

# General principles of remuneration

## MCH Group

The MCH Group endeavours to offer its employees attractive general conditions. The remuneration principles, remuneration systems and remuneration levels are based on the standard conditions prevailing on the market and in the sector and are regularly reviewed. The MCH Group also aims to allow as many of its employees as possible to participate in the group's success through a variable remuneration component.

The remuneration systems for all the companies are configured in such a way that

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they are both proportionate and competitive in relation to those of companies in a comparable field of activity;

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they are commensurate with the quality of the work, the workload and the responsibility borne by the post in question and the contribution made by the individual;

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they are readily comprehensible and transparent for employees at all levels;

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the profit-related (variable) remuneration is in proportion to the group result;

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the ratio between the non-profit-related (fixed) and the profit-related (variable) elements of the remuneration is commensurate with the sphere of influence of the employee concerned;

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an appropriate ratio exists between the lowest and the highest wages.

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## Board of Directors and Executive Board

The Board of Directors sets the remuneration for the Board of Directors and the Executive Board each year following a proposal from the Governance, Nomination and Compensation Committee (GNCC) elected by the General Meeting and subject to the approval of the General Meeting.

On 2 May 2019, the General Meeting elected the following members of the Board of Directors as members of the GNCC for the reporting year:

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Dr. Ulrich Vischer, Chairman

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Hans-Kristian Hoejsgaard, Member

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Dr. Balz Hösly, Member

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Jean-Philippe RoCHAT, Member

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Details of the function of the GNCC and its members:  
[Annual Report / Organisation & Management / Specialist Committees](#)  
[Annual Report / Board of Directors](#)

The remuneration of the Board of Directors and the Executive Board disclosed in the remuneration report takes in all the remuneration for the reporting year of 2019.

When members join the Board of Directors or the Executive Board, the remuneration is included as of the date on which they take on their new function.

When members leave the Board of Directors or Executive Board, the remuneration is included up to the date of departure together with any remuneration paid in the course of the reporting year in conjunction with the member's previous activity.

A number of members of the Executive Board are on the Board of Directors of group companies. No extra remuneration is paid for the exercise of these mandates within the group.

The profit-related remuneration of the Executive Board for 2019 is not paid until after the General Meeting has given its approval.