

Remuneration Report

Migros has a clearly defined remuneration policy: the remuneration of Migros' management is based on pre-determined salary bands approved by the 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. The benchmark working conditions, such as minimum wages, regulations for annual leave and employee training entitlements, can be found here.

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 at 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 1'126'500 in fees in 2015 (2014: CHF 1'014'500), including all attendance fees for committee meetings and conferences. The mandate remuneration was increased with effect from 1 January 2015, the first change since 2005. 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:

In CHF	Flat-rate remuneration		Attendance fee ^[4]		Total remuneration ^[5]	
	2014	2015	2014	2015	2014	2015
Andrea Broggini (Chairman) Remuneration and Nominations Committee (Chairman), Evaluation Committee (Chairman) ^[1]	385'000	420'000	-	-	385'000	420'000
Doris Aebi, Vice-Chairwoman Remuneration and Nominations (member), ADH (strategic issues, member since 01.07.2014), Evaluation Committee (member) ^[2]	70'000	76'500	10'000	17'550	80'000	94'050
Roger Baillo						
Audit Committee (Chairman)	55'000	60'000	19'000	21'900	74'000	81'900
Dominique Biedermann Audit Committee (member)	55'000	60'000	9'000	9'900	64'000	69'900
Jean-René Germanier Remuneration and Nominations (member) ^[6]	55'000	60'000	6'000	6'600	61'000	66'600
Paola Ghillani Audit Committee (member), ADH (strategic issues, member since 01.07.2014)	55'000	60'000	11'500	19'250	66'500	79'250
Thomas Rudolph Finance Committee (member) ^[7]	55'000	60'000	7'000	10'450	62'000	70'450
Ursula Schoepfer Finance Committee (Chairwoman)	55'000	60'000	17'000	24'100	72'000	84'100
Heinz Winzeler Finance Committee (member)	55'000	60'000	7'000	12'100	62'000	72'100
Hans A. Wüthrich Audit Committee (member)	55'000	60'000	9'000	9'900	64'000	69'900
Patrick Avanthay (Employee Representative) ^[3]	-	-	12'000	11'000	12'000	11'000
Ruth Rauschenbach, until 22.10.2015 (passing) (Employee Representative) ^[3]	-	-	12'000	7'700	12'000	7'700
Total	895'000	976'500	119'500	150'450	1'014'500	1'126'950

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 until 31.12.14, from 01.01.15 a flat rate of 16'500.

3 The employee representatives are paid CHF 1'000 for each meeting/conference until 31.12.14, from 01.01.15 CHF 1'000.

4 Committee meetings are remunerated as follows:

Full-day meeting until 31.12.14: CHF 2'500, from 01.01.15: CHF 2'750

Half-day meeting until 31.12.14: CHF 1'500, from 01.01.15: CHF 1'650

Meeting before/after meetings of the Board of Directors until 31.12.14: CHF 500, from 01.01.15.: CHF 550

Allowance for chair of committee until 31.12.14: CHF 10'000, from 01.01.15 12'000 (fixed annual fee)

Evaluation committee (only for pending elections) per session: CHF 800

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 5'376 million in 2015 (2014: CHF 5.23 million). The highest single salary paid (Herbert Bolliger, Chief Executive Officer) was 924'000 (2014: CHF 904'000). 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. A lump-sum expenses 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.