

## News Release

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November 28, 2018

### **Shareholder Association Recognizes Merck KGaA, Darmstadt, Germany, for Most Shareholder-Friendly Board Compensation System**

Darmstadt/Wiesbaden, Germany, November 28, 2018 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, today announced that it has received the Euroshareholders Award 2018 from Euroshareholders, the shareholder division of the European investors federation Better Finance. This award, which is granted in Germany once every four years, recognizes Merck KGaA, Darmstadt, Germany, as the company with the most shareholder-friendly Board compensation system in the German DAX 30 blue-chip stock index.

In particular, the assessment criteria covered the suitability of overall compensation, the sustainability of variable compensation as well as the comprehensibility and transparency of the presentation manner. Additionally, the Annual General Meeting approval rate had to be at least 90%.

“As a company with a 350-year history, we attach a very high level of importance to responsible corporate governance and entrepreneurship itself. This also includes transparent Executive Board compensation reflecting actual performance. Unlike management board members of German stock corporations, the members of the Executive Board of Merck KGaA, Darmstadt, Germany, are not merely employed members of a corporate board, but rather personally liable general partners,” said Johannes Baillou, Chairman of the Board of Partners of E. Merck KG, Darmstadt,



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Germany, through which the Merck family has combined its interests in the company. E. Merck KG, Darmstadt, Germany, holds around 70% of the total capital of Merck KGaA, Darmstadt, Germany, and is responsible for appointing members of the Executive Board as well as for setting their compensation.

“Nearly all aspects of the compensation system of Merck KGaA, Darmstadt, Germany, convinced us and – following the substantial improvements over the previous year – truly deserves the ‘shareholder-friendly’ title”, said Jella Benner-Heinacher, current President of Better Finance and Deputy Chief Managing Director of DSW (Deutsche Schutzvereinigung für Wertpapierbesitz).

In the run-up to the 2018 Annual General Meeting, Merck KGaA, Darmstadt, Germany, revised its Executive Board compensation system and successfully presented it for a shareholder vote. In the previous year, the proposed resolution had been rejected by shareholders. Approval was the result of the better comprehensibility of the compensation system, made possible by defining and communicating objective compensation criteria. For instance, Merck KGaA, Darmstadt, Germany, eliminated the possibility of additional one-time payments and it published the bonus and penalty criteria for variable compensation. The company will also be disclosing the performance corridor for the Long-Term Incentive Plan (LTIP) in the future. Furthermore, Merck KGaA, Darmstadt, Germany, states the degree to which all target values for the variable compensation elements have been achieved and which compensation limits exist. Merck KGaA, Darmstadt, Germany, has continued to make its Long-Term Incentive Plan more conservative by lowering the maximum payments.

The award was presented to Theo Siegert, member of the Supervisory Board of Merck KGaA, Darmstadt, Germany, and of the Board of Partners of E. Merck KG, Darmstadt, Germany, yesterday evening at an international investors’ conference organized jointly by the DSW and Euroshareholders in Wiesbaden, Germany.

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### **About Merck KGaA, Darmstadt, Germany**

Merck KGaA, Darmstadt, Germany, the vibrant science and technology company, operates across healthcare, life science and performance materials. Around 53,000 employees work to make a positive difference to millions of people's lives every day by creating more joyful and sustainable ways to live. From advancing gene editing technologies and discovering unique ways to treat the most challenging diseases to enabling the intelligence of devices – the company is everywhere. In 2017, Merck KGaA, Darmstadt, Germany, generated sales of € 15.3 billion in 66 countries.

The company holds the global rights to the name and trademark "Merck" internationally. The only exceptions are the United States and Canada, where the business sectors of Merck KGaA, Darmstadt, Germany operate as EMD Serono in healthcare, MilliporeSigma in life science, and EMD Performance Materials. Since its founding 1668, scientific exploration and responsible entrepreneurship have been key to the company's technological and scientific advances. To this day, the founding family remains the majority owner of the publicly listed company. For more information about Merck, KGaA, Darmstadt, Germany, visit [www.emdgroup.com](http://www.emdgroup.com).