

VAT ANNUAL GENERAL MEETING 2024:

Tuesday, May 14, 2024, 3:00 p.m.
(Doors open at 2:00 p.m.)
Olma Messen St.Gallen, hall 2.1,
Splügenstrasse 12, 9008 St.Gallen

Dear shareholders,

We are pleased to invite the shareholders of VAT Group AG
to our Annual General Meeting 2024.

Haag, April 19, 2024



Dr. Martin Komischke
Chairman of the Board of VAT Group AG

Agenda and proposals

Preliminary explanation

The General Meeting of Shareholders has several non-transferable powers. These are set out in Article 6 of the Articles of Association of VAT Group AG and Articles 698 and 964c of the Swiss Code of Obligations. Accordingly, the Board of Directors submits the following agenda items 1 to 7 together with their sub-items to the Annual General Meeting for voting, approval and resolution. The topic for voting, approval and resolution is shown in the title of the respective agenda item.

1. Votes on the financial and non-financial reporting for the financial year 2023

1.1. Approval of Annual Report 2023

Proposal The Board of Directors proposes that the Annual General Meeting approves the Annual Report 2023, the statutory financial statements of VAT Group AG and the consolidated financial statements for the financial year 2023 and acknowledges receipt of the audit reports.

Explanation The Board of Directors is required by law to submit the operational and financial review, the annual financial statements, and the consolidated financial statements for each financial year to the Annual General Meeting for approval. The auditors KPMG AG, St.Gallen, have audited the consolidated financial statements of the VAT Group and the annual financial statements of VAT Group AG and recommend in their audit reports that they be approved.

1.2. Consultative vote on the report on non-financial matters for the financial year 2023

Proposal The Board of Directors proposes the approval of the report on non-financial matters for the financial year 2023 (consultative vote).

Explanation With the introduction of Art. 964a of the Swiss Code of Obligations, VAT Group is obliged to prepare a report on non-financial matters. Details on compliance with this obligation can be found in the publication of VAT's Sustainability Report 2023, which is available in English under Reports at <https://ir.vatvalve.com/en/home> or at <https://ir.vatvalve.com/en/general-meeting>. The consultative vote comprises the whole Sustainability Report 2023.

2. Appropriation of results and distribution of a dividend

2.1. Appropriation of results

Proposal The Board of Directors proposes that the Annual General Meeting approves that the accumulated profit of CHF 774,523,007 (comprising retained earnings of CHF 551,332,547 carried forward from the previous year and the gain for the period 2023 of CHF 223,190,460) be carried forward to the new account.

2.2. Dividend distribution

Proposal The Board of Directors proposes to the Annual General Meeting to pay a dividend of CHF 6.25 per registered share. The proposal amounts to a total dividend of CHF 187.5 million.

If this proposal is approved, the distribution from accumulated gains will be made on Tuesday, May 21, 2024. The last trading day with entitlement to receive a distribution is Wednesday, May 15, 2024. The shares will be traded ex-dividend as of Thursday, May 16, 2024.

Explanation The distribution of a dividend requires a resolution by the Annual General Meeting. The proposed appropriation of available earnings is in line with VAT's dividend policy.

3. Discharge of the members of the Board of Directors and the Group Executive Committee

Proposal The Board of Directors proposes that the Annual General Meeting grants discharge to all members of the Board of Directors and of the Group Executive Committee (GEC) for the financial year 2023 in a single vote.

Explanation By discharging the members of the Board of Directors and the GEC, the company and the shareholders approving the actions of the Board of Directors and the GEC declare that they will no longer hold the persons accountable for events from the past financial year that were brought to the attention of the Annual General Meeting.

4. Elections

4.1. Election of the Chairman of the Board of Directors and further members of the Board of Directors

Explanation As the term of office of the Chairman and the members of the Board of Directors ends at the end of the Annual General Meeting on May 14, 2024, they must be elected by the Annual General Meeting for a new annual term.

4.1.1. Election of Martin Komischke as independent member of the Board of Directors and Chairman of the Board of Directors

Proposal The Board of Directors proposes that the Annual General Meeting elects Martin Komischke as member of the Board of Directors and Chairman of the Board of Directors until the end of the next Annual General Meeting.

4.1.2. Election of Urs Leinhäuser as independent member of the Board of Directors

Proposal The Board of Directors proposes that the Annual General Meeting elects Urs Leinhäuser as member of the Board of Directors until the end of the next Annual General Meeting.

4.1.3. Election of Karl Schlegel as independent member of the Board of Directors

Proposal The Board of Directors proposes that the Annual General Meeting elects Karl Schlegel as member of the Board of Directors until the end of the next Annual General Meeting.

4.1.4. Election of Hermann Gerlinger as independent member of the Board of Directors

Proposal The Board of Directors proposes that the Annual General Meeting elects Hermann Gerlinger as member of the Board of Directors until the end of the next Annual General Meeting.

4.1.5. Election of Libo Zhang as independent member of the Board of Directors

Proposal The Board of Directors proposes that the Annual General Meeting elects Libo Zhang as member of the Board of Directors until the end of the next Annual General Meeting.

4.1.6. Election of Daniel Lippuner as independent member of the Board of Directors

Proposal The Board of Directors proposes that the Annual General Meeting elects Daniel Lippuner as member of the Board of Directors until the end of the next Annual General Meeting.

4.1.7. Election of Petra Denk as independent member of the Board of Directors

Proposal The Board of Directors proposes that the Annual General Meeting elects Petra Denk as member of the Board of Directors until the end of the next Annual General Meeting.

4.1.8. Election of Thomas A. Piliszcuk as independent member of the Board of Directors

Proposal The Board of Directors proposes that the Annual General Meeting elects Thomas A. Piliszcuk as a new member of the Board of Directors until the end of the next Annual General Meeting.
A short CV of Thomas A. Piliszcuk is available in Appendix A.

4.2. Election of the members of the Nomination and Compensation Committee

Proposal The Board of Directors proposes that the Annual General Meeting elects individually the following persons each as members of the Nomination and Compensation Committee until the end of the next Annual General Meeting.

Explanation As the term of the members of the Nomination and Compensation Committee ends at the end of the Annual General Meeting on May 14, 2024, they must be elected by the Annual General Meeting for a new annual term.

- 4.2.1. Election of Urs Leinhäuser as member of the Nomination and Compensation Committee
- 4.2.2. Election of Hermann Gerlinger as member of the Nomination and Compensation Committee
- 4.2.3. Election of Libo Zhang as member of the Nomination and Compensation Committee

5. Election of the Independent Proxy

Proposal The Board of Directors proposes that the Annual General Meeting elects Roger Föhn, attorney-at-law, Kalchbühlstrasse 4, 8038 Zurich, as Independent Proxy from May 14, 2024, until the end of the next Annual General Meeting.

Explanation According to the law, the Independent Proxy must be elected annually by the Annual General Meeting. Mr. Föhn meets the independence criteria. The Board of Directors proposes to elect him for reasons of continuity.

6. Election of the Statutory Auditors

Proposal The Board of Directors proposes that the Annual General Meeting elects KPMG AG, St.Gallen, as Statutory Auditors for the financial year 2024.

Explanation According to the Articles of Association of VAT Group AG, the auditors must be elected annually by the Annual General Meeting. KPMG AG was elected for the first time at the extraordinary shareholder meeting on May 28, 2014. The Board of Directors is of the opinion that KPMG AG is best suited for the role of our auditors.

7. Compensation

7.1. Consultative vote on the Compensation Report for the financial year 2023

Proposal The Board of Directors recommends that the Compensation Report 2023 contained in the Annual Report 2023 be approved (consultative vote).

Explanation Pursuant to the Articles of Association of VAT Group AG, shareholders consultatively vote on the Compensation Report for the previous financial year.

The Compensation Report incorporates the basic principles for the compensation of the Board of Directors and the Group Executive Committee, as well as the remuneration awarded to the members of these two bodies for the financial year 2023. The Board of Directors is submitting the Compensation Report to shareholders for a consultative vote. The Compensation Report can be found on pages 65 to 82 of the Annual Report. The Annual Report can be accessed on the internet at <https://ir.vatvalve.com/en/financial-reports>.

7.2. Approval of actual Short-Term Incentive (STI) compensation of the Group Executive Committee (GEC) for the financial year 2023

Proposal The Board of Directors proposes that the Annual General Meeting approves the actual aggregate amount of CHF 1,006,993 for the STI compensation of the GEC for the financial year 2023.

Explanation Pursuant to the Articles of Association of VAT Group AG, shareholders annually approve the effective short-term variable compensation amount of the GEC for the previous financial year.

VAT Group delivered another set of strong results albeit below the record levels of 2022. The company achieved sales of CHF 885 million and an EBITDA margin of 30.6%, the result of operational efficiency and a strong focus on cost. Free cash flow amounted to CHF 189 million. Individual performance achievements ranged from 110% to 125% of target for the GEC members.

The total aggregate amount of STI payout of CHF 1,006,993 is 15.9% higher compared to the previous year, mainly due to the change in GEC composition year-on-year and to a lesser extent due to a slight increase in STI target for some GEC members. The overall average payout for the GEC resulted in 109% of target (111% for 2022). There was no discretion applied by the Board when determining the final payout for 2023.

Details of the STI compensation amount of CHF 1,006,993 for the GEC for the financial year 2023 are disclosed in the Compensation Report 2023 on pages 77 et seq.

7.3. Approval of the maximum aggregate amount of fixed compensation of the GEC for the financial year 2025

Proposal The Board of Directors proposes that the Annual General Meeting approves a maximum aggregate amount of CHF 2,700,000 for the fixed compensation of the GEC for the financial year 2025.

Explanation Pursuant to the Articles of Association of VAT Group AG, shareholders annually approve the maximum aggregate amount of fixed compensation of the GEC for the next financial year.

VAT's compensation policy is designed to support the business strategy of the company and to motivate executives to achieve the long-term goals of the company. The compensation of the GEC members is well balanced between fixed and variable compensation components, as well as between short-term and long-term incentives, so that their interests are aligned to those of our shareholders.

The amount of CHF 2,700,000 for the fixed compensation has been calculated on the basis of the compensation structure disclosed in the Compensation Report for four GEC members. It includes annual base salaries for the GEC, estimated social security costs and a reserve for unforeseen circumstances. The proposed maximum aggregate amount is equal to the maximum aggregate amount proposed for the previous year at the Annual General Meeting 2023. Further details on the principles of compensation for the GEC can be found on pages 71 et seqq. of the Compensation Report 2023.

The fixed compensation actually paid to GEC members in financial year 2025 will be disclosed in the Compensation Report 2025, which will be submitted to a consultative vote by the shareholders at the Annual General Meeting in 2026.

7.4. Approval of the maximum aggregate amount of Long-Term Incentive (LTI) compensation of the GEC for the financial year 2025

Proposal The Board of Directors proposes that the Annual General Meeting approves a maximum aggregate amount of CHF 2,150,000 for the LTI compensation of the GEC for the financial year 2025.

Explanation Pursuant to the Articles of Association of VAT Group AG, shareholders annually approve the maximum aggregate amount of LTI compensation of the GEC for the next financial year.

The amount of CHF 2,150,000 for the LTI has been calculated on the basis of the compensation structure disclosed in the Compensation Report 2023 for four GEC members. The proposed aggregate maximum amount remains unchanged compared to the maximum aggregate amount proposed for the previous year at the Annual General Meeting 2023. The LTI is granted in the form of Performance Share Units (PSU) that vest over a three-year period, conditional upon the fulfillment of performance and employment conditions during the vesting period. The amount submitted to vote assumes a maximum payout factor of 200% upon vesting and does not factor in the share price evolution during the vesting period. The LTI compensation actually to be granted to the GEC members in financial year 2025 will be disclosed in the Compensation Report 2025, which will be submitted to a consultative vote by the shareholders at the Annual General Meeting in 2026.

7.5. Approval of the maximum aggregate amount of compensation of the Board of Directors from the Annual General Meeting of 2024 to the Annual General Meeting of 2025

Proposal The Board of Directors proposes that a maximum aggregate amount of compensation of CHF 1,550,000 of the Board of Directors be approved for the term of office from the Annual General Meeting 2024 to the Annual General Meeting 2025.

Explanation Pursuant to the Articles of Association of VAT Group AG, shareholders annually approve the maximum aggregate amount of compensation of the Board of Directors for the term of office until the next Annual General Meeting of shareholders. In order to strengthen their independence, members of the Board of Directors of VAT Group AG receive a fixed compensation, delivered in cash (70%) and restricted shares (30%), as well as lump sum expenses. Members of the Board of Directors do not receive any performance-related compensation.

Structure and levels of Board compensation AGM 2024 until AGM 2025 (in CHF gross)

Fixed basic fee	Cash compensation	Share-based compensation	Lump sum expenses
Board chair	224,000	96,000	1,500
Board vice-chair	112,000	48,000	1,500
Board member	77,000	33,000	1,500

Committee fees	Cash compensation	Share-based compensation
Committee chair	17,500	7,500
Committee member	10,500	4,500

The proposed maximum aggregate amount is equal to the proposed maximum aggregate amount for the prior period. The maximum aggregate amount of CHF 1,550,000 has been calculated for eight members of the Board of Directors on the basis of the compensation structure outlined above and includes a reserve for unforeseen circumstances. Further details on the compensation for the Board of Directors can be found on pages 69 et seq. of the Compensation Report 2023. The compensation actually paid will be disclosed in the Compensation Reports 2024 and 2025, which will be submitted to a consultative vote by the shareholders.

Organizational notes

Documents

The **Summary Report 2023** is enclosed with this invitation. As of Friday, April 19, 2024, the **Annual Report 2023**, including the statutory financial statements of VAT Group AG and the consolidated financial statements for the financial year 2023, as well as the audit reports, is available for inspection at the company's headquarters at Seelistrasse 1, 9469 Haag (Rheintal). It can also be accessed online at <https://ir.vatvalve.com/en/financial-reports>. A printed version of the Annual Report can be ordered by using the enclosed registration form or by sending an e-mail to investors@vat.ch. Further enclosed with this invitation are the **reply form** with the form for **proxy and instructions** to the Independent Proxy, as well as a reply envelope.

Granting of power of attorney

Regarding representation at the Annual General Meeting on Tuesday, May 14, 2024, the following applies:

Shareholders who do not wish to attend the Annual General Meeting in person may be represented by their legal representative or by a representative of their choice by means of a written power of attorney.

Roger Föhn, attorney-at-law, Kalchbühlstrasse 4, 8038 Zurich, acts as **Independent Proxy**. If you wish to appoint Roger Föhn as your representative, please return your signed authorization and your instructions with the enclosed envelope. Instead of the written authorization, you may also give your authorization and instructions to the Independent Proxy electronically. Please refer to the enclosed reply form for further details. The deadline for voting instructions to the Independent Proxy is Friday, May 10, 2024, 11:59 p.m. (CEST).

Voting rights of shareholders

Only those shareholders whose names are on record in the share register of VAT Group AG with voting rights on **Friday, May 3, 2024** (effective date; closing of share register, 5:00 p.m. CEST), are entitled to exercise their voting rights.

Publication

The resolutions of the Annual General Meeting may be inspected from **Wednesday, May 15, 2024**, online at <https://ir.vatvalve.com/en/general-meeting>.

Enclosures

- Summary Report 2023
- Reply form with form for proxy and instructions to the Independent Proxy
- Reply envelope

The invitation to the Annual General Meeting is published in English and German. The German version shall prevail.

Appendix A: CV of proposed new Board member

Thomas A. Piliszcuk



Proposed title and function:
Member of the Board of Directors

Year of birth:
1966

Nationality:
French and Polish

Professional background

Since 07/2023	Imec, Belgium
	World-leading R&D and innovation hub in nanoelectronics and digital technologies.
	SVP Worldwide Strategy Partnerships and Strategy
	<ul style="list-style-type: none"> - Driving the development of strategic engagements with industry leading companies - In charge of company revenue and strategy for 2035 horizon - Member of Executive Committee
2009 – 06/2023	Soitec, France
	Global leader in innovating and manufacturing engineered substrates for semiconductor industry, key in strategic markets of Mobile Communication (5G), Automotive (EV), Smart Devices (AI).
2021 – 2023	EVP Global Business
	Defining and deploying product strategies to reach business plan goal of more than USD 2 billion in revenues and EBITDA margin of more than 40% incl. launch of new business structure.
2015 – 2021	EVP Strategy
	Part of CEO executive core team who defined and drove company's recovery from \$220M at negative EBITDA in 2014–2015 to reaching \$1.2B and 40% EBITDA in 2022–2023
2009 – 2015	SVP Global Sales, Business Development and Marketing
	Developing and leading products adoption strategy to become industry standards for Smartphones (4G, 5G) and Data Centers – generated company's biggest business (> \$600M in 2021–2022)
1996 – 2009	KLA, San Jose USA
	World's leader in Yield Management Solutions, Wafer inspection and Metrology for Semiconductor industry with NASDAQ benchmark financial performance.
	<ul style="list-style-type: none"> - Multiple strategic and operational roles and functions at global and regional levels including BU General Manager, VP for Worldwide Collaborations and Regional President. - Launch of Yield Management Services, successful outcome of strategic partnerships with customers at global scale (US, Europe, Taiwan, China).

“With Mr. Piliszcuk we are nominating a strong and highly experienced semiconductor expert and business leader to the Board of Directors of VAT, and I look forward to working with him, together with all my other colleagues on the Board.”

Dr. Martin Komischke, Chairman of the Board of VAT Group AG

“The semiconductor industry remains very dynamic and customer intimacy, coupled with leading edge technology offerings, are crucial success factors. VAT is one of the leading brands in this industry, and with its nearly 60 years of history in constantly pushing the technological boundaries, while always having the value-add for its customers in mind, is truly unique. I very much look forward to working with the other members of the Board to further drive and strengthen VAT's performance and market reputation for value-creation for all stakeholders.”

Thomas A. Piliszcuk, nominated as a member of the Board of Directors of the VAT Group AG

Contact

For further information please contact:

VAT Group AG
Seelistrasse 1
9469 Haag

Michel R. Gerber
VP Investor Relations & Sustainability
T +41 81 553 70 13

Christopher Wickli
Investor Relations Manager
T +41 81 553 75 39

investors@vat.ch
<https://ir.vatvalve.com/en/home>
www.vatvalve.com

Design/Layout/Production
Hilda Ltd.
www.hilda.ch

Concept
Linkgroup AG
www.linkgroup.ch

This invitation to the Annual General Meeting
is printed on FSC-certified paper.

