

**Zürcher Kantonalbank**

**Compen-  
sation  
Report  
2024**



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# Foreword by the Board of Directors to the Compensation Report

Zürcher Kantonalbank collaborated in 2023 with HCM International, a recognised external expert, to comprehensively review and adapt its compensation system. The resulting findings were implemented as of 1 January 2024 and are now visible for the first time in this Compensation Report 2024. The changes included the following aspects, among others:

- total compensation in line with the market
- calculation model for variable compensation
- reorganisation of long-term deferred compensation
- increased transparency
- total compensation of the CEO and Executive Board capped until further notice

## **Total compensation in line with the market**

The review in 2023 showed that Zürcher Kantonalbank's total compensation (base salary plus variable compensation) reflects its positioning as the second-largest universal bank and the complexity of its business model. It was noted that while total compensation is in line with the market, the variable compensation component is too high. This is due to the fact that Zürcher Kantonalbank does not have a bonus model, rather a profit-sharing model (variable compensation is paid out only if a profit is generated), and the variable compensation has increased continuously in recent years due to the steady profit growth. In contrast, the base salaries have been adjusted only slightly for some time. This means they tended to be too low compared to the

rest of the industry. Consequently, a portion of variable compensation has been shifted to base salary as of 1 January 2024. A certain deduction (a 6 percent "security premium") was made in acknowledgement of the fact that a secure franc in base salary is "worth more" than an insecure franc in variable compensation. The different employer pension fund contributions were also taken into account. This adjustment to the compensation structure will now be visible for the first time in the Compensation Report 2024.

## **Calculation model for variable compensation**

The total of the 2024 variable compensation pool will be calculated for the first time using a recalibrated model to take account of the adjustment to the compensation structure made as of 1 January 2024 (see "Total compensation in line with the market"). In addition, a further adjustment was made to the calculation of the profit-sharing model, which will lead to a significant flattening of the growth of the variable compensation pool in future. Also, the consideration of risk in variable compensation was further sharpened with regard to extraordinary risk events.

## **Reorganisation of long-term deferred compensation**

Long-term deferred compensation for the Executive Board and senior management has been given significantly more weight in order to anchor the sustaina-

bility of the success of Zürcher Kantonalbank even more firmly in compensation. To this end, the portion of the variable compensation that is blocked for three years and exposed to risk during this period has been doubled (and now stands at 50 percent for the Executive Board including the CEO and 30 percent for senior management). In addition, long-term deferred compensation is now divided into a value-oriented and a debt-oriented portion. The performance of value-oriented long-term deferred compensation can rise, fall or even lapse completely depending on the change in economic profit. The debt-oriented long-term deferred compensation bears interest in line with the risk and is subject to the same risks as the outstanding AT1 bonds of Zürcher Kantonalbank. In addition, payment of both portions is linked to achieving set targets in the public service mandate, in the form of a penalty of up to 20 percent if the targets are not met. The revised structure of the long-term deferred compensation will now be applied for the first time for the long-term deferred compensation allocated based on variable compensation in 2024.

### **Increased transparency**

Zürcher Kantonalbank also decided this year to revise the structure of the Compensation Report. The structural revision leads to greater transparency and clarity for readers.

This Compensation Report relates to the parent company of Zürcher Kantonalbank and describes the principles of compensation as well as the competences

and responsibilities for determining the compensation of the Board of Directors and the Executive Board of Zürcher Kantonalbank. The report also contains information on compensation plans and the compensation paid to the Board of Directors and the Executive Board in 2024. From the 2024 reporting year onwards, the compensation of the Executive Board will be shown in a table to provide a better overview. To increase transparency, a consistent distinction continues to be made between allocated total compensation and realised total compensation of the Executive Board members active in the financial year.

The Compensation Report contains the following elements:

- competencies and compensation policy
- compensation groups
- components of compensation
- compensation in 2024

### **Total compensation for the CEO and Executive Board capped until further notice**

The Board of Directors has decided to cap until further notice the total compensation for the CEO and the Executive Board from the 2023 financial year onwards on the basis of the 2022 financial year. Accordingly, the total compensation of the individual members of the Executive Board, including the CEO, cannot exceed the amount of total compensation paid out for 2022. However, it may be reduced in the event of poor business performance.

## Competencies and compensation policy

As a public-law institution, Zürcher Kantonalbank generally follows the SIX Swiss Exchange directive on corporate governance, the Swiss Code of Best Practice for Corporate Governance promulgated by Economiesuisse, and the FINMA requirements set out in Circular 2010/1 “Remuneration Schemes”.

The compensation guidelines are set out in the Personnel and Compensation Regulations issued by the Board of Directors for Zürcher Kantonalbank and apply throughout the group. The procedures for determining compensation are structured and documented by the group companies. The compensation paid by the consolidated subsidiaries also fulfils the relevant requirements in an appropriate manner.

### Competencies

The Zurich Cantonal Parliament has overall supervision of the bank in accordance with the Cantonal Banking Act on Zürcher Kantonalbank (Zürcher Kantonalbank Act). It is also responsible for approving the regulations on the compensation of members of the Board of Directors, which are issued by the Board of Directors subject to approval by the Cantonal Parliament.

In its decisions, the Board of Directors takes into account not only the interests of Zürcher Kantonalbank and its employees, but also the interests of the Canton of Zurich. To that end, for example, it issues the regulations regarding personnel and compensation at Zürcher Kantonalbank.

The Compensation and Personnel Committee is the body of the Board of Directors responsible for compensation policy. It prepares the corresponding transactions for the Board of Directors, gives its view on compensation issues that fall within the remit of the Chairperson’s Committee and Board of Directors, and reviews the market conformity of compensation for the bank as a whole. The Compensation and Personnel Committee has the following duties and powers for determining compensation policy:

- making recommendations to the Board of Directors on the strategic and human resource policy principles of the pension funds from the employer’s viewpoint
- making recommendations on principles concerning the compensation of members of the Executive Board and Internal Audit, as well as any profit-sharing and benefit programmes
- evaluating the bank’s compensation system, specifically with regard to its sustainability and the avoidance of false incentives

### Compensation policy

Zürcher Kantonalbank’s compensation policy is aligned with the bank’s business strategy, objectives and values. It takes into account the long-term financial interests of the bank and supports solid and effective risk management. The compensation policy is also aimed at attracting and retaining highly qualified employees in the long term. Through our compensation policy, we recognise outstanding performances and motivate employees to continue their professional development. Accordingly, the compensation system of Zürcher Kantonalbank does not create any incentives to take inappropriate risks that might affect the bank’s stability or good reputation. Any compensation (professional or attendance fees, etc.) received for acting as a delegate or representative of the bank must be surrendered to Zürcher Kantonalbank. Any reimbursed expenses are retained by the appointee. Zürcher Kantonalbank’s principles of compensation are based on the following objectives:

- promoting close cooperation within management and ensuring that all actions are undertaken in the interests of the bank as a whole as well as its integrated business and risk model
- motivating employees to create lasting added value while taking account of the risks
- promoting a performance-led environment for the benefit of the bank as a whole
- ensuring that risks are adequately reflected in the variable compensation
- offering competitive, balanced compensation for comparable jobs
- ensuring that the compensation arrangements do not give rise to conflicts of interest and promote the independence of the control units.

| Competencies and responsibilities   |   |
|---|---|
| Competencies  | Body responsible  |
| Compensation of the Chairperson’s Committee and part-time members of the Board of Directors | Cantonal Parliament, based on proposal of the Board of Directors                        |
| Setting up or amending compensation plans   | Board of Directors, based on recommendation of the Compensation and Personnel Committee |
| Determining total amount of variable compensation   | Board of Directors, based on recommendation of the Compensation and Personnel Committee |
| Compensation for CEO  | Board of Directors, based on proposal of the Chairperson’s Committee                    |
| Compensation of the members of the Executive Board  | Board of Directors, based on proposal of the Chairperson’s Committee                    |
| Compensation for Head of Internal Audit and their deputy                                    | Board of Directors, based on proposal of the Chairperson’s Committee                    |
| Compensation for senior management  | Executive Board   |

## Benchmarks

Zürcher Kantonalbank attaches great importance to offering compensation that is competitive within the industry in terms of structure and level. To this end, the bank conducts annual market comparisons in cooperation with various specialised consulting firms. The external consultants did not carry out any other mandates for Zürcher Kantonalbank in the financial year.

Zürcher Kantonalbank measures itself against Swiss financial institutions. Additional compensation parameters are taken into account, such as the size of the organisation, number of employees, hierarchy, depth of the organisation, geographical reach and internationality. If required, further parameters or consultancy firms can be consulted.

## Consideration of risks

It is a core element of the compensation policy that compensation supports sound and effective risk management and acts in line with the integrated risk model. This is ensured, among other ways, by calculating the pools of variable compensation for the parent company and Trading on the basis of risk-adjusted results (see "Variable compensation", p. 97 f.):

- The variable compensation pool of the parent bank is based on the consolidated result after adjusting for the cost of risk capital and (at a minimum) the generation of the cost of equity.
- The variable compensation pool for Trading is calculated based on the adjusted result of the Trading, Sales & Capital Markets organisational unit (OU). This is also adjusted by the risk costs for default and market risk of the individual Trading desks.

## Determining the compensation of individuals with increased responsibility

With regard to compensation, individuals with increased responsibility (see "Compensation groups", p. 96 f.) undergo a performance assessment and development process like all other employees. The performance evaluation also takes account of risk aspects, any breaches of internal or external directives and guidelines, or misconduct and associated disciplinary proceedings that could negatively affect the bank's reputation. Individual performance is discussed regularly with the line manager. During the process of allocating and paying variable compensation components to individuals with increased responsibility in the Trading, Sales & Capital Markets OU, the independent control functions Legal & Compliance, Risk Management and People & Culture are consulted.

In addition, risk is taken into account for deferred compensation. Deferred compensation components may lapse in full or in part if negative business developments or other predefined conditions occur (see "Long-term

deferred compensation" (p. 95), "Deferred compensation exposed to risk" (p. 96) and "Penalty clause" (p. 93) for further details on possible reductions).

As stated in the section "Competencies" (p. 92), the Board of Directors determines the compensation of the members of the Executive Board at the request of the Chairperson's Committee. The Executive Board determines the compensation of individuals with increased responsibility in senior management at the request of the relevant member of the Executive Board. The Head of Institutionals & Multinationals determines the compensation of individuals with increased responsibility in Trading, Sales & Capital Markets at the request of the head of this organisational unit.

## Penalty clause

Employees' variable compensation is not or only partially paid out at the bank's discretion if they have violated contractual, risk or compliance requirements before the date of the intended payment, or if the bank has otherwise sustained losses due to their activity. Moreover, the bank's compensation models stipulate that such employees are deemed "bad leavers" when they leave the bank, and their entitlement to any deferred compensation components lapses. The breach of laws, codes of conduct, directives or internal rules may also lead to additional disciplinary measures, which may entail the reduction or forfeiture of variable compensation and/or of deferred compensation or similar elements of compensation. In the event of ongoing investigations or suspicion of misconduct that could lead to disciplinary measures, Zürcher Kantonalbank is entitled to delay payment of variable compensation and/or deferred compensation and similar elements of compensation until the matter has been definitively clarified or the sanction decided. Under the "bad leaver" rule, the long-term deferred compensation as well as the deferred compensation exposed to risk may lapse in full if Zürcher Kantonalbank parts company with employees for certain reasons. This may in particular be the case where employees have committed a breach of contract or caused material or non-material damage, or the relationship of trust between them and the bank has suffered lasting damage as a result of their conduct.

## Sign-on and severance payments

Payments agreed in connection with the signing of an employment contract such as guaranteed bonuses or bonus buyouts (including any clawback agreements with the previous employer) are referred to as sign-on payments. Zürcher Kantonalbank agrees to such payments only on an exceptional basis and only in justified individual cases.

Payments agreed in connection with the termination of an employment relationship are referred to as

severance payments. Zürcher Kantonalbank's employment contracts do not contain any pre-agreed severance payments or notice periods that differ from the general terms and conditions of employment.

Qualifying sign-on and severance payments must be approved by the Chairperson's Committee in compliance with clear decision-making processes and are paid out only subject to strict conditions.

## Compensation groups

### Board of Directors and Chairperson's Committee

The compensation of the members of the Board of Directors and the Chairperson's Committee is based on the regulations governing the compensation of members of the Board of Directors of Zürcher Kantonalbank, as approved by the Cantonal Parliament of Zurich on 25 November 2004. In principle, these regulations are unchanged compared with those prevailing in 1989 (Chairperson's Committee) and 1994 (Board of Directors) and were never adjusted for inflation. Part-time members of the Board of Directors receive a fixed annual salary plus compensation per membership in one of the four committees (Compensation and Personnel Committee, Audit Committee, Risk Committee, IT Committee; see "Corporate Governance Report", p. 69, 73 ff.) as well as an expense allowance. An attendance fee is paid for meetings, visits to specialist units and branch offices, as well as for training and development events.

The members of the Chairperson's Committee are full-time members of the Board of Directors. They each receive a fixed annual base salary, an expense allowance as well as the benefits set out in the relevant regulations for all Zürcher Kantonalbank employees. The Chairperson receives an additional allowance of 10 percent of their annual base salary.

No variable compensation is paid to the members of the Board of Directors or the Chairperson's Committee. The components of compensation insured in the Zürcher Kantonalbank pension fund are the annual salary and committee compensation (excluding attendance fees) for the members of the Board of Directors, and the base annual salary for members of the Chairperson's Committee.

### Internal Audit

In view of Internal Audit's special function, the Head of Internal Audit and employees who report directly to the Head do not receive any variable compensation. Their entire compensation takes the form of a fixed annual salary.

### Executive Board incl. CEO

Compensation for the members of the Executive Board including the CEO is based on Zürcher Kantonalbank's overall compensation policy. Variable compensation is paid to the members of the Executive Board in addition to the base salary, depending on the group result and individual managers' performance. Part of the variable compensation takes the form of long-term deferred compensation.

### Individuals with increased responsibility

In accordance with FINMA guidance, one of the compensation groups is defined as individuals with increased responsibility, who are subject to the rules for deferred variable compensation. The following are deemed individuals with increased responsibility:

- the Executive Board
- senior management
- selected employees in the Trading, Sales & Capital Markets OU who exceed a defined threshold in relation to variable compensation

A total of 77 employees were assigned to this group during the financial year, nine of whom were members of the Executive Board including the CEO.

### Senior management

In addition to the Executive Board including the CEO, senior management has a sustained influence on the bank's business operations (risks, image, etc.) and therefore on the group result and the implementation of the strategy. Senior management accounts for approximately 1 percent of the total headcount. As with the Executive Board, variable compensation is paid – in addition to the base salary. The variable compensation is linked to the group result and individual managers' performance. Part of the variable compensation (long-term deferred compensation) is deferred, as in the case of the Executive Board.

### Other management and employees

In principle, all of the bank's employees are entitled to a variable element of compensation on top of their base salary. The amount of variable compensation allocated to each employee depends on the group result, as well as their position, individual performance and conduct. Selected employees in the Trading, Sales & Capital Markets OU are subject to a different compensation model. As with the Executive Board and senior management, a portion of the variable compensation is deferred for individuals with increased responsibility in Trading and is exposed to future risk as deferred compensation exposed to risk.



# Components of compensation

Zürcher Kantonalbank's compensation policy applies the total compensation approach, which comprises the following compensation components in accordance with the table below. The base salary, variable compensation and deferred compensation are explained in greater detail below.

| Components of compensation  |  |
|---|--|
| <b>Base salary</b>  | Contractually agreed, regularly paid salary  |
| <b>Variable compensation</b>  | Variable component of salary that is contingent on result and performance  |
| <b>Deferred compensation</b><br>(long-term deferred compensation and deferred compensation exposed to risk) | Element of compensation based on sustainable success of the business deferred for a longer period  |
| <b>Statutory allowances and additional benefits</b>   | Child, education and family allowances (Agreement on Conditions of Employment for Bank Staff), allowances under the Employment Act, expense allowances, allowance for years of service, etc. |

## Base salary

Base-salary levels are usually reviewed annually. The amount of the base salary is determined by the employee's position, experience and skills, and takes account of their individual sustainable performance. Adjustments are made to reflect market conditions, affordability, individual performance and the overall financial position of Zürcher Kantonalbank.

## Variable compensation

Variable compensation is a central component of compensation practice and adapts to changes in business performance, as Zürcher Kantonalbank has a profit-sharing model rather than a bonus model. That means Zürcher Kantonalbank pays variable compensation only if it realises a profit. The parent bank's pool for variable compensation is based on a proportional share of the group result, with capital and risk costs taken into account. The cost of equity is the threshold for the payment of variable compensation. No variable compensation is paid if the group result falls below the cost of equity. An interest rate on market terms is applied to the total amount of equity to calculate the cost of equity. For the purposes of calculating variable compensation, the standard risk costs are considered to be the risk costs instead of the default risk costs actually incurred. However, if the actual default risk costs exceed twice the standard risk costs, the default risk costs in

excess of twice the standard risk costs are recognised in addition to the standard risk costs. The standard risk costs correspond to the model-based average defaults per year expected over an entire economic cycle. This evens out the annual default risk costs, which would otherwise be irregular. By taking account of standard risk costs, the annual accounts include risk costs arising from current business volumes under the model. This means that management decisions to focus on specific products or markets immediately incur the relevant risk costs. Using this procedure ensures that the basis for calculating the variable compensation pool is geared towards sustainable growth for the bank.

The variable compensation for Trading is determined on the basis of its operating result less risk and capital costs. These are calculated on the basis of the standard risk costs for default risks and the cost of risk capital in accordance with internal models for default as well as market risks (internal capital-at-risk models). The capital-at-risk approach is used to determine the internally required capital that is tied up for a year on account of market and default risks in connection with trading activities. The maximum risk capital available for trading activities is allocated annually by the Board of Directors. This allocation takes into account the bank's strategic orientation and capital planning for the coming years. This risk capital is charged to the result of the Trading, Sales & Capital Markets OU using a customary market interest rate.

For all employees, the amount of variable compensation allocated to each employee depends on their position, individual performance and conduct. Variable compensation is set by the bank and may be forfeited in full at its discretion due to inadequate individual performance, staff misconduct (see "Penalty clause", p. 93) or a poor business result.

## Long-term deferred compensation

For the CEO, members of the Executive Board and senior management, part of the variable compensation takes the form of long-term deferred compensation that is deferred for three years. The long-term deferred compensation allocated (CEO and Executive Board 50 percent, senior management 30 percent) will be split in half into a value-oriented and a debt-oriented portion for the first time in 2024 for deferral of variable compensation.

The value-oriented long-term deferred compensation is linked to the performance of the group's economic profit. The target value to be achieved over the three-year performance period is determined for each allocation at the beginning of the period. The definitive value of the value-oriented long-term deferred compensation is determined after three years at the end of the term and amounts to a maximum of 1.5 times and a minimum of 0.5 times the amount originally deferred

(allocated). In the event of a cumulative negative economic consolidated profit over the three years, the value-based long-term deferred compensation lapses.

The amount of the debt-oriented long-term deferred compensation does not move in line with economic profit, but earns interest in line with the risk. The interest rate is based on the yield of a three-year AT1 bond issued by Zürcher Kantonalbank and is set at the beginning of the three-year term. The debt-oriented long-term deferred compensation is subject to the same risks as the outstanding AT1 bonds of Zürcher Kantonalbank. If the outstanding AT1 bonds absorb losses, all outstanding debt-linked long-term deferred compensation components including interest will lapse.

Also since the 2024 financial year, payment of the entire long-term deferred compensation, i.e. both the value-oriented and the debt-oriented portion, is linked to achieving targets set under the public service mandate after a three-year term. Failure to meet the targets results in a penalty of up to 20 percent of the realised total amount of the value-oriented and debt-oriented deferred compensation.

Long-term deferred compensation created before the 2024 financial year will continue until the end of the term in accordance with the model in force at the time of allocation. The corresponding explanations can be found in the previous annual reports.

## Deferred compensation exposed to risk

For certain employees in the Trading, Sales & Capital Markets OU who bear greater responsibility in terms of results and risks, and whose variable compensation exceeds a defined threshold, a portion of this variable compensation is deferred and exposed to risk. A deferral period of now three years (previously two years) will apply from the 2024 financial year onwards. At the request of the Head of the Institutionals & Multinationals business unit, the CEO and Head of People & Culture, who are both independent of the Trading, Sales & Capital Markets OU, may impose a penalty, i.e. a reduction or forfeiture of deferred compensation exposed to risk, for individual employees, particularly in the event of:

- significant financial losses at department, desk or individual level
- reputational damage or actions that may be detrimental to Zürcher Kantonalbank, such as activities that breach regulations and result or may result in sanctions being imposed by FINMA
- activities that cause significant numbers of clients to leave the bank
- inappropriate risk-taking outside of the ordinary risk processes

### Overview of variable compensation

|                                       | Recipient  | Due                       | Sunset | Performance, penalty clauses  | Performance-related <sup>1</sup> |
|---------------------------------------|--|---------------------------|--------|---|----------------------------------|
| Variable compensation                 | Permanent employees  | Immediately               | Yes    | Dependent on individual performance; may be cancelled altogether in the event of misconduct or poor group financial results.  | Yes                              |
| Long-term deferred compensation       | Executive Board, senior management                           | Payment after three years | Yes    | Half is dependent on the performance of economic profit (forfeiture in the event of negative economic profit). The other half bears interest in line with the yield of an AT1 bond from Zürcher Kantonalbank and is subject to the corresponding risks (forfeiture if AT1 bonds absorb losses). Failure to achieve set targets from the public service mandate can lead to a penalty on the entire long-term deferred compensation. | Yes                              |
| Deferred compensation exposed to risk | Certain employees in the Trading, Sales & Capital Markets OU | Payment after three years | Yes    | Interest at the risk-free interest rate. Amount of cash sum paid out on due date depends on whether a penalty has been imposed.   | Yes                              |

<sup>1</sup> Taking capital and risk costs into account

## Compensation in 2024

In accordance with the SIX directive, variable compensation is charged on an accrual basis, i.e. to the financial year in which it is actually incurred.

With effect from 1 January 2024, Zürcher Kantonalbank's compensation model has been adjusted and the base salary has been increased at the expense of variable compensation. As a result of this adjustment, no general increases in base salary were granted for 2024 for employees who are subject to the bank's Agreement on Conditions of Employment. However, selective salary increases were implemented within existing budgets to bring employees closer into line with the market.

The proportion of variable compensation allocated in the form of deferred compensation was also increased with effect from the 2024 financial year. Both adjustments partly explain differences compared to the previous year.

Despite a 3 percent increase in the group result before taxes, variable compensation has been reduced in total and per employee. This reduction was due in particular to the change to the compensation structure as of 1 January 2024. The total amount of variable compensation was CHF 285 million, with a part-time-adjusted headcount of 5,489 as at the end of the year (previous year: 5,304), of which CHF 14.4 million was for deferred compensation (for further information, see the parent company financial statements, breakdown of personnel expenses, Note 34).

Sign-on and severance payments approved by the Chairperson's Committee in the financial year totalled CHF 145,000.

### Details of variable compensation (parent company)

|  | 2024                             |                | 2023                             |                |
|--|----------------------------------|----------------|----------------------------------|----------------|
|  | Number of employees <sup>1</sup> | in CHF million | Number of employees <sup>1</sup> | in CHF million |
| <b>Total amount of variable compensation</b> | <b>5,489</b>                     | <b>284.6</b>   | 5,304                            | 353.7          |
| of which deferred compensation               | <b>77</b>                        | <b>14.4</b>    | 96                               | 15.8           |

1 Part-time-adjusted headcount/weighted FTEs as at year-end

## Compensation for members of the Board of Directors

Compensation for members of the Board of Directors is based on the regulations governing the compensation of members of the Board of Directors of Zürcher Kantonalbank, as approved by the Cantonal Parliament of Zurich on 25 November 2004. In principle, these regulations are unchanged compared with those prevailing in 1989 (Chairperson's Committee) and 1994 (Board of Directors). The regulations do not stipulate an inflation adjustment.

For part-time members of the Board of Directors, compensation comprises a fixed annual salary of CHF 18,000 plus CHF 6,000 compensation for each membership of a committee, as well as an annual expense allowance of CHF 6,000. A fixed attendance fee of CHF 700 per day and CHF 350 per half-day is paid for meetings and other activities related to the position. The part-time members of the Board of Directors are insured in accordance with federal social security standards and the regulations of the bank's pension funds.

As full-time members of the Board of Directors, the members of the Chairperson's Committee receive a gross annual base salary of CHF 311,500. The Chairperson of the Board of Directors receives an additional allowance of 10 percent of their annual base salary. Furthermore, the members of the Chairperson's Committee receive the same allowances, additional benefits and preferential rates as other employees of Zürcher Kantonalbank and are insured under the regulations of the pension schemes of Zürcher Kantonalbank. They are paid an annual expense allowance of CHF 14,000 each.

No variable compensation is paid to the members of the Board of Directors, either full-time or part-time. No other compensation or benefits in kind were paid to current or former part-time members of the Board of Directors or related parties during the 2024 financial year, apart from child, education and family allowances (Agreement on Conditions of Employment for Bank Staff), and farewell gifts for members stepping down. There are no unusual commitments between Zürcher Kantonalbank and the members of the Board of Directors or related parties.

No loans on unusual terms were granted to part-time members of the Board of Directors or related parties in 2024.

The members of the Board of Directors and related parties received no other fees or payments for additional services rendered to Zürcher Kantonalbank or any of its subsidiaries during the 2024 financial year.

## Compensation and loans for members of the Board of Directors (in CHF)

|  | Year        | Annual compensation | Attendance fee | Expense allowance <sup>1</sup> | Pensions and other compensation <sup>2/3</sup> | Total            | Loans as at 31.12. in CHF |
|--|-------------|---------------------|----------------|--------------------------------|--|------------------|---------------------------|
| <b>Chairperson's Committee</b>                     |             |                     |                |                                |  |                  |                           |
| Jörg Müller-Ganz                                   | <b>2024</b> | <b>342,650</b>      | –              | <b>14,040</b>                  | <b>88,688</b>                                  | <b>445,378</b>   | <b>1,200,000</b>          |
|  | 2023        | 342,650             | –              | 14,040                         | 91,010   | 447,700          | 1,200,000                 |
| Roger Liebi  | <b>2024</b> | <b>311,500</b>      | –              | <b>14,040</b>                  | <b>78,710</b>                                  | <b>404,250</b>   | –                         |
|  | 2023        | 311,500             | –              | 14,040                         | 80,132   | 405,672          | –                         |
| Mark Roth  | <b>2024</b> | <b>311,500</b>      | –              | <b>14,040</b>                  | <b>81,139</b>                                  | <b>406,679</b>   | –                         |
|  | 2023        | 311,500             | –              | 14,040                         | 83,461   | 409,001          | –                         |
| <b>Part-time members of the Board of Directors</b> |             |                     |                |                                |  |                  |                           |
| Amr Abdelaziz                                      | <b>2024</b> | <b>30,000</b>       | <b>30,100</b>  | <b>6,000</b>                   | <b>4,964</b>                                   | <b>71,064</b>    | –                         |
|  | 2023        | 30,000              | 26,600         | 6,000                          | 5,178  | 67,778           | –                         |
| Sandra Berberat Kecerski                           | <b>2024</b> | <b>30,000</b>       | <b>31,150</b>  | <b>6,000</b>                   | <b>10,964</b>                                  | <b>78,114</b>    | –                         |
|  | 2023        | 30,000              | 25,200         | 6,000                          | 10,403   | 71,603           | –                         |
| Adrian Bruhin                                      | <b>2024</b> | <b>24,000</b>       | <b>28,700</b>  | <b>6,000</b>                   | <b>2,408</b>                                   | <b>61,108</b>    | –                         |
|  | 2023        | 24,000              | 29,750         | 6,000                          | 2,568  | 62,318           | –                         |
| Bettina Furrer <sup>4</sup>                        | <b>2024</b> | <b>30,000</b>       | <b>23,450</b>  | <b>6,000</b>                   | <b>4,964</b>                                   | <b>64,414</b>    | <b>388,000</b>            |
|  | 2023        | 30,000              | 20,300         | 6,000                          | 5,178  | 61,478           | 388,000                   |
| René Huber   | <b>2024</b> | <b>30,000</b>       | <b>28,700</b>  | <b>6,000</b>                   | <b>1,925</b>                                   | <b>66,625</b>    | <b>4,419,500</b>          |
|  | 2023        | 30,000              | 26,250         | 6,000                          | 1,925  | 64,175           | 4,436,000                 |
| Henrich Kisker                                     | <b>2024</b> | <b>24,000</b>       | <b>32,900</b>  | <b>6,000</b>                   | <b>6,440</b>                                   | <b>69,340</b>    | –                         |
|  | 2023        | 24,000              | 26,250         | 6,000                          | 1,440  | 57,690           | –                         |
| Gregor Kreuzer <sup>5</sup>                        | <b>2024</b> | <b>30,000</b>       | <b>24,150</b>  | <b>6,000</b>                   | <b>3,188</b>                                   | <b>63,338</b>    | –                         |
| Peter Ruff <sup>5</sup>                            | 2023        | 24,000              | 27,300         | 6,000                          | 1,440  | 58,740           | –                         |
| Walter Schoch                                      | <b>2024</b> | <b>24,000</b>       | <b>32,550</b>  | <b>6,000</b>                   | <b>6,440</b>                                   | <b>68,990</b>    | –                         |
|  | 2023        | 24,000              | 25,900         | 6,000                          | 1,440  | 57,340           | –                         |
| Anita Sigg <sup>5</sup>                            | 2023        | 30,000              | 19,950         | 6,000                          | 4,921  | 60,871           | 3,852,499                 |
| Hans-Ueli Vogt <sup>6</sup>                        | <b>2024</b> | <b>24,000</b>       | <b>25,900</b>  | <b>6,000</b>                   | <b>3,520</b>                                   | <b>59,420</b>    | –                         |
| Stefan Wirth <sup>5</sup>                          | 2023        | 30,000              | 24,500         | 6,000                          | 4,921  | 65,421           | –                         |
| Claudia Zimmermann <sup>6</sup>                    | <b>2024</b> | <b>30,000</b>       | <b>29,400</b>  | <b>6,000</b>                   | <b>4,914</b>                                   | <b>70,314</b>    | –                         |
| <b>Total</b>                                       | <b>2024</b> | <b>1,241,650</b>    | <b>287,000</b> | <b>102,120</b>                 | <b>298,264</b>                                 | <b>1,929,034</b> | <b>6,007,500</b>          |
|  | 2023        | 1,241,650           | 252,000        | 102,120                        | 294,017  | 1,889,787        | 9,876,499                 |

- 1 For the members of the Chairperson's Committee, CHF 40 is attributable to rounding differences due to monthly payments.
- 2 Other compensation for members of the Chairperson's Committee: child, education and family allowances (Agreement on Conditions of Employment for Bank Staff), loyalty bonuses, medical check-ups, contribution to ZVV/SBB season tickets, farewell gifts for members stepping down.
- 3 Other compensation for part-time members of the Board of Directors: child, education and family allowances (Agreement on Conditions of Employment for Bank Staff), farewell gifts for members stepping down.
- 4 Loans: Heirs of Dr Dieter Furrer: CHF 388,000; Bettina Furrer alone: CHF 0.
- 5 Peter Ruff, Anita Sigg and Stefan Wirth to 31.12.2023.
- 6 Gregor Kreuzer, Hans-Ueli Vogt and Claudia Zimmermann from 01.01.2024

## Compensation for members of the Executive Board

To increase transparency in the reporting on the total compensation, a consistent distinction has been made since the 2023 Compensation Report between allocated total compensation and realised total compensation of the Executive Board members active in the financial year. As is customary in the market, this ensures a clear allocation of the total compensation for the respective financial year and a clearer presentation of the performance trend.

The total compensation of the individual members of the Executive Board takes account of their performance in their areas of responsibility. The deferred variable compensation shown corresponds to the long-term deferred compensation allocated for the financial year, which will be paid out after the end of the three-year performance period under certain conditions. As explained above, base salaries were increased at the expense of variable compensation as part of the adjustment to the compensation model with effect from the 2024 financial year. At the same time, the proportion of variable compensation that is deferred for three years was doubled. These adjustments explain the different composition of total compensation in the table below compared to the previous year.

The deferred compensation allocated for the 2021 financial year totalling CHF 2,700,000 (previous year: CHF 2,642,500) for members of the Executive Board (including former members), for which the three-year performance cycle ended on 31 December 2024, was realised with a factor of 1.5 (previous year: 1.5). This results in an amount paid out for deferred compensation related to the 2022–2024 period totalling CHF 4,050,000 (previous year: CHF 3,963,750). Explanations of the associated model can be found in the 2021 Annual Report.

The members of the Executive Board and related parties received no other fees or payments for additional services rendered to Zürcher Kantonalbank or any of its subsidiaries during the 2024 financial year.

Total loans and mortgage lending to the Executive Board members amounted to CHF 8,715,375 (of which CHF 7,069,000 is on employee terms). No loans on unusual terms were granted to related parties of the Executive Board.

### Compensation of the members of the Executive Board incl. CEO (in CHF)<sup>1</sup>

|                                      | Year        | Base salary      | Performance-related factors |                                    | Total direct compensation | Pensions and other compensation <sup>3</sup> | Total compensation |
|--------------------------------------|-------------|------------------|-----------------------------|------------------------------------|---------------------------|--|--------------------|
|                                      |             |                  | Variable cash compensation  | Deferred compensation <sup>2</sup> |                           |  |                    |
| Highest compensation (CEO)           | <b>2024</b> | <b>1,000,000</b> | <b>802,500</b>              | <b>802,500</b>                     | <b>2,605,000</b>          | <b>215,688</b>                               | <b>2,820,688</b>   |
|                                      | 2023        | 700,000          | 1,462,500                   | 487,500                            | 2,650,000                 | 203,910                                      | 2,853,910          |
| Other members of the Executive Board | <b>2024</b> | <b>5,500,000</b> | <b>3,846,250</b>            | <b>3,846,250</b>                   | <b>13,192,500</b>         | <b>1,949,576</b>                             | <b>15,142,076</b>  |
|                                      | 2023        | 3,570,000        | 8,087,398                   | 2,681,250                          | 14,338,648                | 1,767,919                                    | 16,106,567         |
| Total <sup>4</sup>                   | <b>2024</b> | <b>6,500,000</b> | <b>4,648,750</b>            | <b>4,648,750</b>                   | <b>15,797,500</b>         | <b>2,165,264</b>                             | <b>17,962,764</b>  |
|                                      | 2023        | 4,270,000        | 9,549,898                   | 3,168,750                          | 16,988,648                | 1,971,829                                    | 18,960,477         |

1 The total annual compensation for the CEO and the Executive Board has been capped until further notice from the 2023 financial year onwards on the basis of the 2022 financial year.

2 Corresponds to the deferred compensation allocated for the financial year.

3 Other compensation: Expense allowance, child, education and family allowances (Agreement on Conditions of Employment for Bank Staff), loyalty bonuses, medical check-ups, contribution to ZVV/SBB season tickets, farewell gifts for members stepping down.

4 In both 2023 and 2024, the Executive Board including the CEO consisted of 9 members, or 8 full-time positions taking into account members joining and leaving pro rata temporis.