



CORPORATE GOVERNANCE 2021





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# Corporate Governance

The report describes the management structure, organization and control within the u-blox group at December 31, 2021. The report in conjunction with the Compensation Report fulfills the main requirements of the “Directive on Information relating to Corporate Governance” of the SIX Swiss Exchange.

## 1 Group structure

### u-blox group

The registered domicile of u-blox Holding AG and u-blox AG is: Zuercherstrasse 68, 8800 Thalwil, Switzerland. u-blox AG was founded in 1997. u-blox Holding AG, the only shareholder of u-blox AG, was incorporated in September 2007 and listed on the SIX Swiss Exchange on October 26, 2007 (Valor No. 3336167, ISIN CH0033361673, ticker symbol: UBXN). Hereinafter, u-blox Holding AG is referred to as u-blox.



The market capitalization at December 31, 2021 was CHF 501.2 million based on the outstanding ordinary share capital (7'114'839 shares).

Business operations are conducted through u-blox group companies. u-blox Holding AG directly or indirectly owns all companies belonging to the u-blox group. The shares of these companies are not publicly traded. u-blox subsidiaries are listed in note 2 to the consolidated financial statements. The operational group structure is organized according to different areas of responsibilities of each member of the Executive Committee. These responsibilities apply across the entire group and on a global basis.

## 2 Shareholders of u-blox

### Significant shareholders

As of December 31, 2021, u-blox had 5'677 registered shareholders and none has a controlling interest. According to the disclosures of shareholders, the largest shareholders (> 3%) were:

BlackRock Inc.	3.02%
Atlantic Value General Partner Limited, London, UK	4.73%

The shareholders reduced or increased their shareholding progressively.

For further details see “<https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/>”.

### Cross shareholdings

u-blox has no cross shareholdings in any company.

### **3 Capital structure**

#### **Share capital of u-blox**

##### **Ordinary share capital**

On December 31, 2021 the outstanding ordinary share capital of u-blox was CHF 105'299'617.20 fully paid in and divided into 7'114'839 shares of CHF 14.80 nominal value each. There are no preferential voting shares. All shares have equal voting rights. No participation certificates, nonvoting equity securities (Genussscheine), depositary receipts or profit-sharing certificates have been issued.

##### **Conditional share capital**

According to article 3a of the articles of association, the share capital of u-blox may be increased by a maximum amount of CHF 5'263'546 by the issuance of no more than 355'645 registered shares that are to be fully paid-in and have a nominal value of CHF 14.80 each; this increase being the result of the exercise of option rights granted to the employees of the Company and its subsidiaries in accordance with one or more equity investment plans. The Board of Directors will determine the issue price for the new shares as well as the equity investment plan. Subscription and pre-emptive rights of shareholders are excluded for this conditional capital increase.

The conditional share capital of CHF 5'263'546 corresponds to 4,99 % of the outstanding ordinary share capital.

##### **Authorized share capital**

According to article 3b of the articles of association, the Board of Directors is authorized to increase the share capital at any time but no later than by April 30, 2023, by way of issuance of no more than 700'000 registered shares that are to be fully paid in with a nominal value of CHF 14.80 each, by a maximum nominal amount of CHF 10'360'000. An increase in partial amounts is permitted. The Board of Directors will determine the amount of issue, date of dividend entitlement and kind of contributions.

The Board of Directors is entitled to exclude the subscription right of shareholders and allocate such right to third parties in cases where such new shares are to be used for the takeover of companies by way of exchange of shares, or for financing the acquisition of companies, or divisions thereof, or equity interests, or new investment projects of the Company. Shares for which subscription rights were granted but are not exercised will be allocated by the Board of Directors.

The authorized share capital of CHF 10'360'000 corresponds to 9.8% of the outstanding ordinary share capital. The Board of Directors has not increased the share capital on the basis of article 3b of the articles of association in 2021.

##### **Changes in share capital**

On 1 January 2021, the outstanding ordinary share capital amounted to 7'114'839 registered shares. No options were exercised in 2021. Accordingly, the conditional share capital remained at 355'645 registered shares. Refer to section "consolidated statement of financial position" of this report for more information on changes in share capital over the last three years.

### Bonus certificates, options and convertibles

u-blox has not issued bonus certificates, convertible or exchangeable bonds, warrants or other securities granting rights to u-blox shares, except options under the employee stock option plan. The total number of outstanding options issued to employees (including Executive Commit-tee) at December 31, 2021 was 1'007'685 (14.2% of the outstanding ordinary share capital).

Grant	Vesting date	Expiry date	Exercise price in CHF	Options outstanding at Dec. 31, 2021
2016	January 1, 2019	January 1, 2022	210.28	108'077
2016	January 1, 2019	January 1, 2022	214.50*	23'985
2017	January 1, 2020	January 1, 2023	187.09	128'162
2017	January 1, 2020	January 1, 2023	191.20*	20'941
2018	January 1, 2021	January 1, 2024	191.55	122'954
2018	January 1, 2021	January 1, 2024	191.80*	23'318
2019	January 1, 2022	January 1, 2025	78.95	146'074
2019	January 1, 2022	January 1, 2025	78.95*	23'261
2020	January 1, 2023	January 1, 2026	91.87	162'295
2020	January 1, 2023	January 1, 2026	97.80*	28'256
2021	January 1, 2024	January 1, 2027	58.85	184'729
2021	January 1, 2024	January 1, 2027	58.85**	35'633
<b>Total</b>				<b>1'007'685</b>

\* Options granted to employees of u-blox America Inc., u-blox San Diego Inc., u-blox Espoo Oy, u-blox Cambridge Ltd., Leuven branch and CSOP options.

One option grants the right to purchase one share.

## 4 Shareholder rights

Each registered share entitles the holder to one vote at general meetings. Shareholders representing at least 10% of the share capital may request that an extraordinary general meeting of shareholders be convened. Shareholders representing shares with an aggregate nominal value of at least CHF 1'000'000 may request that an item be included in the agenda of a general meeting.

Such requests must be made in writing at least 45 days before the date of the general meeting, specify the item and contain the proposal on which the shareholder requests a vote. Shareholders have the right to receive dividends, appoint a proxy and other rights as are granted under the Swiss Code of Obligations.

### **Registration as shareholder**

No restrictions apply to the registration as shareholder. Persons, who acquired registered shares, will, upon application, be entered in the register of shares as shareholders with voting power, provided they expressly declare to have acquired the shares in their own name and for their own account. Only shareholders registered in the u-blox share register may exercise their voting rights.

Shareholders recorded in the share register as voting shareholders, usually 7-12 days before the date of the general meeting, are admitted to the meeting and entitled to vote. The deadline for registration is defined by the Board of Directors and published in the invitation to the general meeting and on the company's website under Investor Relations ([www.u-blox.com](http://www.u-blox.com)).

### **No restriction on transfer of shares**

No restrictions apply to the transfer of shares.

## 5 Board of Directors

### Composition of the Board of Directors at December 31, 2021:

Name	Member since	Age	Position	Position Committee
André Müller	2015	69	Chairman	
Gina Domanig	2016	58	Member/Deputy	Chairman NCC
Ulrich Looser	2018	64	Member	Chairman AC
Annette Rinck	2019	56	Member	Member AC
Markus Borchert	2019	56	Member	Member NCC
Thomas Seiler	2007	66	Member	
Jean-Pierre Wyss	2007	53	Member	

AC: Audit Committee    NCC: Nomination and Compensation Committee

#### Limitations on the number of mandates outside of u-blox Group

The total cumulative number of mandates outside of the u-blox group is limited for members of the Board of Directors as defined in article 24a of the articles of association available on u-blox's website under Company/ Corporate Governance / Articles of Association.

#### Election and term of office

The members of the Board are elected annually at the ordinary general assembly and for a one-year term as defined in article 16 of the articles of association available on u-blox's website under Company / Corporate Governance / Articles of Association.



André Müller, Swiss and Italian



## **André Müller**

### **Function at u-blox**

André Müller acts as chairman of the Board of Directors of u-blox Holding AG and u-blox AG since 2018. He is a Non-Executive Director.

### **Professional background**

André Müller holds a master degree in mechanical engineering from the Swiss Federal Institute of Technology Zurich (ETH). André Müller was active as CEO of Cicorel SA (Switzerland) and member of the CICOR group management from 2006 to 2009. From 1998 to 2007 he was CEO and as of 1999 chairman of the board of HCT Shaping Systems SA (Switzerland). From 1993 to 1996 he was vice-president and from 1996 to 1998 general manager of ESEC SA (Switzerland). Prior to that, he held different positions in research and development divisions in the aerospace industry.

### **Other positions or consultancy agreements**

Mr. André Müller is member of the board of H2 Energy Holding AG (Switzerland), DW Holding AG (Switzerland), Dispenser Holding AG (Switzerland) and Bangerter Microtechnik AG (Switzerland).

Gina Domanig, Swiss and French



## **Gina Domanig**

### **Function at u-blox**

Gina Domanig has served as a member of the Board of Directors of u-blox Holding AG and u-blox AG since her appointment in 2016. She chairs the nomination and compensation committee of u-blox Holding AG.

She is a Non-Executive Director.

### **Professional background**

Mrs. Domanig holds a bachelor's degree in Finance and Economics (Arizona State University) and two MBA degrees (Thunderbird School of Management, USA and ESADE, Spain). From 1991 to 1999, she held various positions at Sulzer AG prior to becoming senior vice president, head of strategic planning and acquisitions. She held different positions in the finance industry from 1988 to 1991.

### **Other positions or consultancy agreements**

Mrs. Domanig is managing partner at Emerald Technology Ventures AG since 2000. Mrs. Domanig is a board member of Die Mobiliar Genossenschaft (Switzerland), GeoDigitalInternational Inc (Canada), Urgent.ly Inc (USA) and Emerald Technology Ventures AG (Switzerland).

Ulrich Looser, Swiss



## Ulrich Looser

### Function at u-blox

Ulrich Looser was elected member of the Board of Directors of u-blox Holding AG and u-blox AG since 2018. He chairs the audit committee. He is a Non-Executive Director.

### Professional background

Mr. Looser holds a master's degree (dipl.) in physics from ETH Zurich and a master's degree (lic.oec.) in Finance and Accounting from the University of St. Gallen. Mr. Looser has vast experience in private equity investments and consultancy. Prior to founding Berg Looser Rauber & Partners in 2009, he was managing director at Accenture from 2001-2009, after a career at McKinsey & Company (1987-2001), with extensive work in the area of finance and accounting. He was member of the audit committee at Straumann (2010-2020).

### Other positions or consultancy agreements

Mr. Looser is managing partner at BLR partners. He is a board member of the following listed Swiss companies: Kardex (vice chairman, member audit committee), LEM (vice chairman, member audit committee). He is a member of the finance committee at the private hospital Universitätsklinik Balgrist. He is a board member of the following non-listed Swiss companies: Bachofen Holding (chairman), Fostag AG, Balgrist Beteiligung AG.

Annette Rinck, Swiss and German



## **Annette Rinck**

### **Function at u-blox**

Dr. Annette Rinck was elected member of the Board of Directors of u-blox Holding AG and u-blox AG in 2019. She is a member of the audit committee. She is a Non-Executive Director.

### **Professional background**

Mrs. Rinck holds a PhD in Applied Economics and Communications Science from the University of Leipzig, a master's degree in Communications Science from the Ludwig Maximilian's University in Munich, Germany, and a diploma in medical technical science. Since 2014, she has held various positions at Honeywell, most recently in Process Solutions / Smart Energy and Automotive units. From 2011 to 2014, Mrs. Rinck was EMEA vice president strategic marketing & key account management at Eaton Electrical Industries, and general manager for the German subsidiary. From 1995 to 2011, she held management positions in sales, marketing and strategic planning at Caterpillar, DHL and BMW Group.

### **Other positions or consultancy agreements**

Mrs. Rinck is President & CEO of Leica Microsystems (Global and Leica Microsystems Switzerland AG). She is a member of the supervisory board of one listed company (Aalberts N.V.).

Markus Borchert, German



## Markus Borchert

### Function at u-blox

Markus Borchert was elected member of the Board of Directors of u-blox Holding AG and u-blox AG in 2019. He is a member of the nomination and compensation committee. He is a Non-Executive Director.

### Professional background

Mr. Borchert holds a master's degree in Electrical Engineering from the Technical University of Munich and an MBA from the Massachusetts Institute of Technology.

From 2015 to 2018, Mr. Borchert was leading the European operations of Nokia. Earlier leadership positions with Nokia and Siemens include roles in global sales, strategy, marketing, portfolio management, business unit management and R&D.

### Other positions or consultancy agreements

Mr. Borchert acts as president of Nokia Greater China and CEO of Nokia Shanghai Bell. Mr. Borchert serves as chairman of TD Tech Ltd and is a member of the advisory board of RFS Radio Frequency Systems.

Thomas Seiler, Swiss



## Thomas Seiler

### Function at u-blox

Thomas Seiler has served as a member of the Board of Directors and as CEO since the incorporation of u-blox Holding AG in 2007. He serves as CEO of u-blox AG since 2002 and Head of Marketing and Sales from 2002 to 2019. In 2006 he was appointed member of the Board of Directors of u-blox AG.

### Professional background

Thomas Seiler holds a master's degree in mechanical engineering from the Swiss Federal Institute of Technology Zurich (ETH) and an MBA degree from INSEAD, France. In 1987 he was appointed member of the executive committee of Melcher Holding AG, Switzerland and CEO from 1991 to 1998. Thereafter, he served as CEO of Kistler Holding AG, Switzerland from 1999 to 2001.

### Other positions or consultancy agreements

None.

Jean-Pierre Wyss, Swiss



## Jean-Pierre Wyss

### **Function at u-blox**

Since the incorporation of u-blox Holding AG in 2007 Jean-Pierre Wyss has served as a member of the Board of Directors and, until 2011, as CFO. Since 1997, he has served as a member of the Board of Directors, CFO (until 2011) and Executive Director Production and Quality of u-blox AG.

### **Professional background**

Mr. Wyss holds a master's degree in electrical engineering from the Swiss Federal Institute of Technology Zurich (ETH) and a Finance for Executives diploma from INSEAD in Singapore. From 1995 to 1997 he was a research assistant and project manager at ETH. In 1997, he co-founded u-blox AG.

### **Other positions or consultancy agreements**

Mr. Wyss is a member of the board of Ardo Medical AG, Switzerland.

## 6 Internal organization of the Board of Directors

Decisions are made by the Board of Directors as a whole, with the support of the Nomination and Compensation Committee and the Audit Committee.

The primary functions of the Board of Directors include:

- Providing the strategic direction of the group.
- Determining the organizational structure and governance rules of the group.
- Approving acquisitions.
- Reviewing and approving the annual financial statements and results.
- Preparing matters to be presented at General Meetings.
- Reviewing the Risk Management System.
- Appointment and removal of, as well as the structure of remuneration / compensation payable to members of the Executive Committee and of the Board of Directors.

Further detail is provided under the Rules of Procedure available under the Investors / Corporate Governance / Rules of Procedure section of the company website.

### **Attendance**

The Board of Directors convened 12 times in 2021. The duration of each meeting was typically between 1 and 4 hours. No external consultants advised the Board of Directors. At each meeting, the members of the executive committee and the general counsel participated.

Each Board of Directors member attended the meetings, with the exception of one meeting, where one member could not attend.

### **Role and functioning of the Board Committees**

Each Committee member and its chairperson are elected by the Board with the exception of the members of the Nomination and Compensation Committee, which are elected by the General Meeting. For further detail see the Rules of Procedure available under the Company/ Corporate Governance / Rules of Procedure section of the company website.

### **Audit Committee**

The Audit Committee is composed of Ulrich Looser (chair) and Annette Rinck. The Audit Committee's main duties include the assessment of:

- The completeness, integrity and transparency of financial statements, their compliance with applicable accounting principles and proper reporting to the public.
- The functionality and effectiveness of external and internal control systems including risk management and compliance.
- The quality of audit services rendered by the external and internal auditors.
- Direct the implementation of cyber security measures, audits continual hardening

The Audit Committee has no authority to take decisions.

### **Attendance**

The Committee convened six (6) times. The duration of each meeting was typically between 1 and 2 hours. No external consultants advised the Audit Committee.

At each meeting the members of the Audit Committee, the auditors, the CFO, the chairman of the Board, the CFO and the CEO participated (except at one meeting, where the CEO and the chairman of the Board did not participate).

The Executive Director Production and Quality and the General Counsel participated at one meeting.



### **Nomination and Compensation Committee**

The Nomination and Compensation Committee is currently composed of Gina Domanig (chair) and Markus Borchert. The Committee supports the Board of Directors in the performance of its duties as follows:

- It prepares the personnel-related decisions to be adopted by the Board of Directors, such as personnel planning, compensation policy, appointment and removal of members of the Board of Directors;
- It structures the remuneration and compensation payable to members of the Board of Directors and of the Executive Committee;
- It drafts the compensation policy, the shareholding requirement policy and LTI stock options program;
- It proposes the allotment of options within the scope of the LTI stock options program.
- It ensures compliance with the policies.

The Nomination and Compensation Committee has no authority to take decisions.

### **Environmental Social Governance (ESG)**

At the board level, the NCC is responsible for ESG. The NCC is independent in the advice it provides to the Board. The Board decides which recommendations of the NCC to adopt.

The ESG policy is available under:

<https://www.u-blox.com/en/its-exponential-our-sustainability-potential>.

In order to ensure that ESG targets are met, the NCC proposed to include an ESG based compensation in the compensation policy, which was adopted by the Board. For further information on the targets, the evaluation process and the impact on total compensation, see the compensation policy section of this report.

### **Attendance**

The Committee convened twelve (12) times. The duration of each meeting was typically between 30 minutes and one hour. At each meeting the members of the Committee, the chairman of the Board and the CEO participated.

### **Delegation**

The Board delegates the executive management of the company to the members of the Executive Committee, as further defined in the Rules of Procedure available under the Company / Corporate Governance / Rules of Procedure section of the company website.

## 7 Information and control systems of the Board towards management

### Information

The Board ensures that it receives sufficient information from the Executive Committee to perform its supervisory duty. The Board obtains the information required to perform its duties as follows:

- The CEO and the Executive Director Production and Quality are members of the Board of u-blox. All Board members are also members of the Board of u-blox AG. All Executive Committee members participate in the Board meetings and each member presents a status report at each meeting.
- A monthly status report is prepared by the CEO and submitted to the Board.
- The CFO and CEO participate in each Audit Committee meeting. The minutes of meetings are made available to all Board Members.
- The Chairman of the Board meets the CEO approximately every month to discuss the strategy or prepare Board meetings.

### Risk management

A risk assessment plan for the group is prepared by the Executive Committee and presented to the Board on an ongoing basis. The risk assessment plan identifies the type of risks, the likelihood of the occurrence of the risk, as well as the damage that may be caused if the risk materializes.

At each Board meeting risks and a risk mitigation plan is presented by the Executive Committee. The plan enables the Board to evaluate the appropriateness of the risk management and to monitor the progress achieved in controlling or mitigating the risks.

The Executive Committee is responsible for the execution and implementation of the plan, as well as ensuring that u-blox has the right processes in place to support the early mitigation and avoidance of risks.

### Corporate Security Management

The Corporate Security Management (CSM) is part of the u-blox quality organization.

CSM tasks are to ensure the protection of the company against unauthorized access to the company's operations, data and information systems. The head of CSM reports to the Executive Committee on a quarterly basis on security issues. The Executive Director Quality and Production is responsible for Corporate Security Management. He is a member of the Board of Directors. The Board is informed on the status of the actions taken by the Corporate Security Management team at least once a year during the risk management review. The company's operating, data and IT systems are subject to third-party security audits and security testing. u-blox is in the process of rolling out an ISO27001 certified Information Security Management System (ISMS) and conducts regular information security awareness training for all staff, with further in-depth training for specific roles.



## 8 Management of the group

The members of the Executive Committee are:

<b>Position</b>	<b>Name</b>	<b>Age</b>
CEO	Thomas Seiler	66
CFO	Roland Jud	55
ED Production and Quality	Jean-Pierre Wyss	53
ED Sales and Marketing	Markus Schäfer	52
ED Product Centers	Andreas Thiel	55

The Board has delegated to the Executive Committee the coordination of the group's day-to-day business operations. The Executive Committee is headed by the Chief Executive Officer.

The primary functions of the Executive Committee include:

- Conduct of the day-to-day-business and development of new business.
- Implementation and enforcement of resolutions adopted and instructions given by the Board.
- Management and supervision of staff.

### **Management contracts**

u-blox does not have management contracts with third parties. The Executive Committee members are employed by u-blox AG.

### **Limitations on the number of mandates outside of u-blox Group**

The total cumulative number of mandates outside of the u-blox group is limited for members of the Executive Committee as defined in article 24b of the articles of association available on u-blox's website under Company / Corporate Governance / Articles of Association.

## Executive Committee

Thomas Seiler, Swiss



### Thomas Seiler

#### Function at u-blox

Thomas Seiler has served as a member of the Board of Directors and as CEO since the incorporation of u-blox Holding AG in 2007. He serves as CEO of u-blox AG since 2002 and Head of Marketing and Sales from 2002 to 2019. In 2006 he was appointed member of the Board of Directors of u-blox AG.

#### Professional background

Thomas Seiler holds a master's degree in mechanical engineering from the Swiss Federal Institute of Technology Zurich (ETH) and an MBA degree from INSEAD, France. In 1987 he was appointed member of the executive committee of Melcher Holding AG, Switzerland and CEO from 1991 to 1998. Thereafter, he served as CEO of Kistler Holding AG, Switzerland from 1999 to 2001.

#### Other positions or consultancy agreements

None.

Jean-Pierre Wyss, Swiss



## Jean-Pierre Wyss

### **Function at u-blox**

Since the incorporation of u-blox Holding AG in 2007 Jean-Pierre Wyss has served as a member of the Board of Directors and, until 2011, as CFO. Since 1997, he has served as a member of the Board of Directors, CFO (until 2011) and Executive Director Production and Quality of u-blox AG.

### **Professional background**

He holds a master's degree in electrical engineering from the Swiss Federal Institute of Technology Zurich (ETH) and a Finance for Executives diploma from INSEAD in Singapore. From 1995 to 1997 he was a research assistant and project manager at ETH. In 1997, he co-founded u-blox AG.

### **Other positions or consultancy agreements**

Jean-Pierre Wyss is a member of the board of Ardo Medical AG, Switzerland.

Andreas Thiel, German and Swiss



## Andreas Thiel

### Function at u-blox

Andreas Thiel has served as Executive Vice President (R&D Hardware) of u-blox Holding AG from 2007 to 2012 and as Executive Vice President R&D Hardware of u-blox AG from 1997 to 2012. He acted as Executive Director Cellular Product Development and IC Design Services from 2012 to 2019. He heads the Product Centers since 2019.

### Professional background

He holds a degree in electrical engineering from Aachen University (RWTH) in Germany. From 1994 to 1997 he was a research assistant and project manager at the Swiss Federal Institute of Technology Zurich (ETH). In 1997, he co-founded u-blox AG.

### Other positions or consultancy agreements

None.

Markus Schäfer, German



## **Markus Schäfer**

### **Function at u-blox**

Markus Schäfer serves as Executive Vice President Sales and Marketing since 2019.

### **Professional background**

He holds a degree in electrical engineering from Aachen University (RWTH) in Germany and an MBA from Tiffin University, USA.

From 1995 to 2008 he held various marketing and sales positions at Infineon Technologies in Germany and USA.

He was senior sales director and global head of sales for RF and power management products at NXP from 2009 to 2014.

From 2014 to 2019 he was head of sales EMEA and India for Macom Technologies in Germany.

### **Other positions or consultancy agreements**

None.



Roland Jud, Swiss



## **Roland Jud**

### **Function at u-blox**

Roland Jud has been appointed CFO of both u-blox Holding AG and u-blox AG in 2011.

### **Professional background**

He holds a master degree in economics from the University of St. Gallen (HSG), a diploma as Swiss Certified Auditor (CPA) and a diploma as Certified IFRS/ IAS Accountant. From 1992 until 1999 he was auditor and consultant at KPMG. He served as group controller and deputy CFO at Gurit-Heberlein Holding AG, Switzerland from 1999 to 2008. Thereafter, he was head of accounting, reporting and ICS at Ascom Holding AG, Switzerland until 2010. From 2010 until 2011 he held the position of CFO and member of the executive committee at Nexgen AG, Switzerland.

### **Other positions or consultancy agreements**

Roland Jud is a member of the advisory board of c-crowd AG, Zürich.

## 9 Shareholdings

### Ownership of u-blox shares

The total number of u-blox shares owned by members of the Executive Committee and the Board of Directors at December 31, 2021 (including holdings of “persons closely linked”\*) is shown in the tables below.

#### Non-executive members of the Board

	Number of shares
André Müller	2'000
Ulrich Looser	2'330
Gina Domanig	1000
Annette Rinck	1'552
Markus Borchert	1320

#### Executive Committee

	Number of shares
Thomas Seiler	138'854
Andreas Thiel	40'510
Jean-Pierre Wyss	11'087
Roland Jud	4'363
Markus Schäfer	0

\* “Persons closely linked” are (i) their spouse, (ii) their children below age 18, (iii) any legal entities that they own or otherwise control, or (iv) any legal or natural person who is acting as their fiduciary.”

### Ownership of u-blox options

Board member do not own options. The total number of u-blox options owned by members of the Executive Committee at December 31, 2021 is shown in the table below.

Executive Committee	Number of vested Options*	Number of non vested Options**
Thomas Seiler	20'173	15'215
Andreas Thiel	20'173	15'215
Jean-Pierre Wyss	20'173	15'215
Roland Jud	19'670	14'835
Markus Schäfer	0	7'440

\* Stock option grants in 2016, 2017, 2018

\*\* Stock option grants in 2021, 2020, 2019

The exercise price is the lower amount of a) the volume-weighted average share price on the SIX Swiss Exchange during the 30 trading days preceding the grant date and b) the closing share price at the SIX Swiss Exchange on the last trading day before the grant date.

The exercise price, vesting period, duration and subscription ratio of each plan are mentioned in section 3 of the Corporate Governance Report (Capital structure).

## 10 Auditors

### **Duration of the mandate and term of office of the lead auditor**

In 2021, KPMG AG, Lucerne was re-appointed as Statutory Auditor of u-blox. KPMG Lucerne has been appointed each year since incorporation of u-blox in 2007. Mr. Silvan Jurt, Partner, has been acting as the lead auditor since 2019. As provided under the Swiss Code of Obligations, the lead auditor will be rotated every seven years.

### **Auditing fees**

Total auditing fees charged by KPMG for mandatory audits of u-blox for the financial year 2021 amount to CHF 540'000 (excl. VAT).

### **Additional fees**

Additional fees charged by KPMG during the financial year 2021 amounted to CHF 135'000 (excl. VAT) for tax advice and consulting.

### **Supervisory and control instruments**

The External Auditor presents to the Audit Committee an overview of issues found during the audit of the annual financial statement, the half year financial statement, as well as the internal control system. The External Auditors were present at all Audit Committee meetings in 2021.

The Board of Directors monitors the work and audit results of the External Auditors through the Audit Committee. The Audit Committee reviews annually the selection of auditors as well as the level of the external audit fees. In its review, the Audit Committee takes into account the External Auditor's quality of service, the expenses compared to other auditing companies and the fees for non-audit related services.

## 11 Information policy

In addition to the annual report, u-blox publishes an interim financial report. u-blox provides stock-price-sensitive information in accordance with the ad hoc publicity requirements of the Listing Rules of the SIX Swiss Exchange and on its website under:

<https://www.u-blox.com/de/investor-relations>.

Official notices are published in the Swiss Official Gazette of Commerce. Additionally, all interested parties have the possibility to directly receive from u-blox, via an e-mail distribution list, free and timely notification of publicly released information. All of this information as well as the registration form for the e-mail distribution service, general corporate information and company publications can be found on the Investor Relations section of u-blox' website: <https://www.u-blox.com/en>.

### **Contact address**

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### **u-blox Communications**

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## 12 Black out period

u-blox' black out (close) period policy prohibits the trade with u-blox shares and derivatives for all employees, board members, their spouses/husbands and persons living under the same household.

The periods of trade prohibition are :

- between December 15th and the day of the public release of annual financial results
- between June 15th and the day of the public release of half year financial results (including the 15th December/15th June and the day of the public release) under the condition that the publication is made in the morning. If the publication is made in the evening (after trading hours), the trade prohibition extends until the end of the next calendar day.

An exception can be granted with the prior written approval of the CEO or CFO or - with respect to the executive committee members and board members - with prior written approval of the audit committee.

In addition, a trade prohibition can be issued by the Chief Executive Officer or the Chief Financial Officer. The sale or purchase of u-blox shares or derivatives is prohibited immediately upon submission of the trade prohibition and lasts until the suspension of such interdiction by the CEO or CFO.

## 13 Compensation policy and report 2021

### 13.1 Compensation Policy

#### Dear Shareholder

As Chair of the Nomination and Compensation Committee, I am pleased to present the 2021 Compensation Policy and Report which provide an overview of u-blox's policy and the compensation for the Board of Directors and Executive Committee for the year under review. The policy and report include important information to be considered by the shareholders and comply with the Articles 14-16 of the Ordinance against Excessive Compensation in Listed Stock Corporations, Article 633c of the Swiss Code of Obligations, the SIX Swiss Exchange's Directive on Information relating to Corporate Governance, as well as the Swiss Code of Best Practice for Corporate Governance of *economiesuisse*.

#### 2021 Company Performance

On the heels of a difficult 2020, u-blox achieved record bookings and revenues in 2021. The company was well positioned to capture growing demand across all business segments, end markets and geographies and finished the year with an order book increase which will provide a basis for strong revenue growth in 2022 and beyond. The ongoing components shortage throughout the industry presents a challenging situation which requires continued skillful management to best serve our customers. Nevertheless, the underlying drivers for our innovative products, namely IoT and connectivity, remain strong and thus we are confident that we will continue our growth trajectory.

#### Nomination and Compensation Committee Activities

In the past year, the Nomination and Compensation Committee formally met twelve times. The focus was on assessing 2020 performance, setting targets for 2021, annual succession planning, adapting the Long-Term Incentive (LTI) system and further development of ESG elements, as well as reviewing and ensuring compliance with regulatory and corporate governance developments. During the year, we engaged in dialogue with our major shareholders and proxy advisors to gather feedback on our compensation systems and disclosures, and we considered their feedback when taking decisions.

At the 2022 Annual General Meeting, we will seek your approval of the total maximum compensation amount for the Board of Directors for the period until the 2023 Annual General Meeting and for the Executive Committee for the financial year 2023. Further, you will have the opportunity to participate in the consultative vote on the 2021 Compensation Report. In the Compensation Report, you will find that the actual compensation awarded to the Board of Directors for the compensation period ending with the 2022 Annual General Meeting and the actual compensation awarded to the Executive Committee in 2021 are within the limits approved at the Annual General Meetings 2020.

Looking ahead, we will continue to regularly review our compensation policy to ensure it promotes and rewards performance in alignment with the long-term interests of our shareholders and compliance with the evolving regulatory framework and industry standards. We will also continue to engage constructively with regulators, shareholders and other stakeholders and value the insight these discussions provide.

We trust that you will find this report informative.

Gina Domanig

Chair of the Nomination and Compensation Committee u-blox AG

## **Executive Committee**

### **Compensation Objectives**

The compensation policy for the u-blox Executive Committee is designed to achieve the following objectives:

- **Competitive**  
Total remuneration package is competitive, enabling u-blox to attract and retain highly skilled and motivated entrepreneurial executive staff over the long term.
- **Alignment of Interests**  
The form of compensation provides an incentive to achieve a sustainable increase in the shareholder value thus ensuring an alignment of interests between management and the long-term interests of shareholders.
- **Reward Performance and Team Spirit**  
The compensation system is designed to promote medium and long-term success and to foster team spirit among Executive Committee members. Remuneration that is independent of performance, guaranteed or discretionary, and in particular “pay for failure”, are avoided. The achievements of Key Performance Indicators are rewarded as a team achievement.
- **Fair and Transparent**  
The compensation decisions are fair and transparent based on function and level of responsibility and ensuring that variable components are based on agreed and clear measurable performance metrics in line with the company’s KPIs.

The compensation policy for the Board of Directors is designed to attract and retain experienced and motivated people for the Board of Directors function. The remuneration should be competitive and in an appropriate relation to the market as well as ensure the independence of the Board of Directors in its supervisory capacity of the Executive Committee.

## **Determination of Compensation**

### **Nomination and Compensation Committee**

In accordance with the Articles of Incorporation and the Organizational Regulations of u-blox, the Nomination and Compensation Committee (NCC) supports the Board of Directors in fulfilling its duties and responsibilities regarding compensation, including

- Preparation of personnel-related decisions including personnel planning,
- Periodic review and structuring of the compensation policy and principles,
- Periodic benchmarking of the levels of compensation to ensure market conformity and competitiveness,
- Annual review of performance metrics: KPI selection and targets,
- Annual assessment of the performance of the CEO and the Executive Committee members,
- Annual review of the compensation of the CEO and the Executive Committee members,
- Review of compliance with the relevant policies.

Going forward, the board has decided that Environmental, Social and Governance (ESG) duties will be integrated into the scope of the NCC's role and thus the Rules of Procedure are being updated accordingly. It is foreseen that the NCC will meet four times per annum to address ESG topics including the setting of targets, status reports and review of the Sustainability Report. With this change, the NCC will be renamed Nomination, Compensation and Sustainability Committee (NCSC).

### Annual Process and Responsibilities for Compensation of Executive Committee and Board of Directors

	Q1	Q2	Q3	Q4
EC and BoD succession planning		NCC BoD		
Compensation policy review and compensation principles for next financial year			NCC BoD	
Compensation benchmarking, plans, budget and share award plan design				CEO*, NCC BoD
Target compensation of EC members for next financial year	NCC BoD			
Annual Performance Assessment and Calculation of Variable Bonus for EC members for previous financial year	CEO*, NCC BoD			
Option grant proposal for EC members for previous financial year	CEO*, NCC BoD			
Maximum aggregate compensation amount of the EC for next compensation period	NCC BoD	AGM		
Compensation of Board of Directors for next compensation period	NCC BoD	AGM		
Compensation Policy and Report (consultative vote)	NCC BoD	AGM		
* CEO is not present when discussing his assessment or compensation	<input checked="" type="checkbox"/> body which recommends <input checked="" type="checkbox"/> body which decides to propose to AGM <input checked="" type="checkbox"/> body which approves		BoD = Board of Directors NCC = Nomination and Compensation Committee CEO = Chief Executive Officer	

The members of the NCC are exclusively independent, non-executive members of the Board of Directors and are elected annually by the General Assembly. The NCC is chaired by a member nominated by the Board of Directors. Since the 2019 Annual General Meeting, the NCC consists of Gina Domanig (chair) and Markus Borchert. The NCC meets on an as-needed basis but no less than twice per annum. The CEO, CFO, other members of the Board of Directors, the auditors or external consultants may, at the request of the chairman of the NCC, attend the meetings in an advisory capacity. Minutes of the meetings are distributed to the Board of Directors. The NCC Chair reports on the activities of the NCC at the following meeting of the Board of Directors.

### Annual Process and Responsibilities for Compensation of Executive Committee and Board of Directors

#### Process of Determining Compensation

To assess the competitiveness of the total remuneration for Group Executive Management, the NCC conducts a periodic compensation policy review which is supported by external consultants considering market and regulatory developments. Proposed changes to the policy are submitted to the Board of Directors for approval.

The Board of Directors uses its discretion in approving the compensation policy and proposes the total maximum compensation of the members of the Executive Committee and for the members of the Board of Directors to the annual General Assembly for approval. Only non-executive members of the Board of Directors have voting rights on the compensation policy and the total compensation. Further, the Board of Directors may exercise discretion to adjust formulaic results to ensure outcomes are aligned to, and are reflective of, the underlying business performance of the Company as well as exceptional/extraordinary circumstances.

The NCC reviews the actual compensation of members of the Board of Directors and the Executive Committee members annually. On a tri-annual basis, the Executive Committee total compensation is benchmarked against a peer group chosen to reflect relevant industry, size and geographic considerations. Given that the company competes for talent on a regional basis, geographic considerations are given more weight in this benchmarking exercise. The peer group consists of the following companies, hereinafter the “Compensation Peer Group”):

<b>Company</b>	<b>Place of business</b>	<b>Business activity</b>
Jenoptik	Germany	Electronic Equipment and Instruments
Kudelski	Switzerland	Electronic Equipment and Instruments
Melexis	Belgium	Semiconductors
X Fab Silicon Foundries	Belgium	Semiconductors
ADVA Optical Networking	Germany	Communications Equipment
Soitec	France	Semiconductors
Comet	Switzerland	Electronic Equipment and Instruments
Telit Communications	United Kingdom	Communications Equipment
Inficon	Switzerland	Electronic Equipment and Instruments
Euromicron	Germany	Communications Equipment
Lem	Switzerland	Electronic Equipment and Instruments
Gigaset	Germany	Communications Equipment
Elmos Semiconductor	Germany	Semiconductors
Nordic Semiconductor	Norway	Semiconductors
IQE	United Kingdom	Semiconductors
Sensirion	Switzerland	Electronic Equipment and Instruments
First Sensor	Germany	Semiconductors
Isra Vision	Germany	Electronic Equipment and Instruments
Basler	Germany	Electronic Equipment and Instruments

In 2019, a thorough benchmarking exercise was undertaken with the support of an external consultant for the Executive Committee. As a reference point, median compensation points are targeted. The results of the exercise confirmed that no material changes to the level of compensation are necessary beyond inflation adjustments.

On a tri-annual basis the Board of Directors’ compensation is benchmarked against similar-sized Swiss public companies. In 2019 a benchmarking of the Board of Directors compensation was undertaken based on HCM’s Compensation Study for Swiss Boards of Directors (June 2019). The results were that the u-blox board compensation is well below the median of small and mid-cap public companies in Switzerland. Specifically, the u-blox chairman compensation is 50% of the median, and the other board of directors’ compensation is 75% of the median. Therefore, it was proposed to increase the board compensation to the median within the following years. Note that a partial adjustment was made in 2020 and the remaining adjustment is proposed in 2022 for the NCC, the Audit Committee and non-chair members and in two steps for the chairman.

During the year, an external consultant also advised the NCC on best practices and evolving regulatory framework in the areas of corporate governance and executive remuneration. No other mandate was given to the consultant.

### **Compensation System for the Executive Committee**

The remuneration of the Executive Committee members consists of a base salary, variable bonus (short term incentive or STI), stock options (long term incentive or LTI), contributions to pension funds and social insurance.

The compensation system is a combination of fixed and variable components based on short and long-term performance. A greater portion of the overall compensation is dependent upon performance yet capped as to not incentivize excessive risk taking or maximizing short-term performance at the risk of long-term sustainable performance. Executive Committee members are not remunerated for Board of Director membership or other executive positions held within the Group.



## Base Salary

The base salary of the CEO is determined to ensure a competitive base salary compared to base salaries offered by other companies in the Compensation Peer Group and considering the tasks, responsibilities and experience.

The base salary of the other Executive Committee members is defined to achieve both a competitive base salary compared to base salaries offered by other companies in the Compensation Peer Group. For 2021, no adjustments were made nor are they proposed for 2022 beyond inflation adjustments. As roles and responsibilities change, the NCC will review salaries accordingly.

## Variable Bonus 2021

The STI is designed to reward the achievement of Key Performance Indicators (KPIs) which reflect the interest of shareholders and thus focus on growth, profitability and sustainability. In 2021, we launch the inclusion of specific environmental, social and governance (ESG) targets into the STI and we will increasingly improve our sustainability strategy, metrics and targets over time. For 2021, the targets we defined as follows:

### Revenue Growth (40% weight)

The revenue growth must be 15% for 75% achievement for this component. The system allows for over and underachievement whereby 0% growth results in 0% achievement and a linear progression determines the maximum 200% achievement.

### Operating Cash Flow Margin (40% weight)

The ability of a company to achieve operating cash flow is strongly influenced by the sector in which it operates. Thus, a Performance Benchmarking peer group has been defined which is primarily based on sector but also considers size and geography. The targets for OCF margin are set considering the peer group as well as historical achievement levels, company guidance and analysts' estimates. The system allows for over and underachievement whereby 0% OCF margin results in 0% achievement, 18% results in 75% achievement and a linear progression determines the maximum 200% achievement. The peer group was updated to replace Telit and Dialog Semiconductor, who are no longer available for comparison, with Melexis and Elmos Semiconductor.

#### **Performance Peer Group**

Quectel Wireless Solutions  
Sierra Wireless  
Melexis  
Sequans Communications  
Sensirion Holding  
Ams

Nordic Semiconductor  
Elmos Semiconductor  
ST Microelectronics  
MediaTek  
Silicon Laboratories

### ESG Goals (20% weight)

The company has embarked upon a comprehensive ESG assessment and will be issuing its first Sustainability Report in 2022. Each year, key initiatives are defined, which are linked to the Sustainable Development Goals, and quantifiable goals are defined for each initiative. The quantifiable goals are proposed by the NCSC to the BoD and, at the end of the period, the NCSC evaluates the achievement of these goals (maximum 150%) as part of the STI calculation.

Five initiatives linked to the Sustainable Development Goals:



### Sustainable products

- We strive to ensure that our products benefit society and the environment. We are working to make a difference where we can and supporting like-minded organizations, so that collectively our impact on humanity and our planet is beneficial.



### Protect the environment

- We will be strengthening the way we monitor our suppliers' environmental compliance and influence their further efforts.
- Emissions from our headquarters in Thalwil, Switzerland, will reach net zero by 2022.



### Do business the right way

- We ensure that our partners meet our high standards on ethics and labor rights. We have defined our expectations and guidance and continue to educate and enforce them in all directions. We are enhancing our audit capacity and intensity.



### Respect our people

- We are dependent on the close interaction between our people and strive to enable an atmosphere that supports open communication so that the best ideas can emerge.
- We are fostering openness and a sense of belonging at u-blox while training all our staff in non-violent communication techniques.



### STEM education

- We engage with communities to improve STEM education believing such initiatives are the solution to recruiting more women in technical roles. We are broadening our engagement in orientation events for young students to communicate the positive aspects of and future career possibilities in STEM.

For 2021, the quantifiable goals were related to the following initiatives:

- Sustainable products: Implementation of our technology for socially responsible projects.
- Do business the right way: Increased audit capacity and intensity, particularly related to human and labor rights.
- STEM education: Co-operation with organizations delivering STEM education.
- Protect the environment: Commitments to achieve net zero emissions goals in the medium term.
- Respect our people: Diversity, equality and inclusion training.

Notwithstanding the above, should both the Revenue Growth and the OCF Margin result in negative numbers, even if the ESG component would be positive, no bonus would be paid. In addition, the CEO has a maximum bonus of 150% of the base salary while the EC bonus is multiplied by a factor of 0.5 to bring the resulting bonus in line with the benchmark and is limited to 100% of the base salary.

Examples:

For the CEO:

A 20% revenue growth rate, a 10% OCF Margin and a 50% achievement of ESG goals results in

$$0.4*100\% + 0.4*41.7\% + 0.2*50\% = 66.7\% \text{ payout}$$

And a 20% revenue growth rate, a 15% OCF Margin and a 50% achievement of ESG goals results in

$$0.4*100\% + 0.4*62.5\% + 0.2*50\% = 75\% \text{ payout}$$

For the EC members:

A 20% revenue growth rate, a 10% OCF Margin and a 50% achievement of ESG goals results in

$$0.5(0.4*100\% + 0.4*41.7\% + 0.2*50\%) = 33.3\% \text{ payout}$$

And a 20% revenue growth rate, a 15% OCF Margin and a 50% achievement of ESG goals results in

$$0.5(0.4*100\% + 0.4*62.5\% + 0.2*50\%) = 37.5\% \text{ payout}$$

### **Variable Bonus 2022**

The system for 2022 will remain the same compared to 2021.

The ESG goals are updated to reflect the increased visibility on our ESG performance and continued progress planned during the coming year.

- a) Sustainable products: Implementation of framework to measure environmental impact of our products.
- b) Do business the right way: Increased audit capacity and intensity, particularly related to human and labor rights.
- c) STEM education: Co-operation with organizations delivering STEM education.
- d) Protect the environment: Commitments to achieve net zero emissions goals in the medium term.
- e) Respect our people: Diversity, equality and inclusion training.

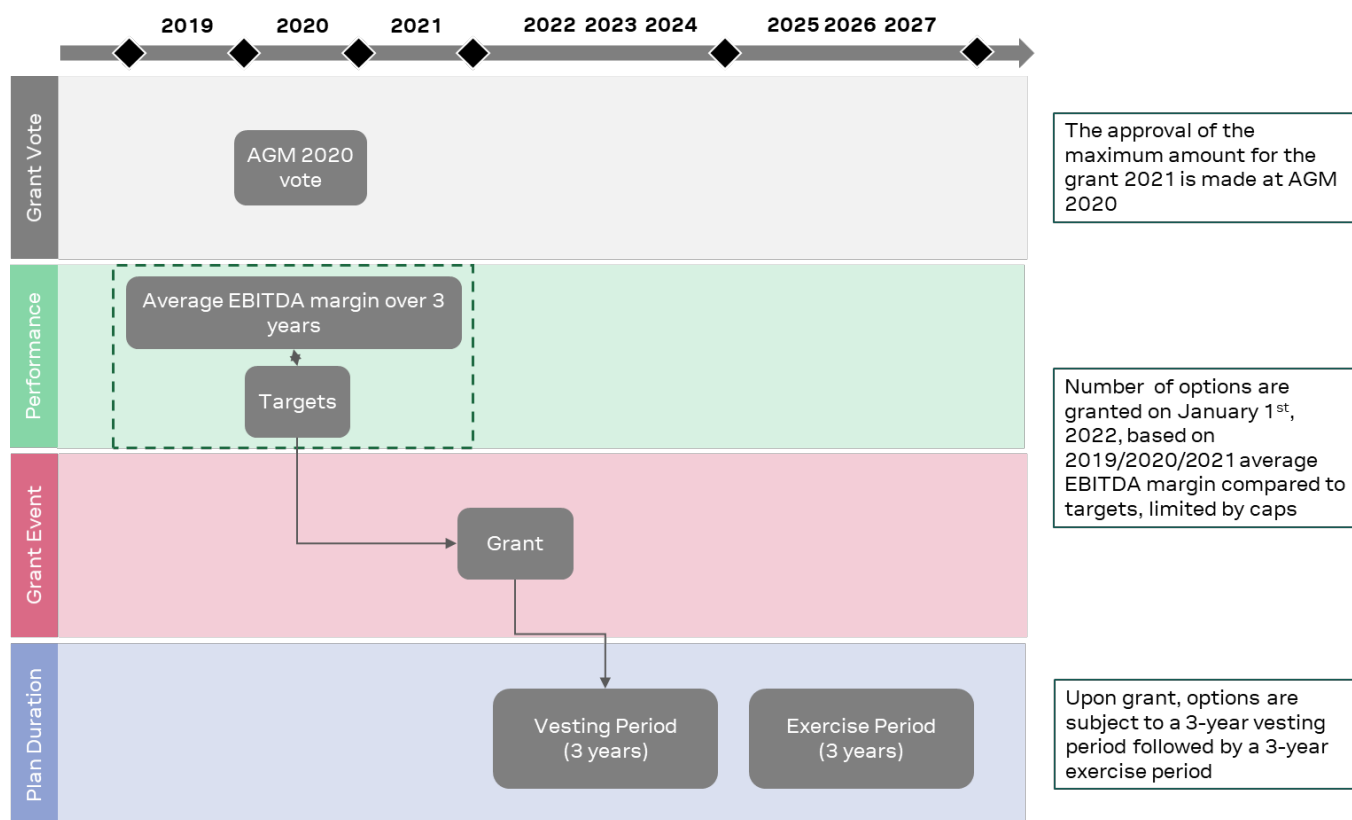
## Long Term Incentive Stock Option Plan 2021

The goal of the long-term incentive stock option plan (LTI-ESOP) is three-fold: encourage the long-term commitment of management to u-blox; ensure that both shareholders and management have aligned long term interests; and foster team spirit. Each Executive Committee member receives the same number of options.

The Long-Term Incentive Stock Option Plan focuses on EBITDA margins as it best reflects the financial performance of the company's operations, is a main indicator for comparing market capitalization within a peer group and is aligned with shareholder interests. To ensure the long-term component, the grant is based on the achieved historic three-year average EBITDA margin relative to a target. The plan includes a defined maximum allocation and a minimum performance threshold below which no allocations are made.

At the beginning of each fiscal year, the NCSC proposes the target EBITDA margins to be used in the LTI-ESOP plan for the following fiscal year taking into consideration the past EBITDA margins of the relevant industry peer group (Performance Peer Group as under Variable Bonus section above), the company's ongoing business expectations and the financial goals.

The Board of Directors approves the minimum, target and maximum goals and payout based on achievement level. Approval is sought from the AGM for the maximum compensation including the fair value of the maximum number of options that could be awarded if the maximum were achieved. The fair value is based on a set of assumptions regarding the anticipated business development within the timeframes covered by the proposal and the possible market performance of the u-blox share within those timeframes.



The NCSC is of the opinion that further details of executive compensation are commercially sensitive, and it would be detrimental to the interests of the Company to disclose them before the end of the relevant performance period. The performance against those measures will be disclosed after the end of the relevant financial year in that year's compensation report subject to the sensitivity no longer remaining.

After the performance period, the NCSC

- i. defines the level of actual achievement whereby the number of options granted depends on the achievement of the average EBITDA margins compared to the minimum (0%), target (100%) and maximum (150%), calculated linearly, whereby 100% is equal to 6.000 options;
- ii. defines the fair value of an option at grant date;
- iii. calculates the number of options to be granted and limited by the following maximum thresholds:
  - the total number of options to be granted to the Executive Committee of five members does not exceed 40'000 options
  - the Fair Value of options at grant does not exceed 100% of the Base Salary of the members
  - the Fair Value of the options at grant does not exceed the amount allocated to the LTI-ESOP as approved by the General Assembly
- iv. proposes to the Board the grant for each member of the Executive Committee.

The Board of Directors decides within its discretion and within the maximum total compensation approved at the previous AGM.

Each option grants the owner the right to purchase one share at a defined price (exercise price). The option can be exercised within the earliest of three years and the latest six years after the grant date. If not exercised, options expire six years after the grant date. In the case of termination of employment, any unvested options expire on the day following the last day of employment of the Executive Committee member. Vesting is accelerated in case of death or disability and, with respect to options granted as from 2014, upon retirement. There are no special provisions (e.g. vesting acceleration) in case of a change of control. However, the compensation committee will strive to apply a fair approach, i.e. no more will be paid than is warranted in each individual case and that for good leavers, and in case of change-in-control, LTI-ESOP awards will be pro-rated for time and performance, if and where possible and appropriate.

The exercise price is defined as the lower of

- a) the volume-weighted average share price on the SIX Swiss Exchange during the 30 trading days preceding the grant date and
- b) the closing share price at the SIX Swiss Exchange on the last trading day before the grant date.

The LTI-ESOP amount can represent a significant portion of the total compensation and thus achieves the objectives of ensuring long-term commitment and incentivizing sustainable increase in shareholder value.

### **Long Term Incentive Stock Option Plan 2023**

The Board of Directors is of the opinion that the current LTI is ambitious and directly performance related. Nevertheless, as market standards evolve, in the course of 2022 we will be reviewing our current LTI.

### **Malus and claw-back provisions**

Malus and claw-back provisions apply to forfeit or recover payments made as STI and under the LTI-ESOP. Such provisions cover situations where the company is required to restate its accounts due to non-compliance with financial reporting requirements under the securities laws at the time of disclosure or any act or failure to act which violates the law. In such cases, the Board of Directors is empowered to recalculate the respective payout according to the restated financial results and seek reimbursement of any bonus amount or LTI-ESOP grant allocated in excess of the newly calculated amount. In case of an act or failure to act which violates the law, the BOD defines the amount to be reimbursed according to the seriousness of the violation and the damage caused to the company. The claw-back clause is applicable for three years after the payment or grant of the respective compensation.

### **Pension funds and social insurance benefits**

The aim is to provide the Executive Committee members and their family members a financial coverage in case of retirement, illness, invalidity or death in line with market practices and regulations.

The members of the Executive Committee, as all eligible employees in Switzerland, are insured against the risks of old age, death and disability (AHV). With respect to pension benefits (amounts which give rise to pension entitlements or increase pension benefits), the employer contributes 60% of the obligatory pension scheme fees and approximately 65% of the non-obligatory private pension scheme fees.

### **Other Benefits**

The CEO is entitled to the use of a company car.

### **Employment contracts**

The employment contracts of the members of the Executive Committee may be subject to a minimum of six and a maximum of twelve-months' notice period. No termination benefits are payable. The contracts do not contain a clause relating to change of control. Executive Committee members may be subject to non-compete provisions upon termination of their employment contract which, however, will not exceed 12 months after the termination date. In case an Executive Committee member terminates the employment contract, the company may trigger the non-compete obligation in exchange for a fee limited to 50% of the Executive Committee member's annual cash compensation.

### **Loans**

No guarantees or loans are granted to members of the Board of Directors or Executive Committee.

### **Share Ownership Requirements**

The members of the Executive Committee will acquire and hold u-blox shares equivalent to 250% of base salary for the CEO and 200% for the other EC members. Until this shareholding level is met, the CEO and other EC members are expected to hold shares (net of tax) acquired under the LTI-ESOP. Achievement will not be altered by later share price variation. Unexercised options do not count towards the ownership requirement.

### **Approach to recruitment remuneration**

The NCC ensures any arrangements agreed to be in the best interests of u-blox and its shareholders and aims to pay no more than necessary to secure the right candidate. Where considered appropriate, an external candidate may be compensated for remuneration arrangements forfeited on leaving a previous employer. In doing so, relevant factors including any performance conditions attached to these awards, the form in which it was to be paid and the timeframe of awards are considered. Buyout awards would be awarded on a 'like for like' basis compared to remuneration being forfeited and would be capped to reflect the value being forfeited. The maximum level of variable pay, which could be awarded to a new Executive Committee member, excluding any buyouts, would be in line with the Policy set out. If an Executive Committee member is appointed following u-blox's acquisition of, or merger with, another company, legacy terms and conditions may be honored.

## Board of Directors

### Compensation System for the Board of Directors

To ensure the independence of the Board of Directors in its supervisory capacity of the Executive Committee, members of the Board of Directors only receive a fixed remuneration and do not participate in the share option scheme, pension scheme and/or performance related pay. In addition to the base director fees, an additional fixed fee is paid for positions of chairman, committee chairman and committee member. The Chairman of the Board is not eligible for additional compensation for participation in committees.

As explained above, the compensation benchmarking conducted in 2019 revealed that the board compensation is well below the median of Swiss small and mid-cap public companies. No increase was proposed for the period AGM 2021-2022 due to the economic environment.

The resulting AGM 2021-2022 compensation breakdown was as follows:

<b>Board compensation including social insurance</b>	<b>Period AGM 2021 through AGM 2022</b>
Base Compensation for chairman of the Board	CHF 180'000
Base Compensation for member of the Board	CHF 98'000
Additional compensation for committee membership	CHF 17'000
Additional compensation for committee chairman	CHF 27'000

For the period AGM 2022-2023, it is proposed to continue the adjustment to the median of the benchmarking done in 2019 as follows:

<b>Board compensation including social insurance</b>	<b>Period AGM 2022 through AGM 2023</b>
Base Compensation for chairman of the Board	CHF 240'000
Base Compensation for member of the Board	CHF 120'000
Additional compensation for audit committee chairman	CHF 30'000
Additional compensation for audit committee membership	CHF 20'000
Additional compensation for NCSC committee chairman	CHF 30'000
Additional compensation for NCSC committee membership	CHF 20'000

The remuneration is paid out in the form of cash only and on a pro-rata basis, twice per annum. Board of Directors compensation does not include any performance or profit-related components such as shares or options.

Actual expenses incurred are reimbursed, according to the company policy, for travel arising out of duties performed on behalf of the Board of Directors. No pension, social insurance contributions or benefits are granted to the Board members, except where compulsory under Swiss law.

Since 2020 the BOD has performed two annual self-evaluations covering BOD competencies and BOD efficiency. In 2021, a formal board evaluation with support of an external consultant was kicked off for 2022. The primary goal is to identify areas of improvement. The evaluations are led by the Chairman and discussed with the entire Board of Directors.

### Share Ownership Requirements

Board of Director share ownership guidelines were introduced for the Board of Directors in 2018. This guideline stipulates that each member will acquire and hold u-blox shares equivalent to 100% of the annual board fee. The minimum levels are to be achieved within three years and such achievement is not altered by later share price variation.

## 13.2 Compensation report 2021

### 13.2.1 Board of Directors

The total amount of compensation of the Board of Directors for the election period 2021/2022 has not changed from 2020/2021. The total compensation stayed within the limits as approved by the shareholder meeting (TCHF 660).

#### Compensation for the members of the Board of Directors 2021<sup>1</sup>

	Fee CHF	Social insurance <sup>2</sup> CHF	Total Compensation CHF
André Müller (Chairman)	168'000	12'348	180'348
Ulrich Looser (Chairman Audit Committee)	115'000	8'769	123'769
Gina Domanig (Chairman NCC)	115'000	8'769	123'769
Annette Rinck (Member Audit Committee)	105'000	8'006	113'006
Markus Borchert (Member NCC)	105'000	8'006	113'006
Thomas Seiler	0	0	0
Jean-Pierre Wyss	0	0	0
<b>Total</b>	<b>608'000</b>	<b>45'898</b>	<b>653'898</b>

<sup>1)</sup> The compensation is shown for fiscal year 2021, whereas the approved budget covers the period AGM 2021 to AGM 2022.

<sup>2)</sup> Mandatory social insurance.

#### Compensation for the members of the Board of Directors 2020<sup>1</sup>

	Fee CHF	Social insurance <sup>2</sup> CHF	Total Compensation CHF
André Müller (Chairman)	162'000	11'957	173'957
Ulrich Looser (Chairman Audit Committee)	113'333	8'642	121'975
Gina Domanig (Chairman NCC)	113'333	8'642	121'975
Annette Rinck (Member Audit Committee)	102'333	7'803	110'136
Markus Borchert (Member NCC)	102'333	7'803	110'136
Thomas Seiler	0	0	0
Jean-Pierre Wyss	0	0	0
<b>Total</b>	<b>593'332</b>	<b>44'847</b>	<b>638'179</b>

<sup>1)</sup> The compensation is shown for fiscal year 2020, whereas the approved budget covers the period AGM 2020 to AGM 2021.

<sup>2)</sup> Mandatory social insurance.



### 13.2.2 Executive Committee

In fiscal year 2016 a review of the total compensation including base salary, bonus, and stock options of EC members was performed by the NCC and adjustments were made in 2017. A compensation review has taken place in 2019. The results of the review confirmed that no material changes are necessary.

#### Base Salary

The Base Salaries in 2021 do not increase.

#### Variable Bonus

The variable Bonus formula has changed in 2021 as explained in the compensation policy in 2020.

CEO:

For 2021, the bonus of the CEO amounted to 119.7 % of the base salary. For the CEO, the bonus amount has increased due to positive revenue growth and an increased operating cashflow margin.

##### Input data

Revenue growth rate	24.2 %
Operating cashflow margin	25.1 %
ESG	148.0 %

##### Output

Bonus rate	119.7 %
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Other Executive Committee members:

For 2021, the bonus of the other Executive Committee members amounted to 59.9 % of the base salary. Compared to 2020, the bonus amount for the Executive Committee members has increased due to positive revenue growth and an increased operating cashflow margin.

##### Input data

Revenue growth rate	24.2 %
Operating cashflow margin	25.1 %
ESG	148.0 %

##### Output

Bonus rate	59.9%
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The KPIs and formula for determining the variable bonus amount has changed compared to the previous years because the long development times for products (several years), together with the long adoption period of u-blox products by relevant customers, make the selected KPIs most appropriate in this business environment. The long market cycles reward only a long-term strategy and engagement and continual effort by the Executive Committee. For 2021 the following targets are applied:

<i>Target description</i>	<i>Weight</i>	<i>Target</i>	<i>Payout</i>	<i>Target</i>	<i>Payout</i>	<i>Maximum payout</i>
Revenue growth	40%	0%	0%	15%	75%	200%
Operating Cashflow margin	40%	0%	0%	18%	75%	200%
ESG	20%	0%	0%	100%	100%	150%

### Long Term Incentive Stock Option Plan

For 2021, the Board of Directors approved the proposal by the NCC, in accordance with the LTI Stock Option Plan 2015, to grant 3'857 options per Executive Committee member. The number of options was determined based on the achieved preceding three-year average EBITDA adjusted margin of 16.2% compared to the targets. The Targets were defined as follows:

	<b>EBITDA adjusted % targets</b>	<b>Options vesting</b>
Min	5.10 %	0%
Objective	22.40 %	100%
Max	32.25 %	150%

Options are granted at-the-money (i.e. the strike price equals the lower of the average stock price of the last 30 trading days before the grant date and the stock price at grant date).

### 13.2.3 Compensation paid to the members of the Executive Committee 2021

The total compensation stayed within the limits as approved by the shareholder meeting (TCHF 7'000).

	Base Salary	Number of Options	Value of Options <sup>1</sup>	Bonus <sup>2</sup>	Pension and Social insurance funds <sup>3</sup>	Other benefits <sup>4</sup>	Total Compensation
	CHF		CHF	CHF	CHF	CHF	CHF
Thomas Seiler, CEO	476'605	3'857	83'080	570'683	218'093	8'071	1'356'532
Jean-Pierre Wyss	324'958	3'857	83'080	194'551	172'781	7'800	783'170
Andreas Thiel	324'958	3'857	83'080	194'551	172'183	0	774'772
Roland Jud <sup>5</sup>	316'834	3'761	81'012	189'687	169'454	0	756'987
Markus Schäfer	324'958	3'857	83'080	194'551	100'982	0	703'571
<b>Total</b>	<b>1'768'313</b>	<b>19'189</b>	<b>413'332</b>	<b>1'344'023</b>	<b>833'493</b>	<b>15'871</b>	<b>4'375'032</b>

<sup>1</sup>) Options granted in 2022 for performance of 2021. The fair value of the options is CHF 21.54 per option at grant date. Strike price: CHF 69.25, Vesting date: January 1, 2025; Expiry date: January 1, 2028.

<sup>2</sup>) Bonus paid out in 2022 for performance of 2021.

<sup>3</sup>) Mandatory social insurance paid on the base salary, bonus and on the fair value of options when granted.

<sup>4</sup>) Company car, inaugural premium and child and education allowance.

<sup>5</sup>) Mr. Jud has a 97.5% working time contract.

### Compensation for the members of the Executive Committee 2020

The total compensation stayed within the limits as approved by the shareholder meeting (TCHF 7'000).

	Base Salary	Number of Options	Value of Options <sup>1</sup>	Bonus <sup>2</sup>	Pension and Social insurance funds <sup>3</sup>	Other benefits <sup>4</sup>	Total Compensation
	CHF		CHF	CHF	CHF	CHF	CHF
Thomas Seiler, CEO	476'605	3'728	66'582	68'379	184'171	7'938	803'675
Jean-Pierre Wyss	324'958	3'728	66'582	0	164'975	7'300	563'815
Andreas Thiel	324'958	3'728	66'582	0	164'086	0	555'626
Roland Jud <sup>5</sup>	316'834	3'635	64'921	0	161'844	0	543'599
Markus Schäfer	324'958	3'728	66'582	0	85'152	28'000	504'692
<b>Total</b>	<b>1'768'313</b>	<b>18'547</b>	<b>331'249</b>	<b>68'379</b>	<b>760'228</b>	<b>43'238</b>	<b>2'971'407</b>

<sup>1</sup>) Options granted in 2021 for performance of 2020. The fair value of the options is CHF 17.86 per option at grant date. Strike price: CHF 58.85, Vesting date: January 1, 2024; Expiry date: January 1, 2027.

<sup>2</sup>) Bonus paid out in 2021 for performance of 2020.

<sup>3</sup>) Mandatory social insurance paid on the base salary, bonus and on the fair value of options when granted.

<sup>4</sup>) Company car, inaugural premium and child and education allowance.

<sup>5</sup>) Mr. Jud has a 97.5% working time contract.

#### **13.2.4 Other Compensations**

##### **Share allotment**

No shares were allocated to the members of the Board of Directors or Executive Committee in 2021.

##### **Additional fees, remunerations, guarantees and loans**

No additional fee or remuneration was paid to the members or former members of the Board of Directors or Executive Committee in 2021.

No guarantees or loans were granted by a group company to the members of the Board of Directors or Executive Committee or were outstanding on December 31, 2021.

##### **Persons closely linked**

No remuneration, fees or loans were paid, respectively granted, to persons closely linked to members of the Board of Directors or Executive Committee in 2021. Persons closely linked are defined as (i) a spouse or partner, (ii) children, (iii) any legal entities that they own or otherwise control, or (iv) any legal or natural person who is acting as their fiduciary.



# Report of the Statutory Auditor

To the General Meeting of u-blox Holding AG, Thalwil

We have audited the accompanying compensation report of u-blox Holding AG for the year ended December 31, 2021. The audit was limited to the information according to articles 14 - 16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in paragraph 13.2 of the compensation report 2021 on pages 40 to 44.

## Responsibility of the Board of Directors

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

## Auditor's Responsibility

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

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

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

## Opinion

In our opinion, the remuneration report for the year ended December 31, 2021 of u-blox Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Silvan Jurt  
Licensed Audit Expert  
Auditor in Charge

Raphael Gähwiler  
Licensed Audit Expert

Lucerne, March 10, 2022

Enclosure:  
- Remuneration report

# Information for Investors

u-blox Holding AG

Ticker details for u-blox shares

- Listing SIX Swiss Exchange
- Ticker symbol UBXN
- ISIN-No. CH0033361673
- Swiss Security-No. 3336167
- Reuters UBXN.S
- Bloomberg UBXN:SW

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Website

Financial calendar

[www.u-blox.com](http://www.u-blox.com)

- Annual General Meeting April 20, 2022
- Half year results 2022 August 19, 2022
- Analyst day November 22, 2022



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