

## Remuneration and corporate governance

### 4. REMUNERATION IN THE REPORTING YEAR 2016

#### 4.1 MEASUREMENT

No reorganisation of remuneration took place in 2015. The detailed information is shown in table 4.2.

The Executive Board is also entrusted with the management of Berner Oberland-Bahnen AG within the framework of its activities. The alliance partner bears 28.5% of the fixed component of the remuneration reported for the Executive Board members. Due to the change from the old (until 2013) to the new (starting from 2014) measurement system, the fixed proportion has grown. The alliance partners have agreed that the increase is to be spread in stages over four years. As a result, in 2016, Berner Oberland-Bahnen AG participated in the basic salaries of the members of the Executive Board at 27% (previous year: 25.5%).

The EBT (Earnings Before Taxes) applicable to the calculation of the share of the company result amounts to CHF 38.9 million for the 2016 financial year. The limitation on the profit sharing is CHF 20,000 for all board members.

The subscription rights for the purchase of discounted shares remained unchanged for 2016: Board of Directors 750 shares, Chairman of the Executive Board 2000 shares, members of the Executive Board 1200 shares. The shares issued were purchased at a preferential price of CHF 32 applicable to all Group employees. The reference date for the subscription and therefore also for the calculation of the value of this remuneration component was 3 October 2016. The share price was CHF 93.50, which means that the relevant rate after deduction of 25.274% (circular No. 37 of the Swiss Tax Administration) was CHF 69.85. The difference between the subscription price and the discounted value is thus CHF 37.85. This amount, multiplied by the individual number of shares, is reported as a remuneration component. The following numbers of shares were ultimately issued to members of the company management in 2016:

	Shares
Sales to Executive Board at the price of CHF 32	5,600
Sale to non-executives (Board of Directors) at the price of CHF 32	4,500
<b>Total shares</b>	<b>10,100</b>

The 2016 Annual General Meeting approved a remuneration of CHF 840,000 for the Board of Directors for the term until the next General Meeting. The total amount paid to the Board of Directors for 2016 amounts to CHF 680,741, of which 7/12 relates to the period from the 2016 Annual General Meeting, which corresponds to CHF 397,099. It is noted that remuneration will not exceed the total sum granted by the 2016 General Meeting. The total amount paid to management for the 2016 financial year is CHF 1,921,909. The sum granted for the 2016 financial year at the 2015 General Meeting amounts to CHF 2,280,000.

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### 4.2 REMUNERATION OVERVIEW

#### Members of the Board of Directors 2016

Disclosure pursuant to Article 663b of the Swiss Code of Obligations, in CHF	Prof. Thomas Bieger, Chairman	Dr. Jürg Rieben, Vice-Chairman	Peter Baumann, Member	Nils Graf, Member	Bruno Hofweber, Member	Ueli Winzenried, Member	Board total
Fixed remuneration (cash)	104,800	61,600	45,500	46,000	46,000	45,500	349,400
Variable profit sharing (cash)	20,000	20,000	20,000	20,000	20,000	20,000	120,000
Shares	28,388	28,388	28,388	28,388	28,388	28,388	170,328
Contributions in kind	400	400	535	735	735	400	3,205
Social insurance contributions	9,530	4,689	5,878	5,921	5,921	5,869	37,808
<b>Total remuneration</b>	<b>163,118</b>	<b>115,077</b>	<b>100,301</b>	<b>101,044</b>	<b>101,044</b>	<b>100,157</b>	<b>680,741</b>

#### Members of the Board of Directors 2015

Disclosure pursuant to Article 663b of the Swiss Code of Obligations, in CHF	Prof. Thomas Bieger, Chairman	Dr. Jürg Rieben, Vice-Chairman	Peter Baumann, Member	Nils Graf, Member	Bruno Hofweber, Member	Ueli Winzenried, Member	Board total
Fixed remuneration (cash)	103,800	60,100	44,500	45,000	44,500	44,500	342,400
Variable profit sharing (cash)	20,000	20,000	20,000	20,000	20,000	20,000	120,000
Shares	33,375	33,375	33,375	33,375	33,375	33,375	200,250
Contributions in kind	500	400	535	735	735	400	3,305
Social insurance contributions	9,666	4,891	6,151	6,194	6,163	6,142	39,207
<b>Total remuneration</b>	<b>167,341</b>	<b>118,766</b>	<b>104,561</b>	<b>105,304</b>	<b>104,773</b>	<b>104,417</b>	<b>705,162</b>

#### Member of the Executive Board 2016

Disclosure pursuant to Article 663b of the Swiss Code of Obligations, in CHF	Highest total compensation: Urs Kessler, Chairman of the Executive Board	Executive Board total
Fixed remuneration (cash)	352,600	1,000,900
Variable profit sharing (cash)	119,385	334,278
Shares	75,700	212,240
Contributions in kind	1,612	5,421
Social insurance contributions	130,290	369,070
<b>Total remuneration</b>	<b>679,587</b>	<b>1,921,909</b>

#### Member of Executive Board 2015

Disclosure pursuant to Article 663b of the Swiss Code of Obligations, in CHF	Highest total compensation: Urs Kessler, Chairman of the Executive Board	Executive Board total
Fixed remuneration (cash)	352,200	1,016,754
Variable profit sharing (cash)	159,220	445,816
Shares	89,000	249,200
Contributions in kind	344	1,416
Social insurance contributions	120,642	343,121
<b>Total remuneration</b>	<b>721,406</b>	<b>2,056,307</b>

*Remuneration and corporate governance***4.3 LOANS AND CREDITS**

In 2016, there were no loans for members of the Board of Directors or Executive Board.