

General Meeting of Shareholders 2021

Information concerning voting on item 7
(Consultative vote on the Compensation Report and
votes on the aggregate amounts of compensation
of the Board of Directors and of the Executive Committee)



Introduction

In accordance with Art. 18 of the Ordinance against Excessive Compensation with regard to Listed Stock Corporations (OaEC), the General Meeting of Shareholders of Vontobel Holding AG votes separately each year on the aggregate amount of compensation of the Board of Directors and of the Executive Committee. Voting by the General Meeting of Shareholders is binding.

The Board of Directors of Vontobel Holding AG will therefore propose to the General Meeting of Shareholders of April 20, 2021, under item 7 of the invitation to this General Meeting, that the Compensation Report 2020 be approved in a consultative vote and that the aggregate amounts of compensation of the Board of Directors and of the Executive Committee be approved.

It should be noted that voting is carried out partly on a prospective basis and partly on a retrospective basis. Voting on the compensation of the Board of Directors and on the base salary of the Executive Committee is carried out on a prospective basis. In the case of the short-term bonus (cash and blocked bonus shares), voting is carried out at the end of the one-year performance period, i.e. retrospectively. The number of bonus shares also determines the potential of the long-term bonus (Long-Term Incentive Program, LTI). Consequently, the budget for performance shares (maximum aggregate amount for performance shares for the next

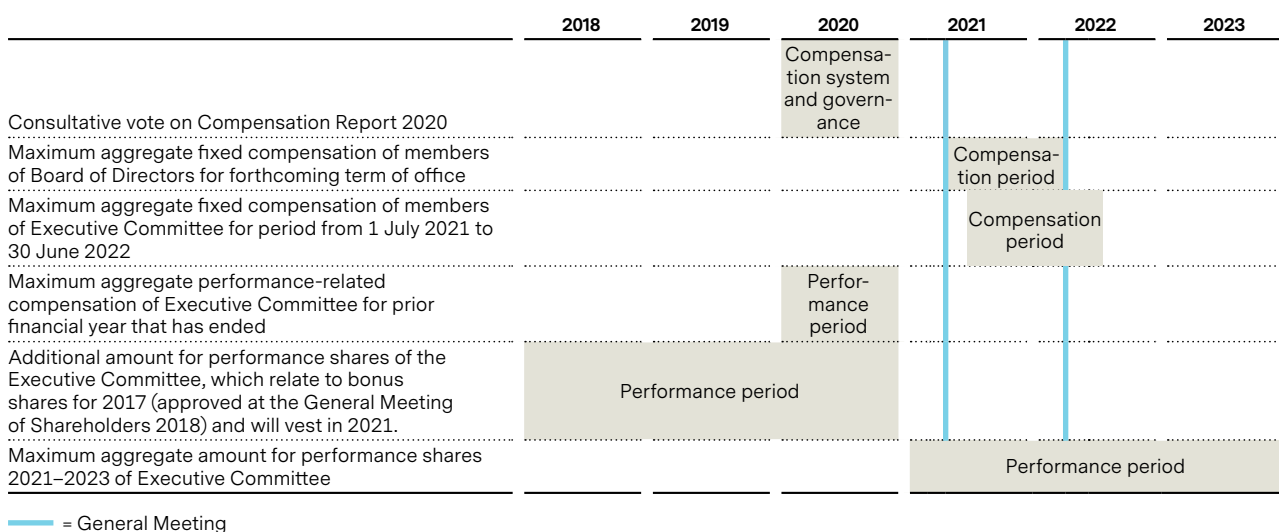
three years) is voted on prospectively. If the long-term bonus determined at the end of the performance period is higher than the original budgeted amount, a further vote is held to approve the difference. However, this is only possible if the business performed well during the last three years, since it is only then that the relevant factors (average return on equity and average capital ratio) as well as the share price at the end of the period can exceed the original assumptions made at the time of budgeting.

The following votes will therefore be held at the General Meeting of Shareholders 2021:

1. Compensation Report (consultative): Retrospectively for the year 2020
2. Fixed compensation of the Board of Directors: Prospectively for the period from the General Meeting of Shareholders 2021 to the General Meeting of Shareholders 2022
3. Fixed compensation of the Executive Committee: Prospectively for the period from July 1, 2021, to June 30, 2022
4. Short-term bonus of the Executive Committee: Retrospectively for the year 2020 (comprising 50% cash and 50% bonus shares)
5. Budget for performance shares of the Executive Committee (LTI): Prospectively for the period 2021–2024

The following chart provides an overview of the votes:

Voting on compensation



Detailed information can be found in the Compensation Report 2020 of Vontobel Holding AG at vontobel.com/compensation-report.

2020 results: Key figures

Vontobel achieved further growth in 2020 and delivered another good result. One of the main drivers of this growth was once again the strong demand for Vontobel investment products in an environment marked by an increasing global need for investments. This resulted in very good growth in net new money of CHF 14.8 billion or 7.4%, significantly exceeding the target range of 4–6%. At the same time, advised client assets – which were lower at the end of the first half of 2020 than at the start of the year – grew by 10% to CHF 248.2 billion compared to the end of 2019 (CHF 226.1 billion). The growth achieved in 2020 is reflected by Vontobel's pre-tax profit, which rose by 5% from CHF 306.7 million to CHF 321.0 million. Net profit for 2020 of CHF 259.4 million was slightly below the figure for the previous year (CHF 265.1 million). Based on a 4% higher capital base, Vontobel generated a return on equity of 13.3%, which represents a good result overall, although it was slightly below Vontobel's own ambitious target of at least 14%.

The Board of Directors of Vontobel Holding AG is proposing a dividend of CHF 2.25 per dividend-entitled share to the General Meeting of Shareholders of April 20, 2021. This corresponds to a payout ratio of 52% of net profit, far exceeding the industry average.

7.1 Consultative vote on the Compensation Report (item 7.1)

The Board of Directors of Vontobel Holding AG proposes in item 7.1 that the Compensation Report 2020 be approved by shareholders in a consultative vote.

Vontobel's compensation policy is aligned with our corporate essence and core values. Our compensation system supports employees who take responsibility and display entrepreneurship and foresight while placing clients at the center of all that they do. The consistent and predictable nature of the compensation system over time is extremely valuable and has proved to be in the interests of all Vontobel stakeholders.

The compensation system also encourages all employees to take part in the share participation plan and thus promotes an entrepreneurial, prudent and long-term mindset and approach among all employees and management.

On average, members of the Executive Committee held more than 10 times their base salary in Vontobel shares at the end of 2020.

Furthermore, both our compensation system and individual compensation payments at Vontobel are consistently aligned with the "Pay for performance" principle.

Importantly, our compensation system also helps us to attract, develop and retain those talented professionals who are best suited to Vontobel and fit well with our culture. In this context, we place an emphasis on attracting talented individuals who believe they can achieve success at and with Vontobel and are therefore willing to assume entrepreneurial risk and to join the company on a base salary that is sometimes lower than the market rate. When success is achieved and good performance is delivered over the long term, our compensation together with the share participation plan develop in line with, or slightly exceed, the market rate. It is in Vontobel's interests to not only attract but also retain top performers.

In our Compensation Report, we are committed to sharing information clearly, transparently and in the simplest way possible. The Compensation Report 2020 explains in detail how Vontobel's strategy and culture are reflected in our compensation policy.

These five compensation principles apply in particular in this context:

1. Pay for performance
2. Drive culture
3. Aligned and long-term oriented
4. Competitive
5. Compliant

The Compensation Report also explains in detail, and with the highest possible level of transparency, the Executive Committee's objectives and the extent to which they are achieved. As part of our commitment to transparency, we also provide answers to frequently asked questions in a separate chapter of the Compensation Report.

Compensation of the Board of Directors

7.2 Maximum aggregate amount of the fixed compensation of the members of the Board of Directors for the forthcoming term of office

The members of the Board of Directors only receive fixed compensation, which is not dependent on the financial results of Vontobel Holding AG. The fixed compensation consists of the following components:

COMPENSATION COMPONENTS

Fixed fee	50% paid in cash	The fixed fee for the mandate as a member of the Board of Directors of Vontobel Holding AG is paid half in cash and half in shares.
	50% paid in shares	The allocation of shares that are blocked for a period of three years serves as a longterm incentive, resulting in an alignment with shareholder interests. Members of the Board of Directors thus participate in the long-term success of the company and the long-term performance of the Vontobel share.
		Shares are allocated at an accepted value of 80% of the average price in the month of December of the year prior to the year in which the payment is paid out. These shares may not be sold, pledged or transferred during the blocking period.
Further fees	100% paid in cash	The fee for the mandate as a member of the Board of Directors of Bank Vontobel AG, which is controlled by Vontobel Holding AG, and the daily fees / meeting attendance allowance as well as expenses are paid 100% in cash.

In item 7.2, the Board of Directors proposes the approval of a maximum aggregate amount of the fixed compensation of the members of the Board of Directors of CHF 5,220,000 for the forthcoming term of office, i.e. from the General Meeting of Shareholders 2021 to the General Meeting of Shareholders 2022.

The amount is CHF 370,000 higher than in the previous year. In the forthcoming term of office, the Board of Directors will consist of ten members (previously nine) and a higher reserve has been planned, for example, for an increased number of Board or Committee meetings.

This proposal also includes the fee paid to the Chairman, who presides over the Board of Directors as a whole and represents it internally and externally. Vontobel has an experienced full-time Chairman who performs a central function within the Board of Directors and in collaboration with the CEO and the Executive Committee and has a key role in shaping Vontobel's strategy, communications and culture. In 2015, his compensation was set at

CHF 2.5 million, which – based on a multi-year average – is approximately in line with the level of compensation of a member of the Executive Committee.

The amount of fixed compensation paid to the nine other members of the Board of Directors varies, depending on their volume of work and whether they are a member of, or chair, any committees.

The fixed aggregate compensation of the members of the Board of Directors, including the Chairman of the Board of Directors, proposed to the General Meeting of Shareholders for the forthcoming term of office includes a reserve for these other compensation components: Employer contributions to the pension fund and supplementary fund, as well as daily fees and meeting attendance allowances. The amount that is the subject of this vote does not include employer social security contributions (AHV, ALV, IV) or additional advisory fees that are unrelated to the function as a member of the Board of Directors and are disclosed separately in the Annual Report.

Compensation of the members of the Board of Directors for the financial year (pursuant to Art. 663b^{bis} of the Swiss Code of Obligations)

NAME	FUNCTION	COMPENSATION	COMPENSATION	OTHER	2020	2019
		PAID IN CASH CHF 1,000	PAID IN SHARES ¹ CHF 1,000	COMPENSATION CHF 1,000	TOTAL FIXED COMPENSATION CHF 1,000	TOTAL FIXED COMPENSATION CHF 1,000
Herbert J. Scheidt ²	Chairman	1,250.0	1,250.0	0.0 ³	2,500.0	2,613.6
Dr Frank Schnewlin	Vice-Chairman	189.3	60.0	0.0	249.3	249.4
Bruno Basler	Member	191.9	60.0	0.0	251.9	226.6
Dr Maja Baumann	Member	149.3	60.0	0.0	209.3	216.4
Dr Elisabeth Bourqui	Member	171.9	60.0	0.0	231.9	226.1
David Cole	Member	169.3	60.0	0.0	229.3	220.9
Stefan Loacker	Member	149.3	60.0	0.0	209.3	204.4
Clara C. Streit	Member	162.9	60.0	0.0	222.9	197.6
Björn Wettergren	Member	162.9	60.0	0.0	222.9	215.6
Total		2,596.8	1,730.0	0.0	4,326.8	4,370.6

¹ Allocation of shares of Vontobel Holding AG that are subject to a holding period of three years, during which they cannot be sold.

² In the year under review, Herbert J. Scheidt received CHF 76,666 (previous year CHF 124,567) of fees for Board memberships outside the company that he holds in connection within his role at the company.

³ Contribution to pension funds

Compensation of the Executive Committee

The “Pay for performance” principle applies at Vontobel. The compensation system was structured in such a way as to ensure that the level of compensation paid to the members of the Executive Committee tends to be below the industry average in the first few years after they join the company but can increase as a result of the share participation plan if a good performance is achieved over more than three years. Consequently, the members of the Executive Committee tend to have a relatively low base salary but receive higher variable compensation – provided Vontobel performs well.

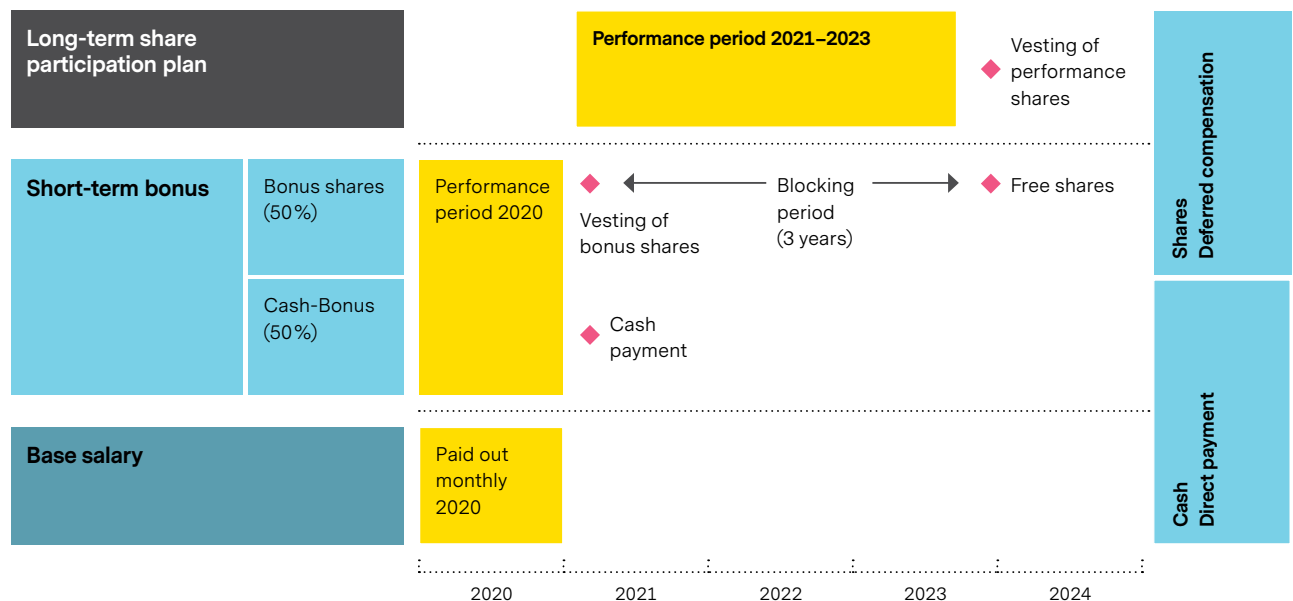
In the allocation of variable compensation, quantitative and qualitative objectives are assigned an equal weighting when measuring and evaluating performance. In this context, the Nomination and Compensation Committee takes account of criteria including:

- Performance of each member of the Executive Committee
- Financial performance of Vontobel
- Performance measured in relation to the finance industry peer group
- Current market rates of compensation and efforts to achieve a compensation policy with a long-term focus, and
- Balanced distribution between groups of stakeholders

Vontobel does not use formula-based compensation for members of the Executive Committee. The Board of Directors reaches the final decision about the compensation proposals for the General Meeting of Shareholders at its own discretion.

The compensation of the Executive Committee consists of a fixed compensation component (annual base salary) and a variable compensation component (bonus and Long-Term Incentive Program). The fixed compensation component is determined on the basis of the individual function. The variable compensation component is determined on the basis of collective and also individual performance. This approach is designed to ensure that the compensation of the Executive Committee is largely dependent on the achievement of ambitious performance objectives.

Overview of Executive Committee compensation components:



The Executive Committee of Vontobel Holding AG comprises: Zeno Staub (CEO), Thomas Heinzl (CFO/CRO), Felix Lenhard (COO/Head Technology & Services) and the General Counsel.

Martin Sieg Castagnola was a member of the Executive Committee until July 31, 2020, and Thomas Heinzl has been a member of the Executive Committee since August 1, 2020. As of January 1, 2021, the Executive

Committee was reduced from six to four members. Georg Schubiger and Axel Schwarzer left the Executive Committee on December 31, 2020. As General Counsel, Enrico Friz was a member of the Executive Committee in 2020 (and until he passed away on January 20, 2021). These changes to the Executive Committee resulted in a lower amount for the vote on fixed compensation from July 1, 2021, and for the vote on performance-related compensation.

Compensation of the members of the Executive Committee for the financial year

FINANCIAL YEAR	FIXED COMPENSATION			PERFORMANCE-RELATED COMPENSATION		TOTAL ^{4,5}	NUMBER OF RECIPIENTS
	BASE SALARY CHF MN	PENSION CHF MN	OTHER COMPENSATION ^{1,6} CHF MN	BONUS PAID IN CASH ² CHF MN	BONUS PAID IN SHARES ^{2,3} CHF MN		
2020	5.3	1.0	1.6	6.4	3.1	17.4	8
2019	4.3	0.8	0.0	6.9	5.1	17.1	6
Change vs 2019 in %	23	25	0	-7	-39	2	33

¹ Other short-term employee benefits comprise claim payments, family allowance payments and preferential interest rates for mortgages.

² Financial year 2020: Subject to the approval of the General Meeting of Shareholders 2021; Performance-related Compensation for one Member of the Executive Committee entirely in cash.

³ A total of 56,335 (previous year 96,555) Vontobel Holding AG shares were allocated to members of the Executive Committee. These bonus shares entail a conditional right to receive performance shares following the expiry of a three-year vesting period.

⁴ Excluding flat rate compensation for expenses and employer contribution to AHV/IV/ALV.

⁵ The expense relating to performance shares is not included in "Total compensation for the financial year".

⁶ In connection with the entry of Dr Thomas Heinzl into the Executive Committee and his compensation for the lapsed performance-related compensation with his former employer, the fixed compensation of the Executive Committee reported for the 2020 financial year exceeds the maximum fixed compensation approved by the Annual General Meeting on 30 March 2020 by CHF 0.65 mn of the additional amount for the reporting period. The Board of Directors used CHF 0.65 mn of the additional amount for this compensation in accordance with article 32 of the Articles of Association of Vontobel Holding AG. In accordance with the Ordinance against Excessive Remuneration of Listed Companies (VegüV), this additional amount does not require the approval of the Annual General Meeting.

7.3 Maximum aggregate amount of the fixed compensation of the members of the Executive Committee for the period from July 1, 2021, to June 30, 2022

The base salary of members of the Executive Committee forms the fixed compensation component. It is determined on the basis of the individual function of the respective member of the Executive Committee. The level of the various base salaries is in line with our international peer group and is generally lower than the base salaries paid by our Swiss competitors.

In item 7.3, the Board of Directors proposes the approval of a maximum aggregate amount of the fixed compensation of the Executive Committee for the period from July 1, 2021, to June 30, 2022, of CHF 3,873,000.

The amount has decreased due to the reduction of the Executive Committee from six to four members (previous year CHF 5,699,000).

The proposed fixed aggregate compensation of the Executive Committee includes the base salary as well as other compensation components (employer contributions to the pension fund and supplementary fund, family allowance payments, preferential conditions for mortgages, anniversary awards, and any other credited amounts or special payments) and a reserve. The amount being voted on does not include employer social security contributions.

7.4 Maximum aggregate amount of the performance-related compensation of the Executive Committee for the prior financial year 2020 that has ended

The performance-related compensation of a member of the Executive Committee is based on the collective and individual achievement of quantitative and qualitative objectives. One half is paid in cash, with the other half being paid in the form of so-called bonus shares. The bonus shares are allotted at an accepted value of 80% of the average price in the month of December of the prior year in which the bonus is paid out. These shares are blocked for three years from the date of vesting and may not be sold, pledged or transferred during that period.

If the company achieves a sustained good performance and its share price rises during the blocking period, the value of the bonus shares increases accordingly. However, if the share price falls, the bonus amount subsequently decreases – resulting in a dual financial loss for the member of the Executive Committee, since taxes have already been paid on the basis of the higher share price. This model ensures that members of the Executive Committee can participate in the successful performance of the company while also sharing the risks in the event of poor financial results.

If the employment relationship is terminated, bonus shares that have already been allotted remain in the ownership of the individual members of the Executive Committee and continue to be subject to the blocking period, even after the period of employment has ended.

In item 7.4, the Board of Directors proposes the approval of a maximum aggregate amount of the performance-related compensation of the Executive Committee for the prior financial year that has ended of CHF 9,450,000.

Vontobel intentionally holds a retrospective vote on the performance-related compensation of the Executive Committee, i.e. voting is carried out at a point in time when the performance period has ended and the individual performance in the previous year can be assessed.

In 2020, Vontobel once again successfully shaped the changes in our industry according to the needs of our clients and the company. We will continue to follow this path. We are investing in our future, are focused on sustainable growth, and are committed to delivering profitability.

In the challenging environment in 2020, with strong competition and difficult financial markets, the financial objectives defined for the financial year were achieved to a good extent or exceeded by the Executive Committee. We are also well on track to deliver on our ambitious mid-term targets. The high level of trust that clients place in Vontobel and its successful positioning in the market are reflected by the strong net inflow of new money of CHF 14.8 billion, stable operating income (assuming constant exchange rates and adjusted for the previous year: +4%) of CHF 1,265.5 million and a good net profit of CHF 259.4 million. Profit before taxes rose by 5% to CHF 321.0 million. Excluding exceptional items and currency effects, the growth in profit before taxes would have been 14%. Vontobel generated a return on equity of 13.3% in 2020, slightly below its mid-term target of 14%. Vontobel has maintained a comfortable equity position with a CET 1 capital ratio of 13.8% and a Tier 1 capital ratio of 19.8%. Both ratios substantially exceed the regulatory minimum requirements defined by FINMA.

The Executive Committee far exceeded its strategic objectives in 2020. Considerable progress was achieved and Vontobel generated further growth in all core activities, as well as strengthening its market position in key target markets. The Executive Committee consistently exceeded its qualitative objectives. For example, it further strengthened Vontobel's positioning in the market and vis-à-vis all stakeholders. A strong emphasis was placed on client focus.

With the OneVontobel realignment that was implemented in 2020, Vontobel is creating the necessary organizational basis to allow us to better anticipate changes in client expectations and client behavior and to respond to them more flexibly in the future. Vontobel's evolution into a client-centric investment manager that harnesses the power of technology for the benefit of its clients is the logical next step based on our value proposition "Driven by the power of possibility. Delivering the edge."

The proposed aggregate performance-related compensation of the Executive Committee is 21.3 % lower than in the previous year. The amount that is the subject of the vote includes the performance-related compensation of Martin Sieg Castagnola, Axel Schwarzer and Enrico Friz, which will be paid entirely in cash.

The variable bonus awarded to members of the Executive Committee based on an evaluation of their achievement of individual objectives was, on average, 1.79 times their base salary (previous year: 2.79).

7.5 Maximum aggregate amount for the performance shares of the Executive Committee pursuant to Art. 31 para. 1 let. e of the Articles of Association

To incentivize employees over time, Vontobel pays part of its compensation in the form of a long-term incentive component (Long-Term Incentive Program, LTI). This component is paid in the form of registered shares of Vontobel Holding AG (performance shares) and is designed to promote loyalty to the company.

Three years after receiving bonus shares, members of the Executive Committee are entitled to receive additional shares, known as performance shares (LTI) if vesting conditions are met. This right depends on the performance of the business over the last three years, hence the name "performance shares", as well as on the number of bonus shares received.

When determining the performance of the business, Vontobel's average return on equity (ROE) and average risk profile (BIS Total Capital Ratio) are taken into account. The multiplier resulting from these two parameters is defined using the average over the relevant performance period (the last three years or the last six half-year values) and, in the case of the Executive Committee, is subject to a cap of a maximum of 250% of the bonus shares received three years earlier. This ensures that the achievement of a high return on equity in combination with a low risk profile is rewarded more generously than the achievement of a high return on equity in combination with a high risk profile. One condition for the vesting of performance shares is that an average Group-wide return on equity of at least 4% is generated over the relevant three-year period. In addition, the BIS Total Capital Ratio must exceed 12%. If one of these requirements is not met, all rights to performance shares lapse.

Performance shares are only awarded to members of the Executive Committee who remain in an employment relationship on which notice has not been served three years after they received the bonus shares. In this way, performance shares also play an important part in ensuring that the Executive Committee is focused on the stable and successful development of Vontobel over the long term and in promoting loyalty to the company.

In item 7.5, the Board of Directors proposes the approval of a maximum aggregate amount for the performance shares of the Executive Committee pursuant to Art. 31 para. 1 let. e of the Articles of Association of CHF 5,037,870.

This item relates to a budget for performance shares from the bonus for the financial year 2020, which may be allotted to members of the Executive Committee in the financial year 2024. This figure is based on the following assumptions: If the average return on equity (ROE) is assumed to be 13.0% and the average BIS ratio is assumed to be 20% in the financial years 2021 to 2023, an additional 130% (multiplier of 1.3) of the number of bonus shares from the bonus 2020 would be allotted as performance shares in spring 2024. If the approved aggregate amount is not sufficient to cover the full entitlement to performance shares when they are allotted, the General Meeting of Shareholders would vote again on any additional amount.

