

Committees

The Board of Directors works in liaison with a number of permanent committees. Except in the Retail Committee, these consist predominantly – or exclusively – of external, independent members of the Board of Directors who have an appropriate background and can contribute their specific specialist knowledge.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee is responsible for matters relating to staff remuneration and nomination. It makes **recommendations** to the Board of Directors **on the remuneration of the Migros organs** and on the salary bands for Migros' senior management. It determines the salary of the Chief Executive Officer, as well as the salaries of the Executive Board members based on the CEO's recommendations. The Chairman of the Board of Directors can also request the Committee's input on other remuneration- and salary-related issues.

The Committee is responsible for ensuring that an appropriate President of the FMC Assembly of Delegates, Chairman of the FMC Board of Directors and CEO are elected, taking into account the voting regulations. It also suggests potential nominees to the Board of Directors. In addition, it helps the Board of Directors to review the CEO's proposal to the members of the Executive Board. The Committee also makes **proposals for external boards of directors in FMC subsidiaries** with permanent external boards of directors.

Where there is a conflict of interest, the members concerned do not participate. The **Committee consists only of external, independent members**. In the case of impending nominations, two additional members may join the Committee. The Board of Directors opted for this extension in spring 2015. Four meetings were held in 2015 (three of which with a partially extended Committee).

- Andrea Broggini (Chairman; external, independent)
- Doris Aebi (external, independent)
- Jean-René Germanier (external, independent)
- Herbert Bolliger (internal, for nominations only)
- Beat Zahnd (internal, for nominations only)

In addition, an ad-hoc committee (Evaluation Committee), consisting of three members each from the Human Resources and Remuneration Committee and the Office of the Assembly of Delegates, was set up to prepare the elections in the 2016 election year.

Audit Committee

The Audit Committee supports the Board of Directors in the **supervision and review of the accounting and financial reporting** of the FMC and Migros Group, the Board of Control as well as the Risk and compliance management within FMC and the Migros Group. The duties and powers assigned to the Board of Directors in accordance with the law, the statutes and the rules of organisation remain the full Board of Directors' responsibility. The Audit Committee has no decision-making powers, except for making decisions about the audit plan and fee budget for the external and internal auditors.

In performing its duties, the Audit Committee has unrestricted access to the management of all group companies and their business records and documents. The Audit Committee operates in accordance with the rules of Best Practice, which are observed by large Swiss business enterprises. The Committee reports regularly to the Board of Directors about the results of its inspections and proposes appropriate measures when necessary. The Audit Committee consists **only of external, independent members**; it held four meetings in 2015.

- Roger Baillod (Chairman; external, independent)
- Dominique Biedermann (external, independent)
- Paola Ghillani (external, independent)
- Hans A. Wüthrich (external, independent)

Finance Committee

The Finance Committee ensures that the available financial resources are properly deployed, taking into account the agreed strategies, plans and requirements of the Migros Group. In particular, it **reviews proposals for the acquisition and sale** of businesses or business units as well as large investments or divestments by the FMC and its subsidiaries (provided that these fall within the remit of the Board of Directors) and it makes recommendations to the Board of Directors.

The Finance Committee **consists primarily of external, independent members**; it held six meetings in 2015.

- Ursula Schoepfer (Chairwoman; external, independent)
- Lorenzo Emma (internal)
- Thomas Rudolph (external, independent)
- Marc Schaefer (internal)
- Heinz Winzeler (external, independent)

Migros Retail Committee (ADH)

The Migros Retail Committee (ADH) deals with **all matters that are relevant**

to the retail business under the Migros brand the “orange M”, especially merchandising and retail strategies, and makes the relevant applications to the Board of Directors. The Committee formulates binding procedural plans, priorities and actions for the implementation of the budget. It is also responsible for supervising and controlling budgets, and introduces appropriate measures when there are deviations from these.

In addition to the Chairman, the Migros Retail Committee (ADH) includes the ten managing directors of the cooperatives as well as the members of the Executive Board (no voting rights). Only **having external members** on the Migros Retail Committee (ADH) recognises the fact that the committee is responsible for preparing the Cooperative Retailing strategy for the Board of Directors as well as performing operational tasks which help coordinate the core business. **Close coordination of the core business is essential.** Since 2014, the Board of Directors is being supplemented by two additional external members for advising and voting on strategic issues.

The 17 (or 19) members of the Committee met on six occasions in 2015.

- Herbert Bolliger (Chairman, internal)
- Max Alter
- Jürg Blunschi
- Peter Diethelm
- Philippe Echenard
- Lorenzo Emma
- Marcelle Junod
- Felix Meyer
- Stefano Patrignani
- Marc Schaefer
- Beat Zahnd

Additionally on strategic issues:

- Doris Aebi (external, independent)
- Paola Ghillani (external, independent)

Six members of the Executive Board (no voting rights, all internal)