

Remuneration report

The remuneration report is structured as follows:

- Remuneration system for the Board of Management
- Total remuneration of the Board of Management
- Remuneration structure for senior executives
- Total remuneration of the Supervisory Board

Remuneration system for the Board of Management

The remuneration system for the Board of Management focuses strongly on long-term objectives, and thus creates a pronounced incentive for sustainable corporate development. It complies with the recommendations of the German Corporate Governance Code applicable since 2014, and with the provisions of the German Remuneration Regulation for Insurance Companies (VersVergV) of 6 October 2010.

The full Supervisory Board decides on the remuneration system for the Board of Management, and reviews it regularly. The Personnel Committee of the Supervisory Board, comprising the Chairman of the Supervisory Board, one shareholder representative and one employee representative, prepares the resolutions for the full Supervisory Board.

Structure of the remuneration system for the Board of Management

Component	Share ¹	Assessment basis/ parameters	Corridor	Precondition for payment	Payment
Basic remuneration plus remuneration in kind/ fringe benefits	30%	Function Responsibility Length of service on Board	Fixed	Contractual stipulations	Monthly
Variable remuneration	70%	Corporate performance Result contribution of organisational unit(s) Personal performance			
30% annual performance (for 100% performance evaluation/ achievement of objectives)		Group objective Business-field objectives Divisional objectives Personal objectives Overall performance	0-200% (fully achieved = 100%)	Achievement of annual objectives	In the second year, on condition that 50% of the net amount paid out is invested by the Board member in Munich Re shares that must be held for at least a four-year period
70% multi-year performance (for 100% performance evaluation/ achievement of objectives)		Objectives for the business fields - Reinsurance - ERGO - Munich Health Personal objectives Overall performance	0-200% (fully achieved = 100%)	Achievement of three-year objectives	In the fourth year, on condition that 25% of the net amount paid out is invested by the Board member in shares that must be held for at least a two-year period
Pension				> Retirement > Insured event > Premature termination or non-extension of employment contract under certain circumstances	
a) Defined benefits plan (Board members appointed prior to 2009 who had reached the age of 55 in 2008)	-	Pensionable basic remuneration (= 25% of target overall direct remuneration ²) Number of years on the Board	Fixed		-
b) Defined contribution plan (Board members appointed prior to 2009 who had not reached the age of 55 in 2008 and Board members first appointed as from 2009)	-	Target overall direct remuneration ²	Pension contribution		-

¹ For the variable remuneration, the share shown presupposes 100% performance evaluation/achievement of objectives.

² Target overall direct remuneration comprises basic remuneration plus variable remuneration based on 100% performance evaluation/achievement of objectives.

Fixed components

The fixed components of remuneration comprise basic remuneration plus remuneration in kind and fringe benefits.

Basic remuneration

The basic remuneration comprises a fixed cash compensation for the calendar year, paid out as a monthly salary.

Remuneration in kind/fringe benefits

Remuneration in kind and fringe benefits include – in particular – company cars, policy benefits, security measures, health screening examinations and anniversary benefits, and are in line with what is normally offered in the market (DAX 30 companies). Income tax on the benefits in question is paid individually for each member of the Board of Management, with the Company bearing the amount due. Remuneration in kind and fringe benefits are valued on the basis of expenditure for disclosure in the annual report.

Variable remuneration

The variable remuneration component is geared to the overall performance of the Group and defined organisational units and to the personal performance of the individual members of the Board of Management. The amount depends on the extent to which the annually set objectives for annual and multi-year performance are met, and how the component “Evaluation of overall performance” – which considers the overall performance of individual members of the Board and of the whole Board – is assessed.

Processes have been laid down for specifying objectives and assessing their achievement. These processes require review by the external auditor, who checks the criteria for measuring the envisaged financial objectives and whether their achievement has been assessed in accordance with the guidelines established by the Company. The outcome of this review is notified to the Supervisory Board.

Achievement and evaluation of objectives is measured at the end of the one-year and three-year periods in question, there being no adjustment of targets during these periods. The corridor for the achievement of the individual objectives and for the overall annual and multi-year performance is 0–200%. Payouts are made at the end of the periods under consideration. With a view to promoting a management approach that takes due account of the Company’s long-term interests, the members of the Board of Management are obliged to invest a fixed part of the paid-out variable remuneration in Munich Reinsurance Company shares.

Annual objectives, multi-year objectives, overall performance evaluation and investment in shares together form a well-balanced and economic (i.e. strongly risk-based) incentive system, with great importance being attached to ensuring that the targets set for the members of the Board of Management do not have undesirable effects. No guaranteed variable salary components are granted.

Variable remuneration based on annual performance

Firstly, annual targets for the variable remuneration component geared to annual performance are set on the basis of the consolidated result of Munich Re (Group), the results from the business fields reinsurance and ERGO, divisional results and personal performance. In addition, the Supervisory Board assesses overall performance – particularly also performance not taken into account in the objectives – of the Board of Management as a whole and the individual Board members, and it also takes into account developments during the appraisal period that are beyond the influence of the Board. Full achievement of the annual objectives (100%) allows for payment of 30% of the overall target amount for variable remuneration.

The variable remuneration for annual performance is determined on the basis of evaluation by the full Supervisory Board and then paid out in the year after the one-year assessment period. Of the net payout amount, 50% must be invested in Munich Reinsurance Company shares that must be held for at least a four-year period.

Details of the assessment bases for the annual performance can be seen in the following table:

Variable remuneration based on annual performance

Category of objective	Share ¹	Assessment basis	Parameters
Collective contribution to corporate success	25%-55%		
Group objective		Derived from key performance indicators in external reporting and other important portfolio and performance data	Return on risk-adjusted capital, RORAC ²
Business-field objectives			
- Reinsurance		Value-based economic performance indicators: - Property-casualty reinsurance - Life reinsurance	Components of economic earnings: ³ - Value added - Value added by new business - Change in the value of in-force business
- ERGO		Value-based economic performance indicator	Economic earnings ³
Individual contribution to corporate success	25%-55%		
Divisional objectives		Value-based economic performance indicators: - Property-casualty reinsurance and Munich Health - Life reinsurance	Components of economic earnings: ³ - Value added - Value added by new business - Change in the value of in-force business
Personal objectives		Personal objectives per Board member	Special focal points such as - Pricing and cycle management - Client management - Individual leadership
Overall performance evaluation	20%	Overall performance of individual Board members and of the Board of Management as a whole	Assessment by Supervisory Board taking into account Section 87 of the Stock Corporation Act (AktG) and the German Corporate Governance Code

¹ The objectives are weighted individually according to the responsibilities of the individual Board members.

² Further information on RORAC is provided on page 40.

³ Further information on economic earnings is provided on page 39 f.

Variable remuneration based on multi-year performance

For the multi-year performance remuneration component, three-year targets based on the financial results of the reinsurance, ERGO and Munich Health segments and on individual performance are fixed every year. The Supervisory Board also assesses the overall performance of the whole Board of Management and the individual Board members. This allows for a response to developments during the three-year appraisal period that are beyond the influence of Board members, and which can also be taken into account along with performance not included in the agreement of objectives. Full achievement of the multi-year objectives (100%) allows for payment of 70% of the overall target amount for variable remuneration.

The variable remuneration for the multi-year performance is determined on the basis of evaluation by the full Supervisory Board and then paid out in the year after the three-year assessment period. Of the net payout amount, 25% must be invested in Munich Reinsurance Company shares that must be held for at least a two-year period.

Details of the assessment bases for the multi-year performance can be seen in the following table:

Variable remuneration based on multi-year performance

Category of objective	Share ¹	Assessment basis	Parameters
Collective contribution to corporate success	0%-60%		
Business-field objectives (three-year average)			
- Reinsurance		Value-based economic performance indicators: - Property-casualty reinsurance - Life reinsurance	Components of economic earnings: ² - Value added - Value added by new business - Change in the value of in-force business
- ERGO		Value-based economic performance indicator	Economic earnings ²
- Munich Health ³		Value-based economic performance indicator	Component of economic earnings: ² - Value added
Individual contribution to corporate success	20%-80%		
Personal objectives (three-year period)		Personal objectives per Board member	Special focal points such as - Strategic goals - Staff development, including diversity - Sustainable development, social tasks
Overall performance evaluation	20%	Overall performance of individual Board members and the Board of Management as a whole	Assessment by Supervisory Board taking into account Section 87 of the Stock Corporation Act (AktG) and the German Corporate Governance Code

1 The objectives are weighted individually according to the responsibilities of the individual Board members.

2 Further information on economic earnings is provided on page 39.

3 The business-field objective for Munich Health is an "individual contribution to corporate success" for the Board member responsible.

Pro-rata calculation of the variable remuneration

Members of the Board of Management who have not been members of the Board for the full year receive a pro rata temporis amount of variable remuneration. The components based on annual performance are calculated for the months of the one-year plan term in which the Board members have held their position. Only the first year of the respective three-year plan term is pertinent for the pro-rata calculation of variable remuneration for the multi-year performance, i.e. the Board members receive pro-rata variable remuneration only for those months of the first plan year in which they have held their position. Pro-rata calculation also applies for the pertinent year in case of retirement, occupational disability, or death.

Weighting of remuneration components

In the case of 100% achievement of objectives, the weightings of the individual components in terms of total remuneration were as follows: basic remuneration 30%, variable remuneration 70%, of which 30% was based on annual performance and 70% on multi-year performance.

Share-based remuneration agreements that resulted in payments during the reporting period

Long-Term Incentive Plan

This remuneration component, with a long-term perspective, was linked to the sustained appreciation of Munich Re's share price. The Long-Term Incentive Plan was set up each year from 1999 to 2009 for members of the Board of Management. The participants were granted a certain number of stock appreciation rights. These could only be exercised if, after a two-year vesting period, Munich Re's share price had risen by at least 20% since inception of the plan and the shares have outperformed the EURO STOXX 50 at least twice over a three-month period during the term of the plan.

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Further information about the Long-Term Incentive Plan can be found in the notes to the consolidated financial statements on page 282 ff.

The exercising of the rights and proceeds obtained depended on the development of the share price and on fulfilment of the exercise conditions. The amount of income from the stock appreciation rights was limited. The members of the Board of Management were only able to exercise stock appreciation rights under the plans set up in 1999 and 2003–2009. There were no more exercisable stock appreciation rights in the reporting year, only payments based on the exercise of rights at the end of 2013.

Continued payment of remuneration in the case of incapacity to work

In the case of temporary incapacity to work due to illness or for another cause beyond the Board member's control, the remuneration is paid until the end of the contract of employment. The Company may terminate the contract prematurely if Board members are incapacitated for a period of longer than 12 months and it is probable that they will be permanently unable to fully perform the duties conferred on them (permanent incapacity to work). In this event, the Board member will receive a disability pension.

Other remuneration

Remuneration for other board memberships

In the case of seats held on other boards, remuneration for board memberships must be paid over to the Company or is deducted in the course of regular remuneration computation. Exempted from this is remuneration for memberships explicitly recognised by the Company as private.

Severance cap and change of control

The members of the Board of Management have no contractual entitlement to severance payments. If the Board member's activities on the Board are terminated prematurely, payments due may not surpass the equivalent of two years' total remuneration (three years' total remuneration in the event of acquisition of a controlling interest or change of control within the meaning of Section 29 (2) of the Securities Acquisition and Takeover Act – WpÜG) and may not cover more than the remaining period of the employment contract. If the employment contract is terminated for good cause on grounds that are within the Board member's control, no payments are made to the Board member. The calculation is to be based on the overall remuneration for the past financial year and, if necessary, on the probable overall remuneration for the current financial year.

Pensions

Up to and including 2008, the members of the Board of Management were members of a defined benefit plan, providing for payment of a fixed pension amount depending on their basic remuneration and years of service on the Board. The pension level started at 30% and could reach a maximum of 60% of annual basic remuneration.

Beginning in 2009, pension plans for Board members were changed to a defined contribution system. The main aim of this change was the fullest possible outsourcing of all pension-specific risks from Munich Reinsurance Company's balance sheet. This major risk transfer was achieved by financing increases in entitlements exclusively by paying premiums into insurance policies concluded to cover these benefit obligations. This means the Company is no longer liable for the pension benefits, as these are covered by the aforementioned insurance policies. The longevity risk, the biometric risks of premature occurrence of a pensionable event (e.g. disability or death of a member of the Board during active service), and the capital market risk were thus transferred to the insurer and the individual Board members.

As of 2009, members of the Board appointed for the first time have become members of a defined contribution plan. For this plan, the Company provides the Board members with a pension contribution which is geared to their target overall direct remuneration for each calendar year (contribution year) during the term of their contract and uniformly amounts to 25.5%. The pension contribution is paid over to an external pension insurer. The insurer's guaranteed interest rate is 2.25% (or 1.75% for Board

members newly appointed as from 2012). The insurance benefits that result from the contribution payments to the external insurer constitute the Company's pension commitment to the Board member.

Board members who had not reached the age of 55 by the end of 2008 retained as a vested pension their pension entitlement under the previous defined benefit plan (fixed amount in euros) existing at the point of transition on 31 December 2008. For future service years as of 1 January 2009, these Board members receive an incremental pension benefit generally based on the defined contribution plan for Board members first appointed from 2009. Since the conversion of the pension system took place while Board members' contracts were still in force, the pension contributions were calculated in such a way that the total of vested pension, pension-fund pension and incremental pension benefit results in an expected pension at age 60 equivalent to that of the previous pension benefit based on realistic estimates.

Board members who had already reached the age of 55 at the conversion date were not transferred to a defined contribution system and remain members of the previous system's defined benefit plan. The defined benefits are fixed on the basis of "pensionable basic remuneration", which corresponds to 25% of the target overall direct remuneration.

The Supervisory Board determines the relevant target pension level for pension commitments from defined benefit plans and defined contribution plans – also considering length of service on the Board – and takes account of the resultant annual and long-term cost for the Company.

Benefits on termination of employment

Occupational pension

Board members appointed before 1 April 2012 are entitled to an occupational pension on retiring from active service with the Company after reaching the age of 60 or, at the latest, at the end of the calendar year in which they turn 65.

Board members appointed as from 1 April 2012 are entitled to an occupational pension on retiring from active service with the Company after reaching the age of 62 or, at the latest, at the end of the calendar year in which they turn 67.

Benefit amount:

- For a period of six months, previous monthly basic remuneration (only for Board members appointed prior to 2006)
- Under the defined contribution plan for members first appointed as from 2009: Annuity based on the policy reserve built up under the external insurance or payment of the policy reserve as a lump sum
- In the case of a combination between defined benefit plans and defined contribution plans: Vested pension from the defined benefit plan up to 2008 and annuity or lump sum from the policy reserve under the defined contribution plan
- In the case of defined benefit plans: Defined benefit of between 30% and 60% of pensionable basic remuneration.

Disability pension

Board members are entitled to a disability pension if, due to permanent incapacity to work, their contract ends by mutual agreement, is terminated by the Company, or their appointment is not extended or revoked. Permanent incapacity to work means that the Board Members are incapacitated for a period of longer than 12 months and it is probable that they will be permanently unable to fully perform the duties conferred on them.

Benefit amount:

- For a period of six months, previous monthly basic remuneration (only for Board members appointed prior to 2006)
- Under the defined contribution plan for members first appointed as from 2009 or from 1 April 2012: 80% of the insured occupational pension up to the age of 59 or 61, with subsequent occupational pension
- In the case of a combination between defined benefit plans and defined contribution plans: Vested pension from the defined benefit plan up to 2008 and 80% of the insured occupational pension benefit up to age 59, with subsequent occupational pension based on the defined contribution plan.

Reduced occupational pension on early retirement

Board members are entitled to an occupational pension if the contract of employment is terminated as a result of non-extension or revocation of their appointment without the Board members having given cause for this through a gross violation of their duties, or at their own request. The precondition is that the Board members have already passed the age of 50, have been in the employment of the Company for more than ten years when the contract terminates, and have had their appointment to the Board of Management extended at least once.

Benefit amount:

- For a period of six months, previous monthly basic remuneration (only for Board members appointed prior to 2006)
- Under the defined contribution plan for members first appointed as from 2009: Annuity based on the policy reserve built up under the external insurance or payment of the policy reserve as a lump sum at the date the pension benefit is claimed
- In the case of a combination between defined benefit plans and defined contribution plans: Entitlement of between 30% and 60% of pensionable basic remuneration, reduced by 2% for each year or part thereof short of the Board member's 65th birthday; the Company assumes payment of the difference between the monthly occupational pension and the monthly incremental pension from the external insurance.

Vested benefits for occupational pension, disability pension and surviving dependants

Vested benefits are paid upon the Board member reaching the age of 60 or 62, in the case of incapacity to work, or in the event of the Board member's death.

Vested benefits under the Employers' Retirement Benefits Act (BetrAVG)

Board members have vested benefits under the Employers' Retirement Benefits Act if they leave the Company before reaching the age of 60 or 62 and the pension commitment has existed for at least five years previously.

Benefit amount:

- Under the defined contribution plan for members first appointed as from 2009: Annuity based on the policy reserve built up under the external insurance or payment of the policy reserve as a lump sum at the date the insured event occurs

- In the case of a combination between defined benefit plans and defined contribution plans: The entitlement under the vested pension is a proportion of the vested pension based on the ratio of actual service with the Company to the period the Board member would have worked for the Company altogether up to the fixed retirement age (Section 2 (1) of the Employers' Retirement Benefits Act). The entitlement from the incremental pension comprises the pension benefits fully financed under the insurance contract up to the occurrence of the insured event based on the pension contributions made up to the date of leaving the Company (Section 2 (5a) of the Employers' Retirement Benefits Act). This entitlement is paid out as an annuity or a lump sum.

Improved vested benefits

Improved vested benefits are granted if the contract ends owing to non-extension of the Board member's appointment (by the Company) but not due to gross violation of duties or to the Board member giving notice. A further precondition is that the Board member leaves the Board before reaching the age of 60 and has had at least ten years' service with the Company.

The improved vested benefits do not apply to Board members first appointed as from 2009. For Board members with a combination between defined benefit plans and defined contribution plans, the improved vested benefits apply only to that part of their pension resulting from the vested pension under the defined benefit plan.

Benefit amount:

- For a period of six months after leaving the Board, previous monthly basic remuneration (only for Board members appointed prior to 2006)
- For the share from the defined benefit plan: Entitlement of between 30% and 60% of the pensionable basic remuneration, reduced by 2% for each year or part thereof short of the Board member's 60th birthday.

Provision for surviving dependants

In the event of the death of a Board member during active service, the surviving dependants receive the previous monthly basic remuneration for a period of six months if the deceased was appointed to the Board of Management before 2006. In the case of Board members appointed as from 2006, the previous monthly basic remuneration is paid to the beneficiaries for a period of three months. If the Board member's death occurs after retirement, the surviving dependants receive the previous monthly occupational pension for a period of three months, provided the marriage/registration of the civil partnership took place and/or the child was born before the Board member started drawing the occupational pension. If the Board member's occupational pension was reduced owing to early retirement, benefits for surviving dependants are based on the reduced occupational pension.

Subsequently, surviving dependants of a Board member who dies during active service or after retirement receive the following benefits:

- Widow(er)'s pension or pension for registered civil partner amounting to 60% of the defined benefit or insured occupational pension. If the spouse or registered civil partner is more than ten years younger than the Board member, the surviving dependant's pension will be reduced by 2% for each year or part thereof of age difference, but by not more than 50%.
- Orphan's pension amounting to 20% of the defined benefit or insured occupational pension per orphan
- Doubling of the orphan's pension if no widow(er)'s pension or pension for registered civil partner is payable
- Surviving dependants' pensions together may not exceed the occupational pension of the Board member. If necessary, the orphans' pensions will be reduced proportionally.

The benefits for surviving dependants are not payable for widow(er)s or registered civil partners if the marriage or registered civil partnership was not contracted until a point in time when the Board member was already drawing the occupational pension, and for orphans if they were not born until after such a point in time. The entitlement for orphans ceases on their reaching the age of 18 (or 20 for orphans of Board members with a combination between defined benefit plans and defined contribution plans). For orphans who are in full-time education or vocational training, doing military or civilian service, or unable to support themselves owing to a physical or mental disability, the entitlement is extended until they reach the age of 25 (or 27 for orphans of Board members with a combination between defined benefit plans and defined contribution plans). The entitlement to a surviving dependant's pension under the defined contribution plan ceases if the Board member draws the pension in the form of a lump sum. Pensions for surviving dependants cease upon their death.

Adjustment of pensions and benefits for surviving dependants

In the case of Board members appointed before 2009, occupational pensions and pensions for surviving dependants are reviewed for adjustment if salaries payable under pay-scale agreements in the insurance industry have increased by more than 12% (based on the average final salary of all pay-scale categories) since the pensions were last fixed or more than three years have passed since that date. The adjustment made will at least be in line with the increase in the cost of living in the meantime according to the consumer price index for Germany. This arrangement also applies to Board members newly appointed in the period from 1 January 2009 to 31 March 2012 who received a pension commitment from the Company for the first time before 1 January 1999. For Board members appointed as from 2009 who did not receive a pension commitment from the Company before 1 January 1999, and for Board members appointed as from 1 April 2012, occupational pension and benefits for surviving dependants are adjusted by 1% annually from the date when the pension or benefit starts being drawn, in accordance with Section 16 (3) no. 1 of the German Employers' Retirement Benefits Act. Vested benefits are not adjusted.

Total remuneration of the Board of Management

The level of the target overall direct remuneration (= basic remuneration + variable remuneration on the basis of 100% achievement of objectives) for the individual members of the Board of Management is set by the full Supervisory Board, acting on recommendations from the Supervisory Board's Personnel Committee. Criteria for the appropriateness of compensation are the respective Board member's duties, the Board member's personal performance, the performance of the Board as a whole, and the financial situation, performance and future prospects of Munich Re. Other criteria are the relevant comparative benchmarks for Board remuneration and the prevailing remuneration structure at Munich Reinsurance Company. The Supervisory Board takes account of the level of Board salaries in relation to the level of salaries paid to senior managers and to general staff members over a period of time, and also determines how senior managers and general staff are to be classified for the purpose of this comparison. The consideration of what level of remuneration is appropriate also takes into account data from peer-group (DAX 30) companies. New Board members are placed at a level which allows sufficient potential for development of the remuneration in the first three years.

Board of management remuneration is disclosed under two different sets of rules: on the basis of German Accounting Standard No. 17 (DRS 17, revised 2010) and the new provisions of the German Corporate Governance Code applicable since financial year 2014. There are therefore deviations in individual remuneration components and total remuneration.

Board of management remuneration under DRS 17

Under DRS 17, remuneration for annual performance 2014 is shown as the provisions set aside for that purpose taking into account the relevant additional/reduced expenditure for the previous year, since the performance on which the remuneration is based has been completed as at the balance sheet date and the requisite Board resolution is already foreseeable. Under DRS 17, remuneration for multi-year performance 2011–2013 is recognised in the year of payment, i.e. in 2014.

Fixed and variable remuneration components

The members of Munich Reinsurance Company's Board of Management received remuneration totalling €24.1m (22.9m) for fulfilment of their duties in respect of the parent company and its subsidiaries in the financial year. Total remuneration thus shows an increase of around €1.2m compared with the previous year's figure, which was adjusted for the remuneration of a Board member who had left the Board as at 1 January 2014. The basic remuneration and remuneration in kind/fringe benefits accounted for €0.7m and the multi-year performance for €0.7m. In addition, the amount paid out for annual performance is projected to decrease by €0.2m, as the overall achievement of objectives was lower than in the previous year according to current estimates.

Remuneration of individual Board members as per DRS 17 (revised 2010) (in accordance with Section 285 sentence 1 (9a) sentences 5–8 of the German Commercial Code (HGB) and Section 314 (1) (6a) sentences 5–8 of the German Commercial Code)

Name	Financial year	Remuneration in				Total
		Basic remuneration	kind/fringe benefits	Annual performance ¹	Multi-year performance ²	
		€	€	€	€	€
Nikolaus von Bomhard	2014	1,230,000	31,669	895,361	2,569,560	4,726,590
	2013	1,200,000	30,992	1,038,240	2,158,156	4,427,388
Giuseppina Albo ³	2014	121,875	61,323	92,199	-	275,397
	2013	-	-	-	-	-
Ludger Arnoldussen	2014	600,000	46,133	370,524	1,246,119	2,262,776
	2013	570,000	46,856	505,333	1,313,935	2,436,124
Thomas Blunck	2014	600,000	40,860	402,244	1,287,720	2,330,824
	2013	570,000	37,862	413,763	1,296,981	2,318,606
Georg Daschner	2014	600,000	34,678	466,179	1,414,140	2,514,997
	2013	585,000	32,692	485,871	1,443,050	2,546,613
Doris Höpke	2014	325,000	17,086	184,731	-	526,817
	2013	-	-	-	-	-
Torsten Jeworrek	2014	870,000	34,293	615,620	1,885,520	3,405,433
	2013	855,000	34,418	690,070	1,898,750	3,478,238
Peter Röder ⁴	2014	600,000	134,808	471,114	1,246,119	2,452,041
	2013	570,000	37,459	467,528	1,230,880	2,305,867
Jörg Schneider	2014	870,000	36,180	659,249	1,838,970	3,404,399
	2013	855,000	177,690	719,397	1,567,020	3,319,107
Joachim Wenning	2014	600,000	34,585	418,152	1,152,480	2,205,217
	2013	570,000	33,695	416,619	1,063,300	2,083,614
Total	2014	6,416,875	471,615	4,575,373	12,640,628	24,104,491
	2013	5,775,000	431,664	4,736,821	11,972,072	22,915,557

- At the time of preparation of this report, no Supervisory Board resolution had yet been passed on the amounts to be paid for the 2014 annual performance. The amount shown for annual performance remuneration is based on estimates and the relevant provisions posted. For the 2013 annual performance, a total of €224,510 more was paid out than had been reserved in the financial year 2013. The additional/reduced expenditure breaks down as follows: von Bomhard €78,960, Arnoldussen –€27,930, Blunck €15,760, Daschner €12,285, Jeworrek €14,962, Röder €27,930, Schneider €58,653, Wenning €43,890. This results in the following actual bonus payments for 2013: von Bomhard €1,075,200, Arnoldussen €498,750, Blunck €498,750, Daschner €552,825, Jeworrek €748,125, Röder €542,640, Schneider €754,110, Wenning €450,870.
- The amounts shown for the annual performance 2014 comprise the respective provision for 2014 and the relevant additional/reduced expenditure for 2013.
- The amounts paid out in 2014 were for multi-year performance 2011–2013.
- Remuneration in kind/fringe benefits for 2014 including travel expenses for flights home to family members owing to the maintenance of two households.
- Remuneration in kind/fringe benefits for 2014 including anniversary payment.

The following table shows the amounts payable for the variable remuneration:

Amounts payable for the variable remuneration of the individual Board members in the event of 100% performance evaluation as per DRS 17 (revised 2010), corridor 0-200%

Name			Annual	Multi-year	Total
	Set in	for	performance ^{1, 3}	performance ^{2, 3}	amounts payable
			€	€	€
Nikolaus von Bomhard	2014	2015	861,000	2,009,000	2,870,000
	2013	2014	861,000	2,009,000	2,870,000
Giuseppina Albo	2014	2015	341,250	796,250	1,137,500
	2014	2014	85,313	199,063	284,376
Ludger Arnoldussen	2014	2015	420,000	980,000	1,400,000
	2013	2014	420,000	980,000	1,400,000
Thomas Blunck	2014	2015	420,000	980,000	1,400,000
	2013	2014	420,000	980,000	1,400,000
Georg Daschner	2014	2015	-	-	-
	2013	2014	420,000	980,000	1,400,000
Doris Höpke	2014	2015	341,250	796,250	1,137,500
	2014	2014	227,500	530,833	758,333
Torsten Jeworrek	2014	2015	609,000	1,421,000	2,030,000
	2013	2014	609,000	1,421,000	2,030,000
Peter Röder	2014	2015	420,000	980,000	1,400,000
	2013	2014	420,000	980,000	1,400,000
Jörg Schneider	2014	2015	609,000	1,421,000	2,030,000
	2013	2014	609,000	1,421,000	2,030,000
Joachim Wenning	2014	2015	420,000	980,000	1,400,000
	2013	2014	420,000	980,000	1,400,000
Total	2014	2015	4,441,500	10,363,500	14,805,000
	2013	2014	4,491,813	10,480,896	14,972,709

1 At the time of preparation of this report, no Supervisory Board resolution had yet been passed on the amounts to be paid for 2014. The amount shown for annual performance remuneration is based on estimates and the relevant provisions posted in the table on page 59.

2 The remuneration set for multi-year performance for 2014 is payable in 2017, that for 2015 in 2018.

3 The information on the assessment bases and parameters on page 52 f. for the amounts set for 2014 also applies to the amounts set for 2015.

Pension entitlements

Personnel expenses of €4.9m (4.4m) were incurred in the financial year to finance the pension entitlements for active members of the Board of Management. Of these, €1.2m was apportionable to defined benefit plans and €3.7m to defined contribution plans. As a consequence of the risk transfer to an external insurer under the defined contribution system, the visible pension costs since 2009 are noticeably higher. The Company accepts this increase in order to avoid higher costs in future and to eliminate long-term pension-specific risks. The following defined benefits, present values, contribution rates and personnel expenses result for the individual members of the Board of Management:

Pension entitlements

Name	Financial year	Defined benefit plan		
		Defined benefit ¹ €/year	Present value of defined benefit as at 31 December	Personnel expenses for provisions ²
			€	€
Nikolaus von Bomhard ^{3, 4}	2014	407,100	15,617,525	372,943
	2013	407,100	10,474,789	384,766
Giuseppina Albo ^{4, 5}	2014	-	-	-
	2013	-	-	-
Ludger Arnoldussen ^{4, 6}	2014	157,500	3,265,461	257,315
	2013	157,500	1,850,243	269,261
Thomas Blunck ^{4, 7}	2014	120,000	2,862,476	113,941
	2013	120,000	1,670,842	120,889
Georg Daschner ⁸	2014	250,000	8,259,886	0
	2013	234,000	6,544,532	0
Doris Höpke ^{4, 5}	2014	-	-	1,856
	2013	-	-	-
Torsten Jeworrek ^{4, 6}	2014	171,000	5,314,770	141,610
	2013	171,000	3,324,450	149,074
Peter Röder ^{4, 6}	2014	90,000	2,894,574	75,812
	2013	90,000	1,832,183	78,369
Jörg Schneider ^{4, 6}	2014	275,000	9,575,691	244,725
	2013	275,000	6,222,950	253,987
Joachim Wenning ^{4, 6}	2014	-	-	1,021
	2013	-	-	20,316
Total	2014	1,470,600	47,790,383	1,209,223
	2013	1,454,600	31,919,989	1,276,662

See table on next page for footnotes.

Pension entitlements

Name	Financial year	Pension contribution rate for target total direct remuneration %	Entitlement as at 31 December €/year	Defined contribution plan	
				Present value of entitlement as at 31 December €	Personnel expenses €
Nikolaus von Bomhard ^{3, 4}	2014	17.00	159,165	6,828,230	697,000
	2013	17.00	131,714	4,009,204	680,000
Giuseppina Albo ^{4, 5}	2014	25.50	3,505	- ⁹	103,594
	2013	-	-	-	-
Ludger Arnoldussen ^{4, 6}	2014	14.75	69,383	3,060,380	295,000
	2013	14.75	57,111	1,662,863	280,250
Thomas Blunck ^{4, 7}	2014	16.25	81,600	3,609,722	325,000
	2013	16.25	67,373	1,882,123	308,750
Georg Daschner ⁹	2014	-	-	-	-
	2013	-	-	-	-
Doris Höpke ^{4, 5}	2014	25.50	9,846	- ⁹	276,250
	2013	-	-	-	-
Torsten Jeworrek ^{4, 6}	2014	19.50	135,157	5,908,988	565,500
	2013	19.50	111,923	3,233,034	555,750
Peter Röder ^{4, 6}	2014	20.25	89,589	3,948,345	405,000
	2013	20.25	73,236	2,193,184	384,750
Jörg Schneider ^{4, 6}	2014	16.50	112,249	4,846,279	478,500
	2013	16.50	93,303	2,782,075	470,250
Joachim Wenning ^{4, 6}	2014	25.50	95,448	- ⁹	510,000
	2013	25.50	76,807	-	484,500
Total	2014		755,942	28,201,944	3,655,844
	2013		611,467	15,762,483	3,164,250

- 1 In the case of Board members with a combination between defined benefit plans and defined contribution plans, the amount corresponds to the value of the annual vested pension at 31 December 2008, in the case of Mr. Daschner, it corresponds to the defined benefit at 31 December of the year under review.
- 2 Expenses for defined benefit plan, including provision for continued payment of salary for surviving dependants.
- 3 Entitled to a reduced occupational pension on early retirement, and to an occupational pension in the event of regular termination of employment.
- 4 Entitled to an occupational pension in the event of termination of employment owing to incapacity to work.
- 5 Entitled to vested benefits under the Employers' Retirement Benefits Act in the event of premature or regular termination of employment.
- 6 Entitled to a reduced occupational pension on early retirement in the event of premature or regular termination of employment.
- 7 Entitled to vested benefits under the Employers' Retirement Benefits Act in the event of premature termination of employment up to 7 March 2015, and to a reduced occupational pension on early retirement in the event of premature termination of employment as from 8 March 2015 or regular termination of employment.
- 8 No transfer to defined contribution system, as Board member had already reached 55 at the conversion date. Retired at 1 January 2015 and entitled to an occupational pension of €255,000 p.a.
- 9 Defined Contribution Plan within the meaning of IAS 19, Employee Benefits, so no present value shown.

Board of Management remuneration under the German Corporate Governance Code

As required by the provisions of the German Corporate Governance Code, the following table shows the benefits granted and remuneration paid out to individual members of the Board of Management in the reporting year.

The basic remuneration, remuneration in kind/fringe benefits and pension expenses (sum of personnel expenses for defined benefit plans and defined contribution plans) are in accordance with German Accounting Standard No. 17 (DRS 17). There are some deviations with regard to the variable remuneration for annual and multi-year performance. In addition, the German Corporate Governance Code requires the disclosure of proceeds from the exercise of stock appreciation rights under the long-term incentive plans. Under DRS 17, however, these proceeds are not disclosed.

Remuneration paid in accordance with the German Corporate Governance Code

€	Nikolaus von Bomhard Chairman of the Board of Management				Giuseppina Albo Board member Joined: 1.10.2014			
	2014	2014 (Min)	2014 (Max)	2013	2014	2014 (Min)	2014 (Max)	2013
Basic remuneration	1,230,000	1,230,000	1,230,000	1,200,000	121,875	121,875	121,875	-
Remuneration in kind/fringe benefits	31,669	31,669	31,669	30,992	61,323	61,323	61,323	-
Total	1,261,669	1,261,669	1,261,669	1,230,992	183,198	183,198	183,198	-
One-year variable remuneration								
Annual performance 2013				840,000				-
Annual performance 2014	861,000	0	1,722,000		85,313	0	170,625	
Multi-year variable remuneration								
Multi-year performance 2013-2015				1,960,000				-
Multi-year performance 2014-2016	2,009,000	0	4,018,000		199,063	0	398,125	
Total	4,131,669	1,261,669	7,001,669	4,030,992	467,574	183,198	751,948	-
Pension expenses	1,069,943	1,069,943	1,069,943	1,064,766	103,594	103,594	103,594	-
Total remuneration	5,201,612	2,331,612	8,071,612	5,095,758	571,168	286,792	855,542	-

€	Ludger Arnoldussen Board member				Thomas Blunck Board member			
	2014	2014 (Min)	2014 (Max)	2013	2014	2014 (Min)	2014 (Max)	2013
Basic remuneration	600,000	600,000	600,000	570,000	600,000	600,000	600,000	570,000
Remuneration in kind/fringe benefits	46,133	46,133	46,133	46,856	40,860	40,860	40,860	37,862
Total	646,133	646,133	646,133	616,856	640,860	640,860	640,860	607,862
One-year variable remuneration								
Annual performance 2013				399,000				399,000
Annual performance 2014	420,000	0	840,000		420,000	0	840,000	
Multi-year variable remuneration								
Multi-year performance 2013-2015				931,000				931,000
Multi-year performance 2014-2016	980,000	0	1,960,000		980,000	0	1,960,000	
Total	2,046,133	646,133	3,446,133	1,946,856	2,040,860	640,860	3,440,860	1,937,862
Pension expenses	552,315	552,315	552,315	549,511	438,941	438,941	438,941	429,639
Total remuneration	2,598,448	1,198,448	3,998,448	2,496,367	2,479,801	1,079,801	3,879,801	2,367,501

€	Georg Daschner Board member Retired: 31.12.2014				Doris Höpke Board member Joined: 1.5.2014			
	2014	2014 (Min)	2014 (Max)	2013	2014	2014 (Min)	2014 (Max)	2013
Basic remuneration	600,000	600,000	600,000	585,000	325,000	325,000	325,000	-
Remuneration in kind/fringe benefits	34,678	34,678	34,678	32,692	17,086	17,086	17,086	-
Total	634,678	634,678	634,678	617,692	342,086	342,086	342,086	-
One-year variable remuneration								
Annual performance 2013				409,500				-
Annual performance 2014	420,000	0	840,000		227,500	0	455,000	
Multi-year variable remuneration								
Multi-year performance 2013-2015				955,500				-
Multi-year performance 2014-2016	980,000	0	1,960,000		530,833	0	1,061,667	
Total	2,034,678	634,678	3,434,678	1,982,692	1,100,419	342,086	1,858,753	-
Pension expenses	0	0	0	0	278,106	278,106	278,106	-
Total remuneration	2,034,678	634,678	3,434,678	1,982,692	1,378,525	620,192	2,136,859	-

Continued on next page

→	Torsten Jeworrek				Peter Röder			
	Board member				Board member			
€	2014	2014 (Min)	2014 (Max)	2013	2014	2014 (Min)	2014 (Max)	2013
Basic remuneration	870,000	870,000	870,000	855,000	600,000	600,000	600,000	570,000
Remuneration in kind/fringe benefits	34,293	34,293	34,293	34,418	134,808	134,808	134,808	37,459
Total	904,293	904,293	904,293	889,418	734,808	734,808	734,808	607,459
One-year variable remuneration								
Annual performance 2013				598,500				399,000
Annual performance 2014	609,000	0	1,218,000		420,000	0	840,000	
Multi-year variable remuneration								
Multi-year performance 2013-2015				1,396,500				931,000
Multi-year performance 2014-2016	1,421,000	0	2,842,000		980,000	0	1,960,000	
Total	2,934,293	904,293	4,964,293	2,884,418	2,134,808	734,808	3,534,808	1,937,459
Pension expenses	707,110	707,110	707,110	704,824	480,812	480,812	480,812	463,119
Total remuneration	3,641,403	1,611,403	5,671,403	3,589,242	2,615,620	1,215,620	4,015,620	2,400,578

→	Jörg Schneider				Joachim Wenning			
	Board member				Board member			
€	2014	2014 (Min)	2014 (Max)	2013	2014	2014 (Min)	2014 (Max)	2013
Basic remuneration	870,000	870,000	870,000	855,000	600,000	600,000	600,000	570,000
Remuneration in kind/fringe benefits	36,180	36,180	36,180	177,690	34,585	34,585	34,585	33,695
Total	906,180	906,180	906,180	1,032,690	634,585	634,585	634,585	603,695
One-year variable remuneration								
Annual performance 2013				598,500				399,000
Annual performance 2014	609,000	0	1,218,000		420,000	0	840,000	
Multi-year variable remuneration								
Multi-year performance 2013-2015				1,396,500				931,000
Multi-year performance 2014-2016	1,421,000	0	2,842,000		980,000	0	1,960,000	
Total	2,936,180	906,180	4,966,180	3,027,690	2,034,585	634,585	3,434,585	1,933,695
Pension expenses	723,225	723,225	723,225	724,237	511,021	511,021	511,021	504,816
Total remuneration	3,659,405	1,629,405	5,689,405	3,751,927	2,545,606	1,145,606	3,945,606	2,438,511

Remuneration table - Inflow in accordance with the German Corporate Governance Code

€	Nikolaus von Bomhard Chairman of the Board of Management		Giuseppina Albo Board member Joined: 1.10.2014		Ludger Arnoldussen Board member	
	2014	2013	2014	2013	2014	2013
Basic remuneration	1,230,000	1,200,000	121,875	-	600,000	570,000
Remuneration in kind/fringe benefits	31,669	30,992	61,323	-	46,133	46,856
Total	1,261,669	1,230,992	183,198	-	646,133	616,856
One-year variable remuneration						
Annual performance 2013		1,075,200		-		498,750
Annual performance 2014 ¹	816,401		92,199		398,454	
Multi-year variable remuneration						
Multi-year performance 2011-2013		2,569,560	-	-		1,246,119
Multi-year performance 2012-2014 ²	2,272,032		-	-	1,228,222	
Long-term Incentive Plan 2006 ³		679,078	-	-		61,184
Long-term Incentive Plan 2007 ³	577,433		-	-	208,088	
Long-term Incentive Plan 2008 ³		805,364	-	-		318,501
Long-term Incentive Plan 2009 ³		1,020,099	-	-		
Total	4,927,535	7,380,293	275,397	-	2,480,897	2,741,410
Pension expenses	1,069,943	1,064,766	103,594	-	552,315	549,511
Total remuneration	5,997,478	8,445,059	378,991	-	3,033,212	3,290,921



€	Thomas Blunck Board member		Georg Daschner Board member Retired: 31.12.2014		Doris Höpke Board member Joined: 1.5.2014	
	2014	2013	2014	2013	2014	2013
Basic remuneration	600,000	570,000	600,000	585,000	325,000	-
Remuneration in kind/fringe benefits	40,860	37,862	34,678	32,692	17,086	-
Total	640,860	607,862	634,678	617,692	342,086	-
One-year variable remuneration						
Annual performance 2013		498,750		552,825		-
Annual performance 2014 ¹	386,484		453,894		184,731	
Multi-year variable remuneration						
Multi-year performance 2011-2013		1,287,720		1,414,140	-	-
Multi-year performance 2012-2014 ²	1,228,222		1,260,544		-	-
Long-term Incentive Plan 2006 ³		244,715		326,286	-	-
Long-term Incentive Plan 2007 ³	242,774		312,119		-	-
Long-term Incentive Plan 2008 ³		364,008		409,516	-	-
Long-term Incentive Plan 2009 ³				698,796	-	-
Summe	2,498,340	3,003,055	2,661,235	4,019,255	526,817	-
Pension expenses	438,941	429,639	0	0	278,106	-
Total remuneration	2,937,281	3,432,694	2,661,235	4,019,255	804,923	-

See table on next page for footnotes.

→	Torsten Jeworrek		Peter Röder	
	Board member		Board member	
€	2014	2013	2014	2013
Basic remuneration	870,000	855,000	600,000	570,000
Remuneration in kind/fringe benefits	34,293	34,418	134,808	37,459
Total	904,293	889,418	734,808	607,459
One-year variable remuneration				
Annual performance 2013		748,125		542,640
Annual performance 2014 ¹	600,658		443,184	
Multi-year variable remuneration				
Multi-year performance 2011-2013		1,885,520		1,246,119
Multi-year performance 2012-2014 ²	1,842,332		1,228,222	
Long-term Incentive Plan 2006 ³		407,857		
Long-term Incentive Plan 2007 ³	381,490		52,029	
Long-term Incentive Plan 2008 ³		518,703		273,019
Long-term Incentive Plan 2009 ³		856,600	392,406	227,590
Total	3,728,773	5,306,223	2,850,649	2,896,827
Pension expenses	707,110	704,824	480,812	463,119
Total remuneration	4,435,883	6,011,047	3,331,461	3,359,946

→	Jörg Schneider		Joachim Wenning	
	Board member		Board member	
€	2014	2013	2014	2013
Basic remuneration	870,000	855,000	600,000	570,000
Remuneration in kind/fringe benefits	36,180	177,690	34,585	33,695
Summe	906,180	1,032,690	634,585	603,695
One-year variable remuneration				
Annual performance 2013		754,110		450,870
Annual performance 2014 ¹	600,596		374,262	
Multi-year variable remuneration				
Multi-year performance 2011-2013		1,838,970		1,152,480
Multi-year performance 2012-2014 ²	1,618,822		1,163,579	
Long-term Incentive Plan 2006 ³		489,429		
Long-term Incentive Plan 2007 ³	416,176			
Long-term Incentive Plan 2008 ³		568,766		
Long-term Incentive Plan 2009 ³	586,057	577,584		428,300
Total	4,127,831	5,261,549	2,172,426	2,635,345
Pension expenses	723,225	724,237	511,021	504,816
Total remuneration	4,851,056	5,985,786	2,683,447	3,140,161

1 At the time of preparation of this report, no Supervisory Board resolution had yet been passed on the amounts to be paid for the 2014 annual performance. The amount shown for the 2014 annual performance remuneration is based on estimates and the relevant provisions posted.

2 At the time of preparation of this report, no Supervisory Board resolution had yet been passed on the amounts to be paid for the 2012-2014 multi-year performance. The amount shown for the 2012-2014 multi-year performance remuneration is based on estimates and the relevant provisions posted.

3 Proceeds from the exercise of stock appreciation rights granted in 2006-2009.