

Remuneration of the Executive Board

The Board of Directors lays down the remuneration model for the members of the Executive Board. The current remuneration model has been in force since 03.02.2014.

Following a proposal from the Governance, Nomination and Compensation Committee (GNCC), the Board of Directors modified the remuneration model slightly at that time compared with the previously applicable model in terms of the profit-related (variable) remuneration. The profit-related remuneration was brought more into line with the effectively achieved result. These changes have been incorporated in the regulations governing the profit-related remuneration of the Executive Board. The non-profit-related (fixed) remuneration and the lump-sum expenses allowances are reviewed periodically; the latter have been approved by the cantonal tax office. The level of the profit-related remuneration (individual bonus) is recalculated and specified on an annual basis as a function of the financial result.

The remuneration for members of the Executive Board is made up of the following components:

a) Non-profit-related (fixed) remuneration

The non-profit-related remuneration of members of the Executive Board is determined by the Board of Directors on the basis of their training, competences and functions. This component of the remuneration includes any family allowances, awards for service anniversaries and other payments (e.g. pension fund buy-ins, allowances, etc.).

The “approved overall sum, gross” for the fixed remuneration in 2020 is a maximum of CHF 2,500,000 (including basic salary, bonuses for service anniversaries, family allowances, pension fund buy-ins and other allowances).

The members of the Executive Board will waive their variable remuneration in 2020 and 2021. In return, the Board of Directors is authorising a retention bonus for members of the Executive Board for a total amount of CHF 520,000, subject to the approval of the Annual General Meeting on 28.04.2021. The payment of this bonus is subject to the condition that the beneficiary is still in permanent employment at MCH Group on 31.12.2022. Subject to this condition, the bonus will then be paid in December 2022. This payment is part of the fixed remuneration for the year 2022.

The amount of CHF 520,000 will be proposed to the General Meeting 2021 for approval as a supplement to the non-profit-related (fixed) compensation for 2021.

At the General Meeting of 28.04.2021, the total amount of fixed remuneration for the year 2022 will be submitted for approval. The overall amount requested for 2022 amounts to a maximum of CHF 2,800,000.

b) Profit-related (variable) remuneration

In 2020 and 2021, the members of the Executive Board will waive variable remuneration. However, the remuneration regulations for profit-related (variable) remuneration described below are still in force.

With the remuneration model that was modified in 2014, the group result is the sole component by which the profit-related remuneration of the CEO is measured. For the other members of the Executive Board, the profit-related remuneration takes in the components of group profit, the division result and the individual performance assessment, with different weightings. These are calculated as a percentage of the fixed remuneration:

- Division result (0 – 12 %)
- Individual assessment (0 – 12 %)

For the group profit component, the level of remuneration is derived directly from the result achieved. This component is only paid out if the group profit is greater than CHF 10.0 million. Since the 2014 financial year, the group profit component has been 1.75 % of the annual result for the CEO and 0.7 % of the annual result for the other members of the Executive Board.

Individual components are given a higher weighting or left out of account altogether depending on the individual members' areas of responsibility. None of the maximum of three variable components is due to the members of the Executive Board independently of the course of business or independently of their individual performance. All profit-related remuneration elements are paid out in cash.

c) Expenses

The members of the Executive Board receive an expenses allowance which varies according to their function and a lump-sum vehicle allowance based on the distance travelled. In 2020, the overall amount is CHF 151,000 (previous year CHF 167,000). These expenses allowances have been approved by the cantonal tax authorities.

d) Shares, options

The MCH Group does not have any share or option schemes for the Executive Board. Details of shares in MCH Group Ltd. that are held by members of the Executive Board:
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e) Sign-on bonuses

No sign-on bonuses are paid to members of the Executive Board.

f) Loans, credit

As in the previous year, no loans or credit were granted to the Executive Board in the reporting year.

g) Suretyships

As in the previous year, no suretyships (sureties, guarantees) were awarded to members of the Executive Board in the reporting year.

Remuneration 2020

No profit-related remuneration of the Executive Board for the year 2020 will be submitted to the General Meeting on 28.04.2021 for approval, as it amounts to CHF 0 gross.

In the 2020 financial year, it was not necessary to make use of the additional amount of CHF 1,000,000 for which provision is made in the statutes for the remuneration of Executive Board members who are appointed after the General Meeting's vote on the remuneration of the Executive Board.

| 2020, in CHF (audited) | Fixed compensation gross ¹⁾ | Variable compensation gross ²⁾ | Social insurance contributions ³⁾ | Sum total incl. social insurance contributions ⁴⁾ |
|--|--|---|--|---|
| Executive Board as a whole ⁵⁾ | 1 865 855 | 0 | 486 502 | 2 352 357 |
| Including Bernd Stadlwieser (CEO) | 600 002 | 0 | 159 612 | 759 614 |

1) Includes basic salary, bonuses for service anniversaries, family allowances, pension fund buy-ins and other allowances, etc.

2) Bonus without social insurance contributions

3) Includes employer contribution to pension fund and social insurances etc.

4) Employer

5) Five members: Bernd Stadlwieser, Andreas Eggimann, Florian Faber, Marc Spiegler (since 01.01.2020, replacing Peter Holenstein), Beat Zwahlen

For consultancy work by former Executive Board members, the MCH Group paid fees totalling CHF 21,500 in 2020 (without VAT).

Remuneration 2019

The profit-related remuneration for the entire Executive Board for 2019, submitted to the General Meeting on 24.04.2020 for approval, is CHF 403,688 (including social insurance contributions). This profit-related remuneration is made up of a gross figure of CHF 375,500 plus the share of social insurance contributions of CHF 28,188.

In the 2019 financial year, it was necessary to make use of the additional amount of CHF 1,000,000.– for which provision is made in the statutes for the remuneration of Executive Board members who are appointed after the General Meeting's vote on the remuneration of the Executive Board. The sum of CHF 2,300,000 approved by the General Meeting of 04.05.2018 was exceeded by CHF 452,277. Non-profit-related remuneration totalling CHF 2,752,277 was thus paid out in the 2019 financial year.

The reason why the approved remuneration was exceeded was primarily the personnel changes in the Executive Board and the duplication of the functions of the Group CEO (2 months) and the CEO Live Marketing Solutions (6.5 months).

| 2019, in CHF (audited) | Fixed compensation gross ¹⁾ | Variable compensation gross ²⁾ | Social insurance contributions ³⁾ | Sum total incl. social insurance contributions ⁴⁾ |
|---|--|---|--|---|
| Executive Board as a whole ⁵⁾ | 2 258 664 | 375 500 | 521 801 | 3 155 965 |
| Including Bernd Stadlwieser (CEO) ⁶⁾ | 354 001 | 200 000 | 83 067 | 637 068 |

1) Includes basic salary, bonuses for service anniversaries, family allowances, pension fund buy-ins and other allowances, etc.

2) Bonus without social insurance contributions

3) Includes employer contribution to pension fund and social insurances etc.

4) Employer

5) Until 13.01. six members / from 14.01. seven members (Florian Faber new EB member) / from 01.03. six members (withdrawal René Kamm) / from 01.04. five members (withdrawal Stephan Peyer) / from 12.06. six members (arrival Bernd Stadlwieser) / from 01.08. four members (withdrawal Hans-Kristian Hoejsgaard and Jean-Marc Devaud) / from 01.11. five members (arrival Andreas Eggimann)

6) Pro rata 7 months

For consultancy work by former Executive Board members, the MCH Group paid fees totalling CHF 41,000 in 2019 (without VAT).