

## Methodology and Glossary

### Sources

boardpay.com collects published compensation information from Annual Reports, Proxy Statements, Forms 20-F, Registration Documents, Reference Documents, Remuneration/Compensation Reports.

### Reporting Year

Our reporting year refers to the year the company's fiscal year ends. Following the ICDS\* methodology the analysis refers to compensation paid related to the fiscal year accounted for. In case compensation data disclosed by the companies refers to payments made in the fiscal year but related to the previous year this is explicitly stated under comments.

boardpay.com collects disclosed information as published and – if necessary – works with transparent and consistent assumptions. Such assumptions are documented and provided with all reported compensation information.

### Currency/Exchange Rates

Data currency reported on boardpay.com equals the currency shown in the underlying source document. Data currency information is provided separately on company scope data and incumbent data. Depending on company specifics, the data currency may differ between these data sets.

If different currencies are shown within one of these data sets in the source document all values are converted into the currency most prevalent using the respective exchange rate stated in the source document. If there is no exchange rate stated the standard conversion rate used for all data is the average exchange rate for the respective calendar year (Source: Oanda.com).

### Data Elements Reported

#### Company Scope Data

The following scope data will be reported if and as published in the source document. If any of the scope data elements are not disclosed but can be calculated, calculations will be applied and an explanatory comment will be added to the report.

**Revenues:** Income or sales or turnover for the respective fiscal year as published,

**Total Assets:** Total assets or balance sheet total amount for the respective fiscal year as published,

**Employees:** Number of employees, reported as published in the following order of preference: fulltime equivalents at fiscal year-end, headcount at fiscal year-end or fiscal year average headcount,

**Market Capitalization:** Market capitalization at fiscal year-end as published,

**EBT:** Earnings before taxes for the respective fiscal year as published,

**EBIT:** Earnings before interest and taxes or operating income for the respective fiscal year as published,

**EPS:** Fully diluted earnings per share from continuing and discontinued operations for the respective fiscal year as published,

**Index 1-4:** Stock indices the company is listed in,

**Major Institution:** Applies to financial institutions referred to in Article 131 of Directive 2013/36/EU (global systemically important institutions and other systemically important institutions) and, as appropriate, other institutions determined by the competent authority or national law, based on an assessment of the institutions' size, internal organization and the nature, the scope and the complexity of their activities,

**Compensation disclosed refers to:** Applies to Swiss Non-Executive Directors' compensation and indicates if compensation data is disclosed for the period between the Annual General Meetings or for the fiscal year.

**Disclosure Levels:** The Disclosure Level is defined per company and is based on the disclosure practice for Executive Directors. The regulatory standard shown below reflects the governance guidelines respectively regulatory requirements of the countries listed. The availability and quality of the data reported is defined by the Disclosure Level.

	Disclosure Level description	Report options	Regulatory standard
A+	individual ICDS* disclosure additionally: realized (multi-year variable compensation payouts) and/or realizable pay (target or maximum compensation) disclosed	standard ICDS* report plus: special reports available	DE
A	individual ICDS* disclosure	standard ICDS* report high data quality, allows differentiated analysis	AT, ES, FR, GB, IT, NL, IE, DK, PL, PT, NO, LU
B	no full individual ICDS* disclosure aggregated total compensation for individuals disclosed OR aggregated pay components for entire board disclosed	standard ICDS* report underlying consistent assumptions regarding split of aggregated values	BE, CH, FI, IS, SE
C	no individual ICDS* disclosure only aggregated total compensation amount for entire board disclosed	standard ICDS* report underlying major assumptions, only limited validity of results	
D	no meaningful compensation data disclosed	–	

\* ICDS is a European registered trademark of hkp/// group

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### Incumbent Data

**Name:** Personal data is reported as published in the source document or on the company's homepage, including the name and title of each person as well as the year of birth, gender and nationality where available.

**Job Title and Functional Responsibilities:** Job title refers to the company's job title as published in the source document or on the company's homepage. In addition to the job title and the position of each person, their functional responsibilities are also reported. A filter helps to identify different roles: e.g. Chief Financial Officer by functional responsibilities: Asset Management, Corporate Social Responsibility, Finance, HR, Innovation, IT, Legal, Mergers and Acquisitions (M&A), Operations, Profit Center Head, Research and Development (R&D), Risk, Sales and Marketing, Strategy, Supply Chain Management and Technology.

### Positions Reported

The corporate governance environment varies significantly across Europe. In particular, board structures and the concept of inter-board collaboration reflect some important differences. The figures below provide an overview of the governance models most prevalent internationally.

Two-tier systems (left) clearly distinguish between a Non-Executive Board (or Supervisory Board) consisting of outside directors/independent members, and an Executive Board. In some countries, such as Germany, a two-tier system is required by law.

By contrast, one-tier systems combine Non-Executive and Executive functions in one board. In this case, a distinction between Executive and Supervisory functions may still be achieved to

some extent by a separate Executive Committee, responsible for leading the company operationally. The Chairman's role is separate from the CEO's role which allows for more independent supervision and control (e.g. as in the UK).

A third system exists (e.g. in France or in the USA), where the roles of CEO and Chairman are typically combined. In such cases you often find a role "Senior" or "Lead Independent Director" which is also included in our data.

We analyze Executive and Non-Executive compensation separately. Where directors perform both Executive and Non-Executive tasks, we include them on the basis of their compensation for each specific role if relevant compensation data is available and clearly distinguishable from each other. If not, the aggregated amount referring to both functions is reported in both roles including an explicit comment.

### Non-Executive Directors

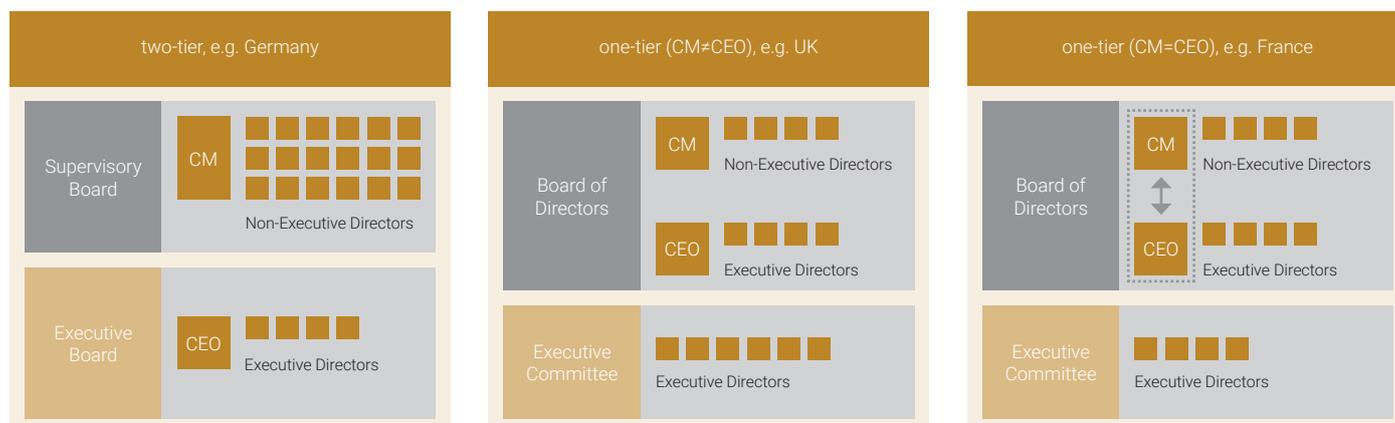
We differentiate the following roles you may select: Chairman, Vice Chairman, Senior/Lead Independent Director, Chairman of the Audit Committee and the Non-Executive Director position which represents all other Non-Executive Directors not mentioned before.

### Executive Directors

We differentiate the following roles you may select for your individual report: CEO, Deputy CEO and the Executive Director position which represents all other Executive Directors not before mentioned.

### Full Year in Position

Relates to changes in the position during the period the compensation is disclosed for. If there is a change in position, a date of position entry or position leave is reported.



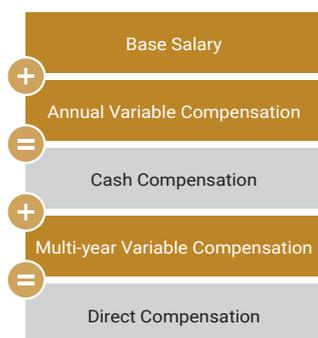
CM=Chairman, CEO=Chief Executive Officer

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### Compensation Data Elements reported

The International Compensation Disclosure Standard (ICDS<sup>\*</sup>) was developed by hkp/// group to establish a common ground-work for a cross-country and cross-company comparison of Executive and Non-Executive Directors pay of publicly listed companies. This transparent methodology guarantees the highest possible level of comparability between companies governed by different regulatory requirements and driven by different market practices.

#### Executive Directors



Additional compensation elements reported: special benefits

#### Non-Executive Directors



We also provide detailed and specific information with regard to certain countries and industries:

- **Germany** based on German Corporate Governance Code standard reporting tables for maximum realizable pay, realized pay, and target pay
- **Switzerland** following ICDS<sup>\*</sup> but reflecting discounted values for equity based compensation according to Swiss tax law
- **Banks** according to CRD IV/EBA separated for fixed compensation and variable compensation and for variable compensation split into upfront cash/instruments and deferred cash/instruments

### Overview on reporting by different methodologies

Compensation elements	ICDS <sup>*</sup>	GCGC			Switzerland	Banks
		Grant		Payout		
		Target	Maximum			
Base salary		Payout				
Regular benefits	–	Payout			–	–
Annual variable compensation	Payout	Target value/value for an average probability scenario	Maximum value	Payout	Payout	
Multi-year variable compensation	Value at grant (fair value) or payout	Value at grant (fair value) or target value/value for an average probability scenario	Maximum value	Payout	Discounted or value at grant (fair value) or payout	Awarded value (fair value) or payout
Other compensation	–	–	–	Payout	–	–
Pensions		Service cost in accordance with IAS 19			–	–
Special benefits	Payout	–			Payout	Payout

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### Definition of Multi-year Variable Compensation Plan Types

#### Multi-year Variable Compensation

Variable compensation elements based on a performance/vesting period of more than one year. Examples include cash and equity deferrals, share matching, multi-year bonuses, restricted stock, performance shares and stock options.

#### Deferral

In cases of a deferral, compensation elements from short-term variable compensation are linked to other performance targets and paid with a certain delay. We distinguish between cash deferral and equity deferral.

#### Cash Deferral

Represents a deferred payment in cash. The deferred amount is typically a portion of short-term variable compensation and forms part of the total compensation package. Payment of the deferred amount is delayed for a certain period of time e.g. three years. Cash payment varies according to whether predefined internal performance targets are met.

#### Equity Deferral

Represents a deferred payment in form of real or virtual shares. The deferred amount typically is a portion of short-term variable compensation and forms part of the total compensation package. Based on the share price at the grant date, the deferred amount is translated into real or virtual shares and the resulting number of shares is blocked for a certain period of time, commonly three years. After expiry of the blocked period, these shares are placed at the beneficiary's disposal. In the case of virtual shares, the number of shares is multiplied by the share price at the end of the vesting period and then paid out in cash.

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### Discount/Share Matching

Represents compensation with share purchase/acquisitions. In the case of share matching, the number of company shares acquired by the beneficiary (his or her personal investment) is matched by a number of additional free shares according to a predefined ratio after expiry of the vesting period, e.g. three years. For example, the beneficiary may receive one additional free share for each share held over a period of three years. In the case of a share discount, the beneficiary is allowed to acquire the company's shares at a discounted, subsidized price.

### Multi-year Bonus

Multi-year compensation elements based on a rolling, backwards-oriented average over several years depending on the achievement of a predefined set of performance targets. The multi-year bonus is reported in the fiscal year in which the final target achievement is determined.

### Performance Cash

The beneficiary is granted a conditional right to a certain cash compensation after the expiry of a predefined period of time, e.g. three to four years. The final amount is determined at the end of the performance period, depending on the achievement of predefined performance targets during the period. Performance targets may be market or non-market conditions.

### Performance Shares

The beneficiary is granted a conditional right to a cession of shares after the expiry of a predefined period of time, e.g. three to four years. At the beginning of the plan period, a certain number of performance shares are conditionally granted to the beneficiary. Depending on the achievement of predefined performance targets during the performance period, the number of shares can then increase or decrease. Performance targets may be market or non-market conditions. The final amount is delivered either in the form of shares or as an equivalent payment in cash.

### Restricted Stock

The beneficiary is awarded a certain number of real or virtual shares that are blocked for a certain period of time, e.g. four years, and afterwards placed at his or her disposal. Alternatively, at the end of the period, the number of shares may be multiplied by the current share price and the payment is made in cash.

### Stock options/SAR

Refers to stock options and share appreciation rights. The beneficiary is granted the right to purchase shares for a certain strike price. Sometimes, the final amount of options at the end of

the vesting period is contingent on the achievement of performance targets during the performance period. The performance targets may be market or non-market conditions. After expiry of the vesting/blocking period, the options can be exercised within a specified exercise period, provided that the current share price exceeds the strike price set at the time of grant. Payment is made either in the form of shares or, in the case of share appreciation rights, in cash.

### Collection and Reporting of Compensation Data – Approach and General Assumptions

Data provided by boardpay.com is collected as published in the source document. If possible “not individually disclosed” compensation elements are calculated based on additional information found in the source document or based on consistent assumptions. The Disclosure Level of a company gives an indication of the disclosure quality and the necessity of assumptions. To guarantee transparency all assumptions are documented and provided with every line of data reported.

### General Assumptions and Interpretation of published Data Elements

#### No individual Disclosure

If only an aggregated compensation amount is disclosed for a group of Directors, consistent assumptions are made to be able to split and distribute the data to different roles or compensation elements. These assumptions are based on market practice and documented transparently.

Should certain data elements in your report be missing, they have not been disclosed or could not be calculated consistently.

#### Not full Year in Position

When reporting data on incumbents who have not been in their function for the full year, we collect and report the disclosed pro-rated values. If necessary, compensation is calculated pro-rated on a daily basis.

#### Deferrals

If a defined part of the actual annual bonus is deferred (in cash or equity) for a certain period of time but published as annual bonus, we deduct the deferred part from the annual bonus and report it as deferral under multi-year variable compensation.

#### Multi-year Variable Compensation

For plans that are not granted annually but on a regular multi-year recurrence and published in one grant amount, we report a pro-rated value on an annual basis.