Remuneration Report

Migros has a clearly defined remuneration policy. The remuneration of Migros' management is based on pre-determined salary bands approved by the G. and A. Duttweiler Foundation. The FMC Board of Directors issues guidelines for the remuneration of the other organs.

The salary bands are regularly reviewed and adjusted by the FMC Board of Directors and must be approved by the G. and A. Duttweiler Foundation. Mitreva Interne Revision AG verifies that the salary bands are adhered to, and the Chairman of the Board of Directors is informed of the results in writing.

Migros' remuneration model is clear and simple. Salaries are consistently based on rates of pay in the market, and the rationale of social capital is taken into account when fixing them. Clear guidelines are set for working at Migros. Workplace quality is a conscious component of responsible management at Migros. The benchmark working conditions can be found here [http://www.migros.ch/de/stellen/arbeitgeberin-migros.html] . They contain details such as minimum wages, regulations for annual leave and employee training entitlements.

For the remuneration of the Migros organs, the Board of Directors issues guidelines that are regularly reviewed and adjusted. These also apply to the external members of the boards of directors of FMC subsidiary companies. Internal members do not receive any form of remuneration for such mandates. Since 2014, the remuneration of the FMC Board of Directors is being approved by the G. and A. Duttweiler Foundation.

The bonus-free remuneration and salary system is one of Migros' core values and is integral to the company's long-term development. The members of the Board of Directors and Executive Board do not receive any bonuses or profit-sharing for their duties with Migros. They are not entitled to any contractually regulated severance pay.

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Fees paid to members of the Board of Directors

The members of the FMC Board of Directors (including the Chairman) received a total of CHF 1'014'500 in fees in 2014 (2013: CHF 1'014'500), including all attendance fees for committee meetings and conferences. No other forms of remuneration are paid, including in particular pension fund contributions or expenses.

The Chief Executive Officer and the managing directors of the regional Cooperatives did not receive any form of remuneration in their capacity as members of the FMC Board of Directors. The detailed disclosure of the remuneration paid to members of the Board of Directors is shown below:

Remuneration Report

	Flat-rate remuneration		Attendance fee [4]		Total remuneration [5]	
In CHF	2013	2014	2013	2014	2013	2014
Andrea Broggini (Chairman) Remuneration and Nominations Committee (Chairman) [1]	385'000	385'000	-	-	385'000	385'000
Doris Aebi, Vice-Chairwoman Remuneration and Nominations (member), ADH (strategic issues, member since 01.07.2014) [2]	70'000	70'000	9'000	10'000	79'000	80'000
Roger Baillod Audit Committee (Chairman)	55'000	55'000	20'000	19'000	75'000	74'000
Dominique Biedermann Audit Committee (member)	55'000	55'000	10'000	9'000	65'000	64'000

Jean-René Germanier Remuneration and Nominations (member) [6]	55'000	55'000	9'000	6'000	64'000	61'000
Paola Ghillani Audit Committee (member), ADH (strategic issues, member since 01.07.2014)	55'000	55'000	10'000	11'500	65'000	66'500
Thomas Rudolph Finance Committee (member) [7]	55'000	55'000	7'000	7'000	62'000	62'000
Ursula Schoepfer Finance Committee (Chairwoman)	55'000	55'000	17'000	17'000	72'000	72'000
Heinz Winzeler Finance Committee (member)	55'000	55'000	5'500	7'000	60'500	62'000
Hans A. Wüthrich Audit Committee (member)	55'000	55'000	10'000	9'000	65'000	64'000
Patrick Avanthay (Employee Representative) [3]	-	-	11'000	12'000	11'000	12'000
Ruth Rauschenbach (Employee Representative) [3]	-	-	11'000	12'000	11'000	12'000
Total	895'000	895'000	119'500	119'500	1'014'500	1'014'500

1 The Chairman of the Board of Directors does not receive any attendance fees. The total remuneration includes annual expenses of CHF 20'000. No pension fund contributions are paid.

2 The Deputy Chair receives flat-rate remuneration of CHF 15'000.

3 The employee representatives are paid CHF 1'000 for each meeting/conference.

4 Committee meetings are remunerated as follows:
Full-day meeting: CHF 2'500
Half-day meeting: CHF 1'500
Meeting before/after meetings of the Board of Directors: CHF 500
Allowance for chair of committee: CHF 10'000 (fixed annual fee)

5 Plus overnight accommodation and board at the company's own seminar centre during meetings of the Board of Directors. No pension fund contributions are paid.

6 Plus remuneration for the seat on the board of Seba Aproz SA, amounting to CHF 10'000 per year.

7 Since 2000, Migros Culture Percentage has been making an annual contribution of CHF 400'000 to the Gottlieb Duttweiler Chair of International Retail Management at the University of St. Gallen's Institute of Retail Management. The Migros funds are used to finance postdoctoral positions. Thomas Rudolph is the Director of the Institute of Retail Management and the Gottlieb Duttweiler Chair at the University of St. Gallen as well as the holder of a University-funded chair.

Salaries of the Executive Board

The seven members of the FMC Executive Board (including the CEO) received a total of CHF 5.23 million in 2013 (2012: CHF 5.17 million). The highest single salary paid (Herbert Bolliger, Chief Executive Officer) was CHF 904'000 (2013: CHF 885'000). Two thirds of pension fund contributions are paid by the employer, and one third by the employee. Members of the Executive Board are provided with a company car; no other benefits are paid. A lump-sum expense allowance is included in the salaries above; no other benefits are paid. No variable forms of remuneration are paid. The seven members of the Executive Board do not receive any form of remuneration for business-related seats on management boards, supervisory boards and foundation councils.