



Reports 2019
Remuneration Report

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Introduction to the Remuneration Report

Under the terms of Section 7 of the “Ordinance against abusive remuneration in listed companies” (VegüV) of 20 November 2013, the Board of Directors of MCH Group Ltd. is required to submit a written remuneration report providing information on remuneration, loans and credit for the Board of Directors and the management (Executive Board).

To provide a clearer overview and make for an easier understanding of the remuneration details, this remuneration report also contains the general principles and the remuneration systems for the Board of Directors and the Executive Board.



Baselworld

The remuneration report is published in accordance with the appropriate provisions governing the annual report. The statutory auditor is required to check the remuneration report for compliance with the law and the “VegüV” Ordinance in each case.

The remuneration report does not have to be submitted to the General Meeting for approval. The General Meeting does, however, have to decide on the non-profit-related remuneration of the Board of Directors and Executive Board, as well as the profit-related remuneration of the Executive Board.

Details of the remuneration as per the “VegüV” Ordinance

The details of the remuneration required to be disclosed are set out in Articles 14-16 of the “VegüV” Ordinance (in German).

Vote on the remuneration by the General Meeting

The provisions governing the approval of the remuneration by the General Meeting as per Article 18 of the “VegüV” Ordinance are set out in Paragraphs 18 and 19 of the statutes of MCH Group Ltd.

On the basis of the Statutes of MCH Group Ltd., the General Meeting of 2 May 2019 approved the non-profit-related remuneration of the Board of Directors and the Executive Board for the 2020 business year and the profit-related remuneration of the Executive Board for the 2018 business year.

At the General Meeting of 24 April 2020, a vote will be held on the non-profit-related remuneration of the Board of Directors and Executive Board for the 2021 business year and also on the profit-related remuneration of the Executive Board for the 2019 business year.

General principles of remuneration

MCH Group

The MCH Group endeavours to offer its employees attractive general conditions. The remuneration principles, remuneration systems and remuneration levels are based on the standard conditions prevailing on the market and in the sector and are regularly reviewed. The MCH Group also aims to allow as many of its employees as possible to participate in the group's success through a variable remuneration component.

The remuneration systems for all the companies are configured in such a way that

they are both proportionate and competitive in relation to those of companies in a comparable field of activity;

they are commensurate with the quality of the work, the workload and the responsibility borne by the post in question and the contribution made by the individual;

they are readily comprehensible and transparent for employees at all levels;

the profit-related (variable) remuneration is in proportion to the group result;

the ratio between the non-profit-related (fixed) and the profit-related (variable) elements of the remuneration is commensurate with the sphere of influence of the employee concerned;

an appropriate ratio exists between the lowest and the highest wages.

Board of Directors and Executive Board

The Board of Directors sets the remuneration for the Board of Directors and the Executive Board each year following a proposal from the Governance, Nomination and Compensation Committee (GNCC) elected by the General Meeting and subject to the approval of the General Meeting.

On 2 May 2019, the General Meeting elected the following members of the Board of Directors as members of the GNCC for the reporting year:

Dr. Ulrich Vischer, Chairman

Hans-Kristian Hoejsgaard, Member

Dr. Balz Hösly, Member

Jean-Philippe RoCHAT, Member

Details of the function of the GNCC and its members:
[Annual Report / Organisation & Management / Specialist Committees](#)
[Annual Report / Board of Directors](#)

The remuneration of the Board of Directors and the Executive Board disclosed in the remuneration report takes in all the remuneration for the reporting year of 2019.

When members join the Board of Directors or the Executive Board, the remuneration is included as of the date on which they take on their new function.

When members leave the Board of Directors or Executive Board, the remuneration is included up to the date of departure together with any remuneration paid in the course of the reporting year in conjunction with the member's previous activity.

A number of members of the Executive Board are on the Board of Directors of group companies. No extra remuneration is paid for the exercise of these mandates within the group.

The profit-related remuneration of the Executive Board for 2019 is not paid until after the General Meeting has given its approval.

Remuneration of the Board of Directors

Profit-related remuneration has been dispensed with in the case of the Board of Directors. The “approved overall sum gross” for the fixed remuneration in 2019 is a maximum of CHF 540,000 (including fees and attendance fees excluding social insurance contributions). At the General Meeting of 24 April 2020, the total amount of fixed remuneration for the year 2021 will be submitted for approval. The overall amount requested (now including social insurance contributions) for 2021 amounts to a maximum of CHF 590,000.

The remuneration for members of the Board of Directors is made up of the following components:

a) Non-profit-related (fixed) remuneration

Each member of the Board of Directors receives a fixed basic fee which is determined in advance and is laid down in the regulations. This is identical for each member. The Chairman and Vice-Chairman receive higher fees. Additional fees are paid for membership and chairmanship of specialist committees in order to take into account the individual responsibility and workload involved. The remuneration established for each member is paid in cash on a quarterly basis.

b) Attendance fees

An attendance fee is paid for each meeting or, if more than one meeting is held on a given day, for each day. The level of the attendance fee is laid down in the regulations governing the remuneration of the Board of Directors.

c) Expenses

All the members of the Board of Directors receive a lump sum expenses allowance. Additional expenses, such as those for business travel, are refunded on the basis of the expenses effectively incurred. VISCHER AG invoices CHF 35,000 each year for the outlay incurred in running the secretariat for the Chairman of the Board of Directors.

d) Shares, options

The MCH Group does not have any share or option schemes for the Board of Directors. Details of shares in MCH Group Ltd. that are held by members of the Board of Directors:

[Annual Report / Corporate Governance / Board of Directors](#)

e) Sign-on bonuses

No sign-on bonuses are paid to members of the Board of Directors.

f) Loans, credit

As in the previous year, no loans or credit were granted to the Board of Directors in the reporting year.

g) Suretyships

No suretyships (sureties, guarantees) were granted to members of the Board of Directors in the reporting year.

Remuneration 2019

2019, in CHF (audited)	Basic fee 1)	Fee for additional functions 1) 2)	Attendance fees and expenses 1) 3)	Social insurance contributions	Overall sum incl. Social insurance contributions	Overall sum gross
Dr. Ulrich Vischer, Chairman 7)	86 285	10 000	23 000	0	119 285	119 285
Christoph Brutschin, Vice-Chairman 4)	36 000	5 000	22 000	0	63 000	63 000
Markus Breitenmoser 5)	14 000	0	3 667	2 431	20 098	17 667
Marco Gadola 6)	7 000	1 667	6 333	2 097	17 097	15 000
Werner Helfenstein 4) 6)	7 000	0	6 333	874	14 207	13 333
Dr. Eva Herzog 4)	21 000	0	7 000	0	28 000	28 000
Hans-Kristian Hoejsgaard 5)	14 000	5 333	9 667	4 046	33 046	29 000
Dr. Balz Hösly 4)	21 000	5 000	20 000	6 435	52 435	46 000
Dr. Dagmar Maria Kamber Borens 4) 5)	14 000	5 333	11 667	4 484	35 484	31 000
Dr. Karin Lenzlinger Diedenhofen	21 000	3 000	13 000	5 148	42 148	37 000
Dr. André Odermatt 4)	21 000	0	8 000	4 004	33 004	29 000
Jean-Philippe Rochat 6)	7 000	1 000	4 333	1 630	13 963	12 333
Thomas Weber 4)	21 000	3 000	8 000	0	32 000	32 000
Andreas Widmer	21 000	2 000	17 000	5 577	45 577	40 000
Total	311 285	41 333	160 000	36 727	549 345	512 618

1) Without social insurance contributions

2) Contains fees for the GNCC, AC and the Strategy Committee

3) Without compensation for the outlay on the secretariat for the Chairman of the Board of Directors

4) The fees for the BD members appointed by the public sector are paid to the offices specified by the latter

5) BD member as of 02.05.2019

6) BD member up to 02.05.2019

7) Vischer AG invoices the fee for the Chairman of the Board of Directors and makes the statutory social insurance payments

Remuneration 2018

2018, in CHF (audited)	Basic fee ¹⁾	Fee for additional functions ^{1) 2)}	Attendance fees and expenses ^{1) 3)}	Social insurance contributions	Overall sum incl. social insurance contributions	Overall sum gross
Dr. Ulrich Vischer, Chairman ⁷⁾	85 813	8 000	21 000	0	114 813	114 813
Christoph Brutschin, Vice-Chairman ⁴⁾	36 000	3 000	18 000	0	57 000	57 000
Marco Gadola	21 000	5 000	16 000	5 863	47 863	42 000
Werner Helfenstein ⁴⁾	21 000	0	8 000	1 323	30 323	29 000
Dr. Eva Herzog ⁴⁾	21 000	0	6 000	0	27 000	27 000
Dr. Balz Hösly ^{4) 5)}	17 500	2 000	4 833	3 361	27 694	24 333
Dr. Karin Lenzlinger Diedenhofen	21 000	3 000	16 000	5 577	45 577	40 000
Dr. André Odermatt ⁴⁾	21 000	0	7 000	3 861	31 861	28 000
Jean-Philippe Rochat	21 000	3 000	7 000	4 076	35 076	31 000
Carmen Walker Späh ^{4) 6)}	3 500	500	1 167	0	5 167	5 167
Thomas Weber ⁴⁾	21 000	3 000	7 000	0	31 000	31 000
Andreas Widmer	21 000	0	8 000	4 004	33 004	29 000
Total	310 813	27 500	120 000	28 066	486 379	458 313

1) Without social insurance contributions

2) Contains fees for the GNCC and AC

3) Without compensation for the outlay on the secretariat for the Chairman of the Board of Directors

4) The fees for the BD members appointed by the public sector are paid to the offices specified by the latter

5) BD member as of 01.03.2018

6) BD member up to 28.02.2018

7) Vischer AG invoices the fee for the Chairman of the Board of Directors and makes the statutory social insurance payments

Remuneration of the Executive Board

The Board of Directors lays down the remuneration model for the members of the Executive Board. The current remuneration model has been in force since 3 February 2014.

Following a proposal from the Governance, Nomination and Compensation Committee (GNCC), the Board of Directors modified the remuneration model slightly at that time compared with the previously applicable model in terms of the profit-related (variable) remuneration. The profit-related remuneration was brought more into line with the effectively achieved result. These changes have been incorporated in the regulations governing the profit-related remuneration of the Executive Board. The non-profit-related (fixed) remuneration and the lump-sum expenses allowances are reviewed periodically; the latter have been approved by the cantonal tax office. The level of the profit-related remuneration (individual bonus) is recalculated and specified on an annual basis as a function of the financial result.

There are no fixed-term employment contracts and no periods of notice in excess of 12 months. No severance payments are made to members of the Executive Board upon termination of their employment relationship.

The remuneration for members of the Executive Board is made up of the following components:

a) Non-profit-related (fixed) remuneration

The non-profit-related (fixed) remuneration of members of the Executive Board is determined by the Board of Directors on the basis of their training, competences and functions. This component of the remuneration includes any family allowances, awards for service anniversaries and other payments (e.g. pension fund buy-ins, other allowances, etc.).

The "approved overall sum gross" for the fixed remuneration in 2019 is a maximum of CHF 2,300,000 (including basic salary, bonuses for service anniversaries, family allowances, pension fund buy-ins and other allowances). At the General Meeting of 24 April 2020, the total amount of fixed remuneration for the year 2021 will be submitted for approval. The overall amount requested (now including social insurance contributions) for 2021 amounts to a maximum of CHF 2,800,000.

b) Profit-related (variable) remuneration

With the remuneration model that was modified in the 2014 financial year, the group profit is the sole component by which the profit-related remuneration of the CEO is measured. For the other members of the Executive Board, the profit-related remuneration takes in the components of group profit, the division result and the individual performance assessment, with different weightings. These are calculated as a percentage of the fixed remuneration:

Division result (0 – 12 %)

Individual assessment (0 – 12 %)

For the group profit component, the level of remuneration is derived directly from the result achieved. This component is only paid out if the group profit is greater than CHF 10.0 million. Since the 2014 financial year, the group profit component has been 1.75% of the annual result for the CEO and 0.7% of the annual result for the other members of the Executive Board.

In deviation from the regulations, the Board of Directors has specified a bonus for the new CEO that is based on the attainment of specific quantitative and qualitative goals for the transformation of the company.

Individual components are given a higher weighting or left out of account altogether depending on the individual members' areas of responsibility. None of the maximum of three variable components is due to the members of the Executive Board independently of the course of business or independently of their individual performance. All profit-related remuneration elements are paid out in cash.

For the 2019 reporting year, the profit-related component of the remuneration for Executive Board members averaged 12% (previous year: 6%) of the overall remuneration. Of this, almost 83% (81%) was paid as a cash component and 17% (19%) was paid to the various social insurance schemes.

Prospects:

The MCH Group is currently reviewing the remuneration model introduced in 2014. The combination of profit-related and non-profit-related remuneration is being examined, in particular, and will be adjusted where necessary.

c) Expenses

The members of the Executive Board receive an expenses allowance which varies according to their function and a lump-sum car allowance based on the distance travelled. In 2019, the overall amount is CHF 167,000 (previous year CHF 171,000). These expenses allowances have been approved by the cantonal tax authorities.

d) Shares, options

The MCH Group does not have any share or option schemes for the Executive Board. Details of shares in MCH Group Ltd. that are held by members of the Executive Board:

[Annual Report / Corporate Governance / Executive Board](#)

e) Sign-on bonuses

No sign-on bonuses are paid to members of the Executive Board.

f) Loans, credit

As in the previous year, no loans or credit were granted to the Executive Board in the reporting year.

g) Suretyships

No suretyships (sureties, guarantees) were awarded to members of the Executive Board in the reporting year.

Remuneration 2019

The profit-related remuneration for the entire Executive Board for 2019, submitted to the General Meeting on 24 April 2020 for approval, is CHF 403,688 (including social insurance contributions). This profit-related remuneration is made up of a gross figure of CHF 375,500 plus the share of social insurance contributions of CHF 28,188.

In the 2019 financial year, it was necessary to make use of the additional amount of CHF 1,000,000.– for which provision is made in the statutes for the remuneration of Executive Board members who are appointed after the General Meeting's vote on the remuneration of the Executive Board. The sum of CHF 2,300,000.– approved by the General Meeting of 4 May 2018 was exceeded by CHF 452,277.–. Non-profit-related remuneration totalling CHF 2,752,277.– was thus paid out in the 2019 financial year.

The reason why the approved remuneration was exceeded was primarily the personnel changes in the Executive Board and the duplication of the functions of the Group CEO (2 months) and the CEO Live Marketing Solutions (6.5 months). The labour legislation obligations led to an additional burden of CHF 485,656.– in all, with CHF 354,001.– for Bernd Stadlwieser (CEO) and CHF 131,655.– for Florian Faber (CEO Live Marketing Solutions).

2019, in CHF (audited)	Fixed compensation gross ¹⁾	Variable compensation gross ²⁾	Social insurance contributions ³⁾	Sum total incl. social insurance contributions	Sum total gross
Executive Board as a whole ⁴⁾	2 258 664	375 500	521 801	3 155 965	2 634 164
Including Bernd Stadlwieser (CEO) ⁵⁾	354 001	200 000	83 067	637 068	554 001

1) Includes basic salary, bonuses for service anniversaries, family allowances, pension fund buy-ins and other allowances, etc.

2) Bonus without social insurance contributions

3) Includes employer contribution to pension fund and social insurances etc.

4) Until 13.01. six members / from 14.01. seven members (Florian Faber new EB member) / from 01.03. six members (withdrawal René Kamm) / from 01.04. five members (withdrawal Stephan Peyer) / from 12.06. six members (arrival Bernd Stadlwieser) / from 01.08. four members (withdrawal Hans-Kristian Hoejsgaard and Jean-Marc Devaud) / from 01.11. five members (arrival Andreas Eggimann)

5) Pro rata 7 months

For consultancy work by former Executive Board members, the MCH Group paid fees totalling CHF 41,000 in 2019 (without VAT).

Remuneration 2018

In the 2018 financial year, it was necessary to make use of the additional amount of CHF 1,000,000.– for which provision is made in the statutes for the remuneration of Executive Board members who are appointed after the General Meeting's vote on the remuneration of the Executive Board. The sum of CHF 2,300,000.– approved by the General Meeting of 26 April 2017 was exceeded by CHF 432,424.–. Non-profit-related remuneration totalling CHF 2,732,424.– was thus paid out in the 2018 financial year.

The reason why the approved remuneration was exceeded was primarily the personnel changes in the Executive Board and the duplication of the CEO function (4 months) and the CFO function (6 months). The labour legislation obligations led to an additional burden of CHF 349,267.– in all, with CHF 189,807.– for René Kamm (CEO) and CHF 159,460 for Christophe Biollaz (CFO). The remaining amount of CHF 83,157.– was accounted for by Beat Zwahlen (CFO, CHF 50,000.–) and Jean-Marc Devaud (CEO Live Marketing Solutions, CHF 33,157.–).

2018, in CHF (audited)	Fixed compensation gross ¹⁾	Variable compensation gross ²⁾	Social insurance contributions ³⁾	Sum total incl. social insurance contributions	Sum total gross
Executive Board as a whole ⁴⁾	2 218 928	152 068	549 610	2 920 606	2 370 996
Including René Kamm (CEO) ⁵⁾	515 000	0	113 925	628 925	515 000

1) Includes basic salary, bonuses for service anniversaries, family allowances, pension fund buy-ins and other allowances, etc.

2) Bonus without social insurance contributions

3) Includes employer contribution to pension fund and social insurances etc.

4) Until 30.04 five members / from 01.05. six members (arrival Beat Zwahlen) / from 04.09. seven members (arrival Hans-Kristian Hoejsgaard) / from 01.11. six members (withdrawal Christophe Biollaz)

5) Also includes an outplacement

For consultancy work by former Executive Board members, the MCH Group paid fees totalling CHF 122,000 in 2018 (without VAT).



Report of the Statutory Auditor

To the General Meeting of MCH Group Ltd., Basel

We have audited the accompanying remuneration report of MCH Group Ltd. for the year ended 31 December 2019. The audit was limited to the information according to articles 14 – 16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the tables marked as “audited” in “Remuneration of the members of the Board of Directors” and in “Remuneration of the members of the Executive Board” of the remuneration report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor’s Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report for the year ended 31 December 2019 of MCH Group Ltd complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Claudio Boller
Licensed Audit Expert
Auditor in Charge

Marc Stadelmann
Licensed Audit Expert

Basel, 23 March 2020

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MCH Group
Global Live Marketing

Reports 2019

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The Reports 2018 of MCH Group are available in German and English. The German version is legally binding.
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