



LINDT & SPRÜNGLI


**Invitation to the
123rd Annual General Meeting
of Chocoladefabriken Lindt & Sprüngli AG**

2021

Table of Content

Agenda Items and Proposals of the Board of Directors	5
Organizational Matters.....	10
Explanatory Notes on the Compensation-related Agenda Items	13
Gift Box – Information Sheet	22

Annual General Meeting of Chocoladefabriken Lindt & Sprüngli AG
Tuesday, May 4, 2021
at 10.00 a.m. at the domicile of the Company

 This is a courtesy translation of the German original, which is available on our website
<http://www.lindt-spruengli.com/investors/events-presentations/annual-general-meeting/>
In case of inconsistencies between the German original and the English translation,
the German version shall prevail.

Dear Shareholders

We hereby formally invite you to the 123rd Annual General Meeting of Chocoladefabriken Lindt & Sprüngli AG on May 4, 2021. Please find the agenda items, the proposals of the Board of Directors, and further important information in this brochure as well as on our website www.lindt-spruengli.com.

Due to the current situation in connection with the coronavirus, the Board of Directors has decided that we will hold the General Meeting of Shareholders in accordance with article 27 Covid-19-VO 3 **without the personal attendance of shareholders**. This will also apply if at the time of the meeting there should no longer be a prohibition of events pursuant to article 6 Covid-19-VO besondere Lage or pursuant to any other statutory provisions. In accordance with the decision of the Board of Directors, all shareholders therefore only have the option to issue a written or electronic power of attorney with instructions to the **independent proxy** in order to exercise their rights at the Annual General Meeting. A personal attendance will not be possible. The **Gift Box** will be sent to you by **regular mail as of May 10, 2021**, provided you have granted a valid power of attorney to the independent proxy in due time and have notified us of a postal delivery address in Switzerland (see the Gift Box – Information Sheet). We ask for your understanding in view of the special situation.

In order to grant a power of attorney to the independent proxy, there are the following two alternatives to choose from:

1. Electronic Power of Attorney

Under <https://lindt.shapp.ch>, you may easily grant a power of attorney and provide instructions for the exercise of your voting rights electronically to the independent proxy. You can find your personal access information for this electronic platform on the attached form “**Written Power of Attorney**”. Your personal access is open until **April 30, 2021, 5.00 p.m.**

On the aforementioned electronic platform, you may also order the Annual Report and/or Semi-Annual Report and notify us of any address changes. Shareholders with a P.O. Box address or domiciled outside of Switzerland may also register a parcel delivery address in Switzerland for the Gift Box (chocolate package, see also the section **Gift Box – Information Sheet** in this brochure).

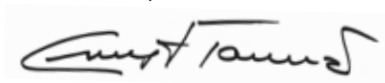
2. Written Power of Attorney

If you prefer the written alternative, please use the enclosed form **“Written Power of Attorney”** in order to grant a power of attorney to the independent proxy. Please return the duly completed and signed form by no later than **April 30, 2021, 5.00 p.m.** (time of receipt), with the enclosed return envelope.

If you are also a holder of participation certificates and keep them as certificates in physical form, e.g. at home or at a bank (so-called “Heimverwahrer”), we kindly draw your attention to the further information in the section **“Note to Holders of Participation Certificates” / “Conversion of Participation Certificates into Book-Entry Securities”** on page 12.

We thank you for your confidence in our Company and wish you all good health in these difficult times.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ernst Tanner', is enclosed in a light gray rectangular box.

Ernst Tanner
Executive Chairman of the Board

Agenda Items and Proposals of the Board of Directors

1. Approval of the Consolidated Financial Statements of Lindt & Sprüngli Group for the Financial Year 2020 and the Statutory Financial Statements of Chocoladefabriken Lindt & Sprüngli AG, acknowledging the auditors' reports

Proposal: The Board of Directors proposes that the consolidated financial statements of Lindt & Sprüngli Group and the statutory financial statements of Chocoladefabriken Lindt & Sprüngli AG for the financial year 2020 be approved, acknowledging the auditors' reports.

2. Advisory Vote on the Compensation Report 2020

Proposal: The Board of Directors proposes that the Compensation Report for the financial year 2020 be approved in a non-binding advisory vote.

Explanation: Please refer to the Compensation Report 2020 as well as page 13 et seq. of this invitation for more detailed information on compensation.

🔗 <https://www.lindt-spruengli.com/investors/financial-reporting/publications/>

3. Discharge of the Board of Directors and the Group Management

Proposal: The Board of Directors proposes to grant discharge to the members of the Board of Directors and the members of the Group Management for the financial year 2020.

4. Appropriation of the Available Earnings 2020 and Distribution from the Reserves from Capital Contributions

Explanation: Swiss tax law allows distributions from reserves from capital contributions without deduction of the Swiss withholding tax of 35%, provided that other reserves in at least the same amount are also distributed. For private individuals domiciled in Switzerland who hold their shares as private assets, such a distribution is also not subject to income tax. The Board of Directors wishes to make again use of this option and, thus, proposes on one hand to distribute a dividend out of the available earnings of the previous financial year and, on the other hand, to release and distribute a portion of the reserves from capital contributions.

The proposed aggregate distribution (ordinary dividend out of available earnings and distribution from the reserves from capital contributions) amounts to gross CHF 1,100 per registered share (previous year: CHF 1,750) and gross CHF 110 per participation certificate (previous year: CHF 175), respectively.

The Board of Directors therefore proposes to distribute an ordinary dividend in the amount of CHF 731 per registered share or CHF 73.10 per participation certificate, respectively, out of the available earnings (Agenda Item 4.1) and to transfer an amount of CHF 369 per registered share or CHF 36.90 per participation certificate, respectively, from the reserves from capital contributions to the free reserves and to subsequently distribute such amounts from these free reserves (Agenda Item 4.2).

If both proposals are approved, the aggregate distribution will amount to approx. CHF 263,963,260. The shares and participation certificates will be traded ex-dividend as of May 6, 2021 (ex-date). The dividend pursuant to Agenda Item 4.1 (Appropriation of the Available Earnings 2020), subject to deduction of the Swiss withholding tax, and the distribution pursuant to Agenda Item 4.2 (Distribution from the Reserves from Capital Contributions), without deduction of the Swiss withholding tax, will be paid out from May 10, 2021. The number of registered shares and participation certificates entitled to the distributions will be determined as of the record date (May 7, 2021). Until then, this number may change due to the exercise of options in connection with the employee option plan as well as due to additions/disposals of treasury shares and participation certificates. Treasury shares and participation certificates held by Chocoladefabriken Lindt & Sprüngli AG are not entitled to the distributions.

4.1 Appropriation of the Available Earnings 2020

Proposal: The Board of Directors proposes the following appropriation of the available earnings 2020 and to distribute an ordinary dividend in the amount of CHF 731 per registered share and CHF 73.10 per participation certificate, respectively:

Appropriation of the Available Earnings 2020

in CHF	December 31, 2020
Retained earnings carried forward from previous year	19,666,399
Net income	275,020,818
Other	6,582,926
Total available earnings	301,270,143
Share and participation capital of CHF 23,996,660 as of December 31, 2020 (previous year: CHF 24,325,210), as per the Articles of Association	
731% (previous year: 720%) dividend	-175,415,585 ²
0% (previous year: 700%) special dividend	–
Allocation to the special reserves	-20,000,000
Balance to be carried forward	105,854,558
Transfer from the confirmed reserves from capital contributions to the free reserves	88,547,675 ²
Distribution from these free reserves, without deduction of Swiss withholding tax, of CHF 369 per registered share /CHF 36.90 per participation certificate (previous year CHF 330 per registered share /CHF 33 per participation certificate)	-88,547,675 ²

1 Includes dividends on treasury shares and participation certificates of CHF 8,451,130 which are not paid out, dividends distributed due to options exercised during the period from January 1 to May 4, 2020, in the amount of CHF -1,872,412, and lapsed dividends in the amount of CHF 4,208.

2 Number of registered shares and participation certificates as per December 31, 2020. During the period from January 1 until the record date (May 7, 2021), the share capital and participation capital which is entitled to the distributions may change due to the exercise of options as well as due to changes in treasury shares and participation certificates. Therefore, the aggregate amount of the dividend as well as the aggregate amount of the transfer from the reserves from capital contributions and the distribution made therefrom may still change.

4.2 Distribution from the Reserves from Capital Contributions

Proposal: The Board of Directors proposes to transfer from the reserves from capital contributions to the free reserves and to distribute out of these free reserves an amount of CHF 369 per registered share and CHF 36.90 per participation certificate, respectively (in aggregate presumably CHF 88,547,675¹)

1 Number of registered shares and participation certificates as per December 31, 2020. During the period from January 1 until the record date (May 7, 2021), the share capital and participation capital which is entitled to the distributions may change due to the exercise of options as well as due to changes in treasury shares and participation certificates. Therefore, the aggregate amount of the transfer from the reserves from capital contributions as well as of the distribution made therefrom may still change.

5. Elections

5.1 Election of the Chairman and the Members of the Board of Directions

Proposal: The Board of Directors proposes to re-elect

5.1.1 Mr Ernst Tanner as member and Chairman of the Board of Directors

5.1.2 Mr Antonio Bulgheroni as member of the Board of Directors

5.1.3 Dr Rudolf K. Sprüngli as member of the Board of Directors

5.1.4 Dkfm Elisabeth Gürtler as member of the Board of Directors

5.1.5 Dr Thomas Rinderknecht as member of the Board of Directors

5.1.6 Mr Silvio Denz as member of the Board of Directors

in each case in an individual election and for a term of office lasting until the conclusion of the next Annual General Meeting.

Explanation: Please refer to the Annual Report, Corporate Governance Report – see section “Board of Directors” for more detailed information about the members of the Board of Directors.

🔗 <https://www.lindt-spruengli.com/investors/financial-reporting/publications/>

5.2 Election of the Members of the Compensation & Nomination Committee

Proposal: The Board of Directors proposes to re-elect

5.2.1 Dr Rudolf K. Sprüngli as member of the Compensation & Nomination Committee

5.2.2 Mr Antonio Bulgheroni as member of the Compensation & Nomination Committee

5.2.3 Mr Silvio Denz as member of the Compensation & Nomination Committee

in each case in an individual election and for a term of office lasting until the conclusion of the next Annual General Meeting.

5.3 Election of the Independent Proxy

Proposal: The Board of Directors proposes to re-elect Dr Patrick Schleiffer, Attorney-at-law, Lenz & Staehelin, as the independent proxy for a term of office lasting until the conclusion of the next Annual General Meeting.

5.4 Election of the Statutory Auditors

Proposal: The Board of Directors proposes to re-elect PricewaterhouseCoopers AG, Zurich, as statutory auditors for the financial year 2021.

6. Votes on Compensation

Explanation: Please refer to the Compensation Report 2020 as well as the following explanatory notes on page 13 et seqq. of this Invitation for more detailed information on compensation matters.

🔗 <https://www.lindt-spruengli.com/investors/financial-reporting/publications/>

6.1 Approval of the Maximum Aggregate Compensation Amount for the Board of Directors for the Term of Office 2021/2022

Proposal: The Board of Directors proposes to approve a maximum aggregate compensation amount of CHF 3.2 million for the members of the Board of Directors for the period from the Annual General Meeting 2021 until the Annual General Meeting 2022.

6.2 Approval of the Maximum Aggregate Compensation Amount for the Group Management for the Financial Year 2022

Proposal: The Board of Directors proposes to approve a maximum aggregate compensation amount of CHF 18.0 million for the members of the Group Management for the financial year 2022.

Organizational Matters

Annual Report

The Annual Report 2020, including the consolidated financial statements of Lindt & Sprüngli Group, the statutory financial statements of Chocoladefabriken Lindt & Sprüngli AG, the Compensation Report as well as the respective auditors reports for the financial year 2020, is available for inspection by the shareholders at the domicile of the Company and is available on the Company's webpage. In addition, all shareholders entered in the share register may order a printed copy on the electronic platform or with the enclosed form. The printed copies will be sent as of mid of April 2021.

 <https://www.lindt-spruengli.com/investors/financial-reporting/publications/>

Exercise of Voting Rights and Granting of a Power of Attorney

In accordance with article 13 of the Articles of Association, those shareholders who are entered with voting rights in the share register by April 20, 2021, 11.59 p.m., are entitled to vote at the Annual General Meeting. No registrations in the share register will be made during the period from April 20, 2021, 11.59 p.m., until and including May 4, 2021.

Due to the current situation in connection with the coronavirus, all shareholders may exclusively exercise their rights by issuing a power of attorney and instructions to the independent proxy. There is no possibility to participate in person at the General Meeting of Shareholders. Dr Patrick Schleiffer, Attorney-at-Law, Lenz & Staehelin, Brandschenkestrasse 24, 8027 Zurich, acts as independent proxy.

In case that the independent proxy cannot be present, the Board of Directors will appoint a new independent proxy. The powers of attorney granted and instructions issued to the independent proxy are also valid for such new independent proxy appointed by the Board of Directors.

In order to grant a power of attorney and issue instructions to the independent proxy, the shareholders have the following two alternatives to choose from:

- the online platform ShApp (<https://lindt.shapp.ch>). On this electronic platform you may directly grant a power of attorney and issue instructions to the independent proxy. You can find your personal access information (identification code and password) for this platform on the attached form “Written Power of Attorney”. The granting of a power of attorney and issuance of instructions to the independent proxy by electronic means (as well as changes thereto) will be possible until April 30, 2021, 5.00 p.m., at the latest.
- by mail using the enclosed form “Written Power of Attorney”. The duly completed and legally valid signed form must be returned by April 30, 2021, 5.00 p.m. (time of receipt), at the latest.

Exercise of Voting Rights

Pursuant to Article 12 para. 3 and para. 4 of the Articles of Association, when exercising voting rights no shareholder may accumulate, directly or indirectly through shares held or shares represented, more than 6% of the votes of the existing share capital. Natural persons and legal entities that are related to each other through capital or voting rights or in any other way, or who are acting in concert, are deemed to be one person or one shareholder. The Board of Directors or a committee designated by the Board of Directors is empowered to deviate from these restrictions under special circumstances. The restriction of voting rights does not apply to the exercise of voting rights by the independent proxy (Art. 689c CO) or to shareholders registered in the share register with more than 6%.

Note to Holders of Participation Certificates

Holders of participation certificates will be notified about the convocation of the Annual General Meeting by way of announcement in the Swiss Official Gazette of Commerce. Holders of participation certificates are not entitled to participate in the Annual General Meeting. Minutes on the resolutions adopted at the Annual General Meeting will be available to shareholders as well as the holders of participation certificates for inspection as of May 4, 2021, at the Company’s domicile and will be available online for download.

 <https://www.lindt-spruengli.com/investors/annual-general-meeting/>

Conversion of Participation Certificates into Book-Entry Securities

Chocoladefabriken Lindt & Sprüngli AG has decided in the past year to stop issuing physical dividend vouchers (*coupons*) on bearer participation certificates. Holders who keep their participation certificates as certificates in physical form e.g. at home or at their bank (e.g. in a safe deposit box or in individual custody) (so-called “Heimverwahrer”) were and are asked to deliver their participation certificates (including remaining coupons and talons, if any) to their bank of choice in order to book their participation certificates into their existing securities account, or one to be opened. For participation certificates which are not held as book-entry security, any future dividends on participation certificates will not automatically be serviced through the banking system, but only according to the applicable requirements of Swiss securities law. Holders of participation certificates which are held in physical form should be aware that dividends which are not claimed within five years will definitely be allocated to the Company.

Holders who already keep their participation certificates in a securities account with their deposit bank are not affected by the change and need not act.

For further information and questions, please refer to the Investor Relations website or contact the Investor Relations Department of the Group on phone number +41 44 716 25 37 or via e-mail investors@lindt.com.

🔗 <https://www.lindt-spruengli.com/investors/participation-certificate/>

Translation: This is a courtesy translation of the original German version of the Invitation to the Annual General Meeting. In case of inconsistencies between the German original and the English translation, the German version shall prevail.

Kilchberg, April 7, 2021

The Board of Directors

Annex

- Explanatory Note on the Compensation-related Agenda Items (p. 13 et seq.).
- Gift Box – Information Sheet (p. 22 et seq.).
- Form “Written Power of Attorney”, Return Envelope as a separate attachment.

Explanatory Notes on the Compensation – related Agenda Items

Overview on the Compensation-related Agenda Items

There are three compensation-related agenda items to be voted on at the Annual General Meeting:

- **Agenda Item 2:** Advisory Vote on the Compensation Report 2020;
- **Agenda Item 6.1:** Approval of the Maximum Aggregate Compensation Amount for the Board of Directors for the Term of Office 2021 / 2022;
- **Agenda Item 6.2:** Approval of the Maximum Aggregate Compensation Amount for the Group Management for the Financial Year 2022.

Compensation-related Agenda Items

Since the 2015 General Meeting, the General Meeting approves in separate votes the proposals of the Board of Directors for the maximum aggregate compensation for the members of the Board of Directors until the next Annual General Meeting, and for the maximum aggregate compensation for Group Management for the forthcoming financial year. The Compensation Report for the previous financial year is also submitted to the shareholders for approval by way of an advisory vote.

Accordingly, the following compensation-related agenda items are foreseen for the Annual General Meeting:

Compensation-related Votes



Agenda Item 2

Advisory Vote on the Compensation Report 2020

Based on the recommendations of the “Swiss Code of Best Practice for Corporate Governance”, the Board of Directors submits for the seventh time the Compensation Report to the Annual General Meeting for approval by way of an advisory vote.

The Compensation Report describes the underlying basics, governing principles and elements of the compensation of the senior management of the Lindt & Sprüngli Group and also contains information on the actual compensation paid to the members of the Board of Directors and Group Management. The information provided refers in each case to the financial year ending on December 31, 2020 (where required with comparative figures for the previous financial year). The Compensation Report also incorporates the disclosure obligations set out in Article 14 et seqq. VegüV and Article 663c para. 2 OR, the requirements of Chapter 5 of the Annex to the Corporate Governance Directive of the SIX Exchange Regulations and the recommendations of the “Swiss Code of Best Practice for Corporate Governance” issued by *economiesuisse* in its last published version of February 29, 2016.

The Compensation Report also contains a detailed description of the compensation governance of the Lindt & Sprüngli Group, taking into account the compensation-related duties and competences of the Compensation Committee (Compensation & Nomination Committee [CNC]), the CEO, the Board of Directors, and the General Meeting.

The following table provides an overview on the approval system for the compensation for the Board of Directors, the CEO, and the Group Management:

Approval System for the Compensation of the Board of Directors, the CEO, and the Group Management

	CEO	CNC	BoD	AGM
Maximum aggregate compensation BoD		Proposal to BoD	Proposal to AGM	Decision (prospective)
Individual compensation BoD		Proposal to BoD	Decision	
Maximum aggregate compensation Group Management	Proposal to CNC	Proposal to BoD	Proposal to AGM	Decision (prospective)
Individual compensation CEO		Proposal to BoD	Decision	
Individual compensation other members of the Group Management	Proposal to CNC	Decision		
Advisory vote on Compensation Report		Proposal to BoD	Proposal to AGM	Decision (retrospective)

The Compensation Report is part of the Annual Report. You can find the Compensation Report on page 51 of the Annual Report 2020.

Agenda Item 6.1

Approval of the Maximum Aggregate Compensation Amount for the Board of Directors for the Term of Office 2021/2022

The non-executive members of the Board of Directors receive compensation in the form of a fixed flat-rate fee of CHF 145,000 which is paid out in cash after the Annual General Meeting for the preceding term. The Executive Chairman of the Board of Directors receives a fixed compensation in the form of a salary of CHF 2 million per year, which is paid out in cash on a monthly basis. No member of the Board of Directors is currently entitled to any variable compensation or any allocation of option rights or other equity interests (shares or participation certificates). The principles governing the compensation of the members of the Board of Directors are set out in Article 21 para. 2 of the Articles of Association.

The amount of total compensation is regularly reviewed by way of external benchmarking and involves a comparison of the level and structure of Board of Directors compensation

with twelve industrial companies from the SMI and SMIM that are similar to Lindt & Sprüngli in terms of market capitalization and sales. The last benchmarking for the Board of Directors compensation was undertaken in December 2019.

The following table provides an overview of the total compensation actually paid in the financial years 2019 and 2020 and planned for 2021, respectively. The Board of Directors proposes that the maximum aggregate amount for the compensation of the Board of Directors for the term of office 2021 / 2022 be set at CHF 3.2 million.

Aggregate Compensation of the Board of Directors

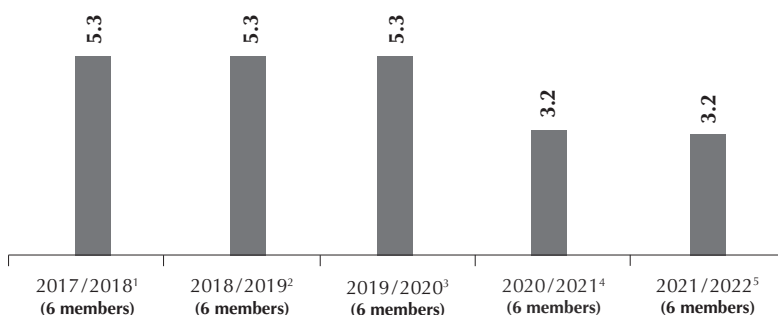
Payment in CHF thousand	Actually paid out		Planned
	2019	2020	2021*
Salary	3,725	2,725	3,000
Other compensation	113	111	200
Total BoD compensation	3,838 (6 members)	2,836 (6 members)	3,200 (6 members)

* Payout after AGM 2021.

The amount actually paid out for the financial year 2021 will be disclosed in the Annual Report 2021.

Approved or, respectively, Proposed Maximum Aggregate Compensation

in CHF million



1 Approved by AGM 2017.

2 Approved by AGM 2018.

3 Approved by AGM 2019.

4 Approved by AGM 2020.

5 To be approved by AGM 2021.

Agenda Item 6.2

Approval of the Maximum Aggregate Compensation Amount for the Group Management for the Financial Year 2022

Compensation plays a central role in recruitment and retention of employees thus compensation influences the Company's future success. Lindt & Sprüngli is committed to performance-based compensation in line with the market standards aligning the long-term interests of shareholders, employees, and customers. Therefore, the compensation system at Lindt & Sprüngli pursues the following five goals:

1. Long-term motivation of employees,
2. long-term retention of key personnel in the Company,
3. appropriateness of the cost of compensation in relation to the results,
4. ensuring that the activities of the management are aligned with the long-term interests of the owners, and
5. attract talent and be an attractive employer.

Lindt & Sprüngli attaches great importance to employee retention, which manifests itself particularly in the exceptionally low turnover rate over many years. This is of great importance for a premium product manufacturer with a long-term strategy. Compensation principles at Lindt & Sprüngli are meant to have a medium and long-term effect and to be sustainable. Continuity is a high priority.

Compensation of the Group Management

The compensation of the members of Group Management consists of a combination of a fixed compensation (1) (base salary and other compensation / ancillary benefits), a short-term performance-based compensation (2) (cash bonus) and a long-term performance-based compensation (3) in the form of options for participation certificates, in each case consistent with their respective position.

Lindt & Sprüngli seeks to ensure that Group Management compensation outcomes are linked to the business performance by delivering a substantial portion of compensation in the form of variable performance-based compensation.

Compensation elements of the Group Management

Fixed compensation (base salary) and other compensation/ancillary benefits

The fixed compensation (1) (base salary) essentially reflects the particular functional level, competencies and experience of each of the members of Group Management. It is paid out on a monthly basis in twelve or thirteen, respectively, equal cash installments.

In addition, members of Group Management receive other compensation and ancillary benefits, including entitlement to a company vehicle and participation in pension plans.

Short-term performance-based compensation (cash bonus)

The realization of short-term performance-based compensation (2) is tied to the achievement of clearly defined targets, on the one hand corporate financial targets, and on the other hand individual, qualitative targets for the respective financial year. The amount of the individual short-term performance-based compensation is determined by multiplying the individual target cash bonus with a target achievement degree. The payout in cash occurs in spring of the following year once the achievement of targets has been determined. An individual target cash bonus is defined as a percentage of base salary. For the CEO it is set at 100% of base salary and for other members of Group Management this varies between 30% and 90% of base salary. In 2020, the total of the aggregate cash bonus awarded to the members of Group Management amounted to CHF 1,287 million.

The target achievement degree is determined based on a scorecard and ranges from 0% to 200% (maximum degree of target achievement). In other words, the maximum cash bonus paid out is limited to twice the target cash bonus and cannot exceed 200% of base salary for the CEO and 60% to 180% by members of Group Management, respectively.

For the CEO and the members of Group Management, the target achievement degree largely depends on the achievement of corporate financial targets for the financial year (65%) and, to a smaller extent, on the achievement of annual personal qualitative targets (35%), which are set by the CNC at its discretion. The financial targets are determined annually and correlate with the long-term strategy, which strives for achieving sustainable organic sales growth accompanied by continuous improvement in profitability.

For those members of Group Management who have responsibility on regional or country level, respectively, financial targets on regional or country level, respectively, are also taken into account, along with Group targets. Non-financial targets depend on the individual function and refer to the implementation of the strategy and to defined leadership and conduct criteria, including promotion of Environment Social Governance (ESG) and Diversity & Inclusion (D&I) efforts.

The global restrictions and regulations to contain the coronavirus pandemic have significantly impacted important areas of Lindt & Sprüngli's business. And although under the given circumstances the Company achieved a solid overall result in the financial year 2020, most of the corporate financial targets set for the year under the short-term performance-based compensation program could not be achieved. In view of his overall responsibility for the achievement of the corporate financial targets, therefore, the CEO has decided to forgo any cash bonus for the reporting year. For the other members of the Group Management, the effective individual cash bonuses in 2020 are significantly lower than in the previous year, taking into account the quantitative (65%) and qualitative (35%) target achievement levels, and correspond to approximately 50% of the previous year's payout or an average of 36% of base salary (77% in 2019).

Long-term performance-based compensation (option plan)

The long-term performance-based compensation (3) consists of an option plan awarded to Group Management and selected key employees with expert knowledge at the annual discretion of the Board of Directors, with respect to the CEO, or, respectively, the CNC, with respect to the other members of Group Management. It strengthens the shareholder orientation and aligns the interests of Group Management with those of the Company's shareholders in the long term by awarding the long-term increase of the value of the Company. Grant levels are determined by the CNC or, respectively, the Board of Directors (upon proposal by the CNC), based on multiple factors including the employee's position and influence on the long-term success of the Company, yet not depending on the Company's previous year's performance. The individual grant levels are based on a number of options on participation certificates valued by using the binomial model for the determination of option prices. The resulting CHF amount is however capped and may not exceed 200% of the base salary for each member in any year. In 2020, the total of the option grants awarded to the members of Group Management (other than the CEO), amounted to CHF 3,568,000. The option grant awarded to the Group CEO amounted to CHF 1,223,000. Each option carries the right to subscribe to one participation certificate (subscription ratio 1:1). The option exercise price corresponds to the average amount of the closing price of the participation certificates of Chocoladefabriken Lindt & Sprüngli AG on the five trading days on the SIX Swiss Exchange prior to grant.

Option rights have an exercise period of up to seven years from grant and have vesting periods for the exercise of three (35%), four (35%), or five (30%) years.

The compensation of the members of Group Management for the years 2020 and 2019 is shown in the following tables. The valuation of the option-based compensation for 2020 and 2019 is based on the respective market values at the time of grant.

Aggregate Compensation of the Group Management

CHF thousand	Fixed gross compensation ¹	Variable cash compensation ²	Options ³	2020 market value
				Total compensation
Dr Dieter Weiskopf, CEO	1,265	0	1,223	2,488
Other members of Group Management ⁴	3,845	1,287	3,568	8,700
Total	5,110	1,287	4,791	11,188

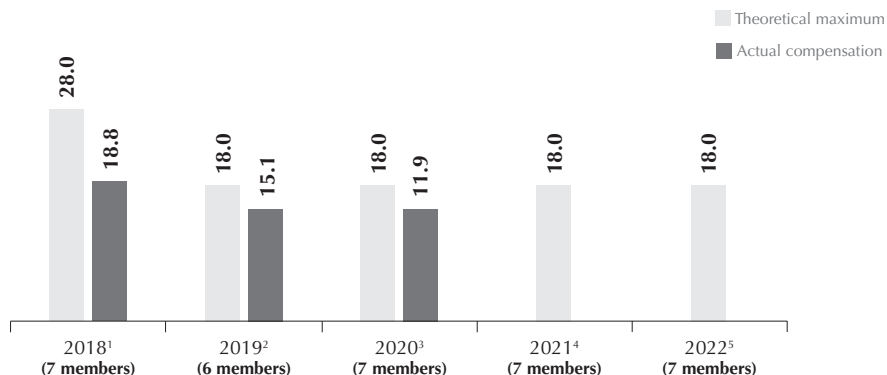
CHF thousand	Fixed gross compensation ¹	Variable cash compensation ²	Options ³	2019 market value
				Total compensation
Dr Dieter Weiskopf, CEO	1,271	1,000	1,222	3,493
Other members of Group Management ⁵	3,279	2,325	2,810	8,414
Total	4,550	3,325	4,032	11,907

- 1 Total of paid-out gross compensation, including pension fund and social insurance contributions paid by the employer, that establish or increase employee benefits.
- 2 Expected pay-out (accrual basis) in April of the following year according to the proposal of the CNC to the BoD (excluding social charges paid by employer). D. Weiskopf forgoes his cash bonus for the year 2020.
- 3 Option grants on Lindt & Sprüngli participation certificates under the terms and conditions of the Lindt & Sprüngli employee share option plan. The valuation reflects the market value at the times of grant. The total number of granted options in 2020 to D. Weiskopf was 1,800 options (2,000 options in 2019) and in total to all other members of the Group Management 5,250 options (4,600 options in 2019).
- 4 There have been six other Group Management members as of December 31, 2020. J. Picenoni has been appointed to Group Management as per January 1, 2020.
- 5 There have been five other Group Management members as of December 31, 2019.

The following chart shows the maximum theoretical target compensation and actual total compensation of the Group Management in a year-by-year comparison. The calculation of the maximum total compensation is based on the fixed gross compensation and the assumption that all corporate and individual targets are achieved at a maximum level. For the financial year 2022, the Board of Directors proposes a maximum aggregate compensation amount of CHF 18.0 million:

Aggregate Compensation of the Group Management

in CHF million



1 Approved by AGM 2017. Andreas Pfluger retired from Group Management as of December 31, 2018.

2 Approved by AGM 2018.

3 Approved by AGM 2019. Jennifer Picenoni was elected to Group Management as per January 1, 2020.

4 Approved by AGM 2020.

5 To be approved by AGM 2021.

The differences between the respective proposed amounts and the actual total compensation can be explained as follows:

1. The amount of CHF 18.0 million for 2022 as proposed to the Annual General Meeting reflects the theoretical maximum aggregate compensation that covers several possible scenarios.
2. All performance-based compensation elements directly depend on the achievement of financial and qualitative targets of the members of the Group Management.
3. The long-term performance-based compensation elements depend on the then current market price for options in 2022.

For 2022, the Board of Directors proposes a maximum aggregate compensation amount of CHF 18.0 million for all seven members of the Group Management. In this scenario, an average cash bonus as well as corresponding options would be granted. The proposed amount of CHF 18.0 million is intended to ensure that, depending on the performance achieved for the Company, sufficient funds are available for the allocation of the long-term compensation.

Gift Box – Information Sheet

This year, we would like to cordially thank again all shareholders who exercise their voting rights by providing them with a chocolate package.

1. NO Pick-up at the Annual General Meeting

This year, neither the Gift Box vouchers nor the Gift Boxes will be distributed at the Annual General Meeting. Please see the following chapter concerning the shipment of the Gift Box.

2. Shipment of Gift Box if Proxy is Granted in Time

If you exercise your voting rights (either via the online platform ShApp [Shareholder Application] or via mail) by granting a power of attorney to the independent proxy, please note the following:

- If a power of attorney is granted **in time** via the **online platform ShApp** (by no later than **April 30, 2021, 5.00 p.m.**) the chocolate package will automatically be sent by mail to your address. After this date, granting a power of attorney electronically will no longer be possible and, **therefore, also no shipment of the Gift Box.**
- If a power of attorney is granted **in time by mail** (using the form “Written Power of Attorney” by no later than **April 30, 2020, 5.00 p.m. [time of receipt]**), the chocolate package will automatically be sent by mail to your address. Forms received after this date can no longer be considered due to logistical reasons, **which also means that shipment of the Gift Box is not possible.**
- The Gift Boxes will be **dispatched as of May 10, 2021.** Unfortunately, other dates for shipment cannot be offered. Any chocolate packages that are **returned will not be shipped again.** In case of your absence, please arrange for the delivery of your Gift Box.

- There will be **no shipment by mail outside of Switzerland**. Shareholders domiciled abroad have the opportunity to provide us with a delivery address in Switzerland, either electronically via the online platform ShApp or at the bottom of the front side of the form “Written Power of Attorney”.
- Any **complaints** must be made to and received by the share register **by no later than June 11, 2021**: Chocoladefabriken Lindt & Sprüngli AG, Share Register, c/o Nimbus AG, Ziegelbrückstrasse 82, 8866 Ziegelbrücke, Switzerland, phone +41 55 617 37 56, fax +41 55 617 37 38, e-mail: lindt@nimbus.ch. Complaints received after this date cannot be considered due to organizational reasons.



LINDT & SPRÜNGLI

CHOCOLAFABRIKEN
LINDT & SPRÜNGLI AG
Seestrasse 204 | 8802 Kilchberg
Switzerland

www.lindt-spruengli.com