



# Remuneration Report 2012

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Datum / Date **2013-04-04**

Ort / Place **Leipzig**

Dokumentversion / Document Release **8.0**

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## 1. SALARY AND BONUS PAYMENTS IN 2012

In 2012 wages and salaries amounted to EUR 2,601,886. EUR 853,514 of this sum were paid to members of the managing board. Bonus payments (included in the total amount) amounted to EUR 566,500 of which EUR 260,000 were paid to members of the managing board.

## 2. GENERAL REMUNERATION POLICY

The remuneration policy has a sound structure. It includes fixed and variable components as well as social benefits. Irrelevant of related position, a fixed annual salary is paid in 12 equal monthly installments. Additionally a target variable remuneration is paid, whereas financial corporate goals (EBT) as well as individual goals (regarding customers, processes and personal skills) are taken into account. The variable part of the remuneration is limited and hierarchically categorized as follows:

### **'Employee' Position**

- Maximum two monthly salaries (plus overachievement of financial corporate goals)
- 25% of the variable payment is based on financial corporate goals (EBT) within a target band of 0-150%.
- The remaining 75% are paid based on individual goals in the context of the respective position within a target band of 0-100%.

### **'Head of' and 'Senior Expert' Positions**

- Maximum 25% of the fixed annual salary (plus overachievement of financial corporate goals)
- 35% of the variable payment are based on financial corporate goals (EBT) within a target band of 0-150%.
- The remaining 65% are paid based on individual goals in the context of the respective position within a target band of 0-100%.

### **'Director' Positions**

- Maximum 35% of the fixed annual salary (plus overachievement of financial corporate goals)
- 50% of the variable payment is based on financial corporate goals (EBT) within a target band of 0-150%.
- The remaining 50% are paid based on individual goals in the context of the respective position within a target band of 0-100%.

Additionally, social benefits include yearly payments to the corporate pension scheme (1,800 €), contributions to capital formation (480 €), meal allowances (558 €) and gym-allowance (300 €).

The remuneration policy for employees has been laid down by the managing board and approved by the supervisory board. In the context of the yearly remuneration review the remuneration policy and its adequacy is being reviewed. The managing board informs the supervisory board about any changes to the remuneration policy on an annual basis. This update is provided in the supervisory board meeting, in which the mid-term financial plan for the following year is decided upon, as personnel budgeting is part of the mid-term planning.

The supervisory board was last informed about the remuneration policy on 14 December 2012. Furthermore, the chairperson of the supervisory board is entitled to request the respective information from the management at any time.

### 3. MANAGING BOARD REMUNERATION POLICY

The supervisory board lays down the remuneration policy for the managing board. The remuneration policy is regularly reviewed in the supervisory board meeting in the context of (re)appointments of members of the managing board. The remuneration policy for the managing board was last reviewed on 11 October 2012 in the context of the appointment of Iris Weidinger and Steffen Köhler. The compliance of the remuneration policy with the strategic targets of ECC is thereby taken into account.

The remuneration managing board members receive for their professional activities for ECC is defined in the employment contract. The contract and any amendments thereto must be in writing.

In line with the remuneration policy of normal employees, the remuneration of managing board members consists of fixed and variable components and social benefits.

The fixed annual salary is paid in 12 equal monthly installments. Additionally a target-related variable remuneration is paid. This variable payment takes into account the long-term corporate performance (30%), annual financial corporate goals (30%) and divisional goals (40%). The variable payment is limited to 72-134% of the fixed annual salary. The calculation basis of the variable payment stretches over multiple years. Upper and lower limits are defined by the supervisory board. The calculation of the annual bonus payment is based on the degree of achievement of the respective goals, whereas the degree of achievement is limited to 0-150%. Based on the individual contract, a variable payment linked to the full achievement of agreed goals is paid according to the degree of achievement of the respective goal.

Moreover, to support the long-term development of the corporation, a long-term incentive is granted (LTI) based on a calculation basis of three years. In case of an overachievement of the planned-EBT according to the mid-term plan, a managing board member is entitled to achieve a payment of maximum 1.5% of the amount of overachievement of the planned-EBT, limited to EUR 450,000.00 maximum annually. The sum is paid in three equal installments, of which one third is paid in the year of determination of the respective result, another third in the following year and the remaining third in the year thereafter.

A guaranteed variable remuneration may only be paid in the first year of appointment and is limited to max. one year.

There are no entitlements to receive payments in the event of a termination of the professional activity for ECC which are granted despite a negative individual contribution to the corporation.

As part of social benefits, a contribution to the personal pension scheme may be granted to members of the managing board based on the respective individual contract. Furthermore, members of the managing board may defer a portion of their remuneration into personal pension contributions.

## 4. FORM

Members of the management board and employees are informed in writing about the applicable remuneration policy within their individual contract and the respective rules and regulations (Intranet / Employee-Guideline)

## 5. CONCLUSION

The remuneration policy creates no incentives for employees to take disproportionate risks. The remuneration policy is in line with the strategic aims of ECC.