the Chief Executive Officer and 100% of annual base salary for all other members of the Executive Committee • Based on the achievement of financial and strategic targets • Maximum payout: 200% of target • Payout in cash annually after release of full-year results • Target weight in % of total remuneration: CEO 25%–40%, Executive Committee 25%–40%
Share based awards (variable)	Barry Callebaut Long-Term Incentive Plan (LTIP)	<ul style="list-style-type: none"> • Individual grant values approved by the Board of Directors; number of shares determined by dividing the grant value by the average share price over three months prior to the grant • Vesting of award over a three-year vesting cycle: 25% in the first and second year each, 50% in the third year subject to performance criteria. As of FY 2022/23 the LTIP will be awarded exclusively in form of Performance Share Units (PSU) subject to cliff vesting over three years • Performance criteria: vesting of the final tranche based on two performance criteria, 50% on the relative performance of the Barry Callebaut share price compared to peer companies and 50% on the ROIC performance of the Company over the three-year vesting period • Target weight in % of total remuneration: CEO 20%–50%, Executive Committee 20%–50%
Other benefits	Risk benefits and perquisites	<ul style="list-style-type: none"> • Social security contributions by employer • Post-employment and retirement benefits • Health care and medical insurances • Executive perquisites such as company car, relocation costs, etc.

The last benchmarking analysis of the remuneration of the Executive Committee was conducted in fiscal year 2020/21 with the support of an external independent consultant. The analysis was based on a peer group of Swiss multinational companies of the industry sector listed on the SIX Swiss Exchange. The peer group consisted of Adecco, Clariant, DKSH, Dufry, Emmi, Georg Fischer, Givaudan, Kühne+Nagel, Lindt, Logitech, Lonza, Schindler, SGS and Sika. For Executive Committee members who are employed under a foreign employment contract, the general industry compensation data of the country of employment were used. This analysis showed that while annual base salaries are positioned below market, incentive opportunities are above market levels, in line with the pay-for-performance philosophy of Barry Callebaut and resulting in a competitive positioning overall.

The NCC consider the results of this analysis in making decisions related to the remuneration of the Executive Committee members.

Base salary

The annual base salary is defined at the discretion of the Board of Directors on the basis of various criteria, such as market value of the role, scope of the position, and profile of the incumbent in terms of skill set and professional experience.

Short-Term Incentive Plan (STIP)

The STIP is designed to reward the performance of the Company, its Regions/functions and the individual contributions of the participants over a time horizon of one year.

in CHF million	Market capitalization Dec 31, 2021	Revenue Dec 31, 2021	Headcount Dec 31, 2021
Barry Callebaut	12,146	7,208	12,783
1st quartile	5,883	3,904	13,655
Median	17,856	5,277	17,168
3rd quartile	34,051	9,949	31,835

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The short-term incentive (STI) target is expressed as percentage of the fixed annual base salary and amounts to 120% for the CEO and to 100% for all other members of the Executive Committee.

For each participant, the STI is based on a Collective Performance Factor (CPF) and an Individual Performance Factor (IPF) weighted 60% and 40%, respectively. For the members of the Executive Committee, the CPF is based on the performance of Barry Callebaut as a Group, measured as follows:

- Group sales volume: 30%
- Group EBIT: 30%
- Group Free cash flow: 30%
- Sustainability (ESG): 10%

Those performance criteria have been chosen because they reflect the business strategy of profitable growth and they encompass the commitment to sustainability matters. The weightings of the financial criteria are balanced so that top-line, bottom-line and cash performance are equally weighted.

As of financial year 2022/23, the weighting of the key performance indicators will change to:

- Group sales volume: 20%
- Group EBIT: 40%
- Group Free cash flow: 30%
- Sustainability (ESG): 10%

A performance assessment is provided ex post in the Remuneration Report in order to inform the shareholders on the link between pay and performance. However, specific performance targets are not disclosed for confidentiality reasons.

The sustainability (ESG) metric is focused on making sustainable chocolate the norm. It is based on two targets, reflecting the percentage of cocoa and chocolate products sold that contain 100% sustainable cocoa or chocolate as well as the percentage of sustainable non-cocoa ingredients sourced. In this financial year, 47.5% of our products sold contained 100% sustainable cocoa or chocolate and 73% of our non-cocoa ingredients were sustainably sourced.

The IPF (40% of STI) is based on the performance of the unit under responsibility, e.g., the respective Region or function. The objectives are primarily financial in nature and support the strategy of profitable growth. They are grouped in three categories:

- Growth objectives for the Region/function, including financial objectives such as sales volume, or other quantifiable goals that support the growth of the Region/function;
- Profitability objectives for the Region/function, including financial objectives such as EBIT or cost savings, or other quantifiable goals that increase the profitability of the Region/function (operations, processes);
- Strategic initiatives that are key for the success of the Region/function and a leadership objective related to talent management and succession planning.

The weightings assigned to growth, profitability and strategic objectives in the IPF depend on the nature of the function.

For each financial objective, an expected level of performance ("target") is defined, corresponding to a payout factor of 100%. A threshold level of performance, below which there is no payout, and a maximum level of performance, above which the payout is capped at 200% of the target, have also been defined.

The CEO proposes the relevant performance criteria for the CPF and for the IPF of the Executive Committee members to the NCC. The Chairman of the Board of Directors proposes the performance objectives of the IPF for the CEO. The NCC reviews and submits the recommendations to the Board of Directors for approval.

The STI is paid out in cash.

Long-Term Incentive Plan (LTIP)

The purpose of the LTIP is to provide the participants with an ownership interest in Barry Callebaut and to reward them for the long-term performance of the Company. The LTIP thus aligns their interests with those of the shareholders.

The grant of share units under the LTIP is based on a long-term incentive (LTI) target amount determined individually for each plan participant. The individual LTI amount is divided by the average share price of the last three months of the preceding fiscal year in order to calculate the number of share units awarded. The share units vest in three tranches over three fiscal years, i.e., 25% on the first, 25% on the second and 50% on the third anniversary of the grant date.

The first two tranches are restricted share units (RSU) that vest subject to the LTIP participant continuing to be employed by Barry Callebaut.

The third tranche consists of performance share units (PSU) that vest subject to meeting two performance criteria over the three-year vesting period.

The first performance criterion, accounting for 50% of the respective PSU grant, is the relative share price development of Barry Callebaut versus a peer group of companies in the chocolate, ingredients and FMCG sector: AAK, Fuji Oil, Givaudan, Hershey, Kellogg, Kerry, Lindt, Mondelēz, Nestlé, Olam and Unilever. The objective (100% vesting) is to achieve median performance, e.g., to outperform half of the peer companies, with a 100% vesting for ranking 6 or 7. There is no vesting for a performance below the first quartile of the peer group (threshold), and the vesting is capped at 300% for delivering the best performance in the peer group.

The second performance criterion, accounting for 50% of the relevant PSU grant, is Return on Invested Capital (ROIC). The ROIC criterion rewards the sustainable management of the Company's assets. The three-year ROIC target was set by the Board of Directors on the basis of the long-term strategic plan of the Company. The vesting also ranges from 0% to 300% of target. Consequently, the overall vesting of the LTI award (including RSU and PSU) ranges from 50% to 200% of the initially determined number of share units granted.

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The Board of Directors reserves the right to suspend or adjust the vesting of all share units in case of a negative result from continuous operations of the Barry Callebaut Group. Once the shares are vested and transferred, they are free of any sales restrictions.

For the CEO, the individual LTI target value amounts to 120.0% of annual base salary, for the other members of the Executive Committee, it amounts to 100.8% of the annual base salary on average in fiscal year 2021/22. The unvested PSU and RSU forfeit in case of termination for cause or voluntary resignation. In other circumstances, such as a termination of employment by the company without cause, retirement, disability or death, the unvested PSU and RSU may be subject to a pro-rata vesting at the regular vesting date, except in the event of death, in which case vesting will be accelerated. In case of change of control, the unvested awards are subject to an immediate vesting subject to the achievement level as determined by the Board of Directors in its reasonable discretion.

Further, any award granted under the LTIP is subject to clawback and malus provisions. In case of a material misstatement of financial results or a serious reputational damage to Barry Callebaut due to fraud of willful intent, or of a gross misconduct which would qualify as a cause for termination, the Board of Directors may forfeit or claim back vested or unvested share units, within a period of two years after the vesting of the award.

Effective for fiscal year 2022/23, the RSU will be discontinued, which means that the members of the Executive Committee will be awarded PSU only. PSU will be subject to a three-year cliff vesting, based on the same two equally weighted performance criteria:

The first performance criterion, accounting for 50% of the respective PSU grant, is still the relative share price development of Barry Callebaut versus the peer group of companies in the chocolate, ingredients and FMCG sector: AAK, Fuji Oil, Givaudan, Hershey, Kellogg's, Kerry, Lindt, Mondelēz, Nestlé, Olam and Unilever. The objective (100% vesting) is to achieve median performance, i.e., to outperform half of the peer companies. There will still be no vesting for a performance below the first quartile of the peer group (threshold), and the vesting is capped at 200% (currently 300%) for delivering the best performance in the peer group.

The second performance criterion, accounting for 50% of the relevant PSU grant, is still the Return on Invested Capital (ROIC). The three-year ROIC target is still set by the Board of Directors on the basis of the long-term strategic plan of the Company. The vesting also ranges from 0% to 200% of target (currently 0% to 300%).

Other benefits

Other benefits include risk benefits that provide for a reasonable level of income in case of retirement, death or disability. Those consist of social security contributions, post-employment benefits, pension contributions and insurance. The members of the Executive Committee with a Swiss employment contract participate in the occupational pension plan

offered to all employees in Switzerland. Members of the Executive Committee under foreign employment contract are insured commensurately with market conditions and with their position. Each plan varies, but is in line with the local competitive and legal environment and is in accordance with the legal requirements of the respective country.

Members of the Executive Committee are also provided with certain executive perquisites such as relocation allowances, housing or other cost of living allowances, car allowances, and gross-up for tax equalization of certain benefits. The benefits for each member of the Executive Committee are subject to their specific situation, the typical market practice and other factors after consideration of the total value of their individual remuneration package.

The monetary value of these benefits is disclosed in the remuneration tables at their fair value.

Share ownership guidelines

Members of the Executive Committee are required to own a minimum multiple of their annual base salary in Barry Callebaut AG shares within five years of their appointment to the Executive Committee.

<u>Role</u>	<u>Minimum shareholding requirement</u>
CEO	300% of annual base salary
Other ExCo members	200% of annual base salary

To calculate whether the minimum holding requirement is met, all privately owned shares, either directly or indirectly, and all shares vested under the LTIP are considered, regardless of whether they are blocked or not. However, unvested awards such as RSU and PSU are excluded. The NCC will review compliance with the share ownership guidelines on an annual basis.

Employment contracts

The members of the Executive Committee are employed under employment contracts of unlimited duration and subject to a notice period of one year. They are not contractually entitled to severance payments or to change of control provisions.

Special contractual agreements

No special contractual arrangements are in force.

Remuneration Report

Remuneration of the Executive Committee for fiscal year 2021/22 (audited figures)

in CHF	Compensation fixed	Compensation variable ²	Post-employment benefits ³	Other compensation ⁴	Total cash-related remuneration	Number of shares ⁵	Value of shares ⁶	Total remuneration 2021/22
Remuneration Executive Committee ¹	5,645,596	5,180,201	1,839,642	734,481	13,399,920	2,250	5,769,138	19,169,058
Highest individual remuneration within Executive Committee: Peter Boone, CEO Barry Callebaut Group	1,050,000	1,065,960	322,533	34,000	2,472,493	565	1,455,228	3,927,721

1 Disclosure relates to the Executive Committee including all members during fiscal year 2021/22, i.e.: Peter Boone, Ben De Schryver, Olivier Delaunay, Isabelle Esser, Andrew Fleming, Masha Vis-Mertens, Pablo Perversi, Steven Retzlaff, Massimo Selmo, Jo Thys, Rogier van Slijter and Steve Woolley.

2 Based on best estimate of expected payout for fiscal year 2021/22 (accrual principle).

3 Including social security and pension contributions.

4 Includes international relocation costs, assignment related benefits such as tax equalization, schooling costs as well as international insurance coverage.

5 Number of shares granted in relation to the fiscal year 2021/22; vesting subject to meeting service and/or performance conditions. For the Executive Committee, the amount includes 1,273 RSU, 587 ROIC-dependent performance share units and 587 share price-dependent performance share units.

6 Value of shares is defined as fair value at grant date. The fair value of the RSU and ROIC-dependent PSU is the market price at grant date (CHF2,247) discounted for dividends until the vesting. For share price-dependent PSU, the fair value is established based on a valuation performed by external experts applying the "Monte Carlo simulation" method (CHF 3,467) excluding the net present value of expected dividends.

Remuneration of the Executive Committee for fiscal year 2020/21 (audited figures)

in CHF	Compensation fixed	Compensation variable ²	Post-employment benefits ³	Other compensation ⁴	Total cash-related remuneration	Number of shares ⁵	Value of shares ⁶	Total remuneration 2020/21
Remuneration Executive Committee ¹	5,366,377	6,947,904	1,901,120	1,849,341	16,064,742	3,254	7,149,116	23,213,858
Highest individual remuneration within Executive Committee: Antoine de Saint-Affrique, CEO Barry Callebaut Group	1,600,000	2,100,000	462,910	41,691	4,204,601	897	1,970,644	6,175,245

1 Disclosure relates to the Executive Committee including all members during fiscal year 2020/21, i.e.: Antoine de Saint-Affrique, Remco Steenbergen, Ben De Schryver, Peter Boone, Olivier Delaunay, Isabelle Esser, Andrew Fleming, Pablo Perversi, Steven Retzlaff, Rogier van Slijter, Jo Thys.

2 Based on best estimate of expected payout for fiscal year 2020/21 (accrual principle).

3 Including social security and pension contributions.

4 Includes international relocation costs, assignment related benefits such as tax equalization, schooling costs as well as international insurance coverage.

5 Number of shares granted in relation to the fiscal year 2020/21; vesting subject to meeting service and/or performance conditions. For the Executive Committee, the amount includes 1,628 RSU, 813 ROIC dependent PSU and 813 share-price dependent PSU.

6 Value of shares is defined as fair value at grant date. The fair value of the RSU and ROIC-dependent PSU is the market price at grant date (CHF 2,000) discounted for dividends until the vesting. For share price-dependent PSU, the fair value is established based on a valuation performed by external experts applying the "Monte Carlo simulation" method (CHF 2,938) excluding the net present value of expected dividends.

Remuneration Report

Comments on the remuneration tables

The deviation in remuneration compared to the previous fiscal year is mainly due to the following factors:

- Changes in the composition of the Executive Committee: Peter Boone, former President & CEO Americas, was appointed CEO on September 1, 2021, succeeding Antoine de Saint-Affrique. On September 1, 2021 Steve Woolley was appointed as President & CEO Americas. On October 1, 2021, Masha Vis-Mertens was appointed as CHRO, succeeding Isabelle Esser, Rogier van Slijter was promoted to President EMEA and Massimo Selmo was appointed as Chief Procurement Officer and member of the Executive Committee.
- For the other members of the Executive Committee, the individual fixed remuneration and target STI remained unchanged except for one member of the Executive Committee.
- The overall payout under the STIP was lower than in the previous year. With a volume increase to 2.3 million tonnes (+5.3%), an operating profit (EBIT) of CHF 553.5 million (+0.1% in local currencies), a strong Free cash flow of CHF 266.2 million, 47.5% of our products sold containing 100% sustainable cocoa or chocolate and 73% of our non-cocoa ingredients sustainably sourced, the performance in the fiscal year showed solid results with profitable volume growth in all Regions. Nevertheless, not all stretched Group targets were achieved, due to the salmonella incident at the Wieze factory in Belgium. The STI payouts amount to 84.6% of the target for the CEO and range between 71.0% and 107.5% of the target for the other members of the Executive Committee.
- Consequently, the ratio of fixed versus variable remuneration amounts to 26.7% versus 73.3% for the CEO, and 30.4% versus 69.6% in average for the other members of the Executive Committee.

The PSU granted under the LTIP in 2019 vested at the end of the reporting year. Under the plan rules of the 2019 LTIP, the vesting of the first half of the PSU was conditional upon the share price evolution of Barry Callebaut compared to the average share price evolution of peer companies. The share price of Barry Callebaut increased by 7.35% during the plan period, which ranks Barry Callebaut as number seven among twelve companies and translates into a vesting level of 100%. The vesting of the other half of PSU related to the ROIC target translated into a vesting level of 175.0%. The aggregate vesting level of the PSU related to the grants in FY 2019/20 thus amounts to 137.5%.

The fourth exceptional tranche granted under the LTIP 2018 vested at 50% at the end of the reporting year, after a four-year cliff vesting period.

The aggregate amount of remuneration for the Executive Committee is subject to the approval of the Annual General Meeting of Shareholders. A maximum aggregate amount of fixed remuneration of CHF 6,500,000 was approved by the Annual General Meeting of Shareholders in December 2020

prospectively for fiscal year 2021/22. Accordingly, the fixed remuneration of CHF 5,645,596 effectively paid is within the approved limits. The aggregate remuneration amount for the variable compensation for fiscal year 2023/24 will be submitted to a shareholder vote at the upcoming Annual General Meeting of Shareholders in December 2022. During fiscal year 2021/22, no compensation was paid to parties closely related to members, or former members of the Executive Committee.

During fiscal year 2021/22, no loans or credits were granted to members of the Executive Committee, former members of the Executive Committee or to related parties. As of August 31, 2022, there were no outstanding loans or credits to members of the Executive Committee, to former members or to related parties.

Remuneration Report

Shareholdings of the Board of Directors and the Executive Committee

Shareholdings of the Board of Directors

Number of shares as of August 31,

Name	Function	2022	2021
Patrick De Maeseneire	Chairman	2,523	2,175
Markus R. Neuhaus	Vice-Chairman; Chairman of the AFRQCC	643	469
Fernando Aguirre	Member of the NCC	1,097	973
Angela Wei Dong	Member of the AFRQCC	457	333
Nicolas Jacobs ¹	Member of the AFRQCC	18,703	18,579
Elio Leoni Sceti	Member of the NCC	637	513
Tim Minges	Chairman of the NCC; member of the AFRQCC	1,492	1,368
Antoine de Saint-Affrique ²	Member of the Board	2,006	1,836
Yen Yen Tan	Member of the NCC	124	n/a
Total shares held by Board of Directors		27,682	26,246

¹ Excluding the 30.1% participation held by Jacobs Holding AG (see Note 3.3 to the Financial Statements of Barry Callebaut AG).

² Number of shares as of August 31, 2021 as Chief Executive Officer.

Shareholdings of the Executive Committee

Number of shares as of August 31,

Name	Function	2022	2021
Peter Boone	Chief Executive Officer	553	207
Ben De Schryver	Chief Financial Officer	588	330
Olivier Delaunay	Chief Operations Officer	419	264
Pablo Perversi	Chief Innovation, Sustainability & Quality Officer; Global Head of Gourmet	740	425
Steven Retzlaff	President Global Cocoa	1,076	629
Massimo Selmo	Chief Procurement Officer (as of October 1, 2021)	100	n/a
Rogier van Sligter	President EMEA (as of October 1, 2021)	185	78
Jo Thys	President APAC	339	253
Masha Vis-Mertens	Chief Human Resources Officer (as of October 1, 2021)	70	n/a
Steve Woolley	President Americas	22	n/a
Isabelle Esser	Chief Human Resources Officer (until September 30, 2021)	n/a	115
Andrew Fleming	Co-President EMEA (until September 30, 2021)	n/a	214
Total shares held by Executive Committee		4,092	2,515

Equity overhang and dilution

As of August 31, 2022, the equity overhang, defined as the total number of share units and blocked shares outstanding as calculated in the Dilution Potential (12,560 units) divided by the total number of outstanding shares (5,488,858 registered shares), amounts to 0.2%.

The company's "burn rate", defined as the number of equities (shares and share units) granted in the reporting year (5,137 units) divided by the total number of outstanding shares, is 0.1%. These disclosures reflect the entire Long-Term-Incentive Plan including non-key management personnel.



Report of the Statutory Auditor

To the General Meeting of Barry Callebaut AG, Zurich

We have audited the accompanying remuneration report dated 31 October 2022 of Barry Callebaut AG for the year ended 31 August 2022. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables referred to as audited on pages 167 and 171 of the remuneration report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

Opinion

In our opinion, the remuneration report for the year ended 31 August 2022 of Barry Callebaut AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Marc Ziegler
Licensed Audit Expert
Auditor in Charge

Regula Tobler
Licensed Audit Expert

Zurich, 31 October 2022