

Applied methodology: German Corporate Governance Code Disclosure Standard (GCGC) (always reported in addition to ICDS*)

Introduction

The recommendations given by the German Corporate Governance Code represent essential statutory regulations for the disclosure of Executive Board compensation in German listed companies. Most large German listed companies comply with this disclosure standard in the interest of good, responsible corporate governance and transparency.

Since 2013 the GCGC disclosure guidelines add structure by implementation of so called model tables to ensure comparability cross companies and complete, transparent disclosure of Executive Board compensation. Disclosure of all variable compensation elements is hereby harmonized in terms of value determination and their time of disclosure.

Executive Directors only



Compensation Elements reported under GCGC

According to these recommendations for disclosure we provide different reports for companies that comply with the GCGC disclosure standard:

GCGC grant/max report: shows target compensation (at 100% target achievement) and maximum compensation (highest realizable potential payout) granted for the fiscal year including benefits. In accordance with IFRS 2 equity-based multi-year variable compensation components are reported with their fair value at grant date. Non-equity based multi-year variable compensation elements are reported with their target value or a comparable value based on a "medium probability scenario". If a plan is not granted annually, but upfront for a multi-year period the grant value is distributed over this period and the pro-rated value is shown for each year.

GCGC payout report: shows realized compensation paid out for the fiscal year from fixed compensation elements, actual annual variable compensation elements and multi-year variable compensation elements (possibly originating from different years of grant).

Pension contributions are reported as service cost (IAS19) allocated to the financial year.

Base Salary

Includes all contractually agreed on fixed compensation components paid regardless of business and/or individual performance.

Regular Benefits

Includes non-cash benefits such as private use of company cars, insurance benefits or (expat related) benefits like housing or schooling, etc.

Annual Variable Compensation

Includes all variable compensation elements based on a performance period of one year. Payment is made in cash at or shortly after the end of the performance period. If part of the payout is deferred, the payout amount reduced by the deferred amount is shown as annual variable pay. The deferred amount is considered multi-year variable compensation and shown as cash deferral or equity deferral, depending on the plan design.

Multi-year Variable Compensation

Includes all variable compensation elements based on a performance period of more than one year. The following plan types are differentiated: cash and equity deferrals, share matching plans, multi-year bonuses, restricted stock, performance shares and stock options (please see glossary for definition of plan types). If a plan is not granted annually, but upfront for a multi-year period, the grant value is distributed over this period and the pro-rated value is shown for each year.

Other Compensation

Includes compensation elements that cannot be allocated to other defined compensation elements, e.g. claw backs which are considered with a negative value.

Pension Contributions

Includes pension benefits in case of old-age, invalidity and death disclosed as service costs (IAS19).

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