Overview on the compensation system for the Executive Board members

Merck KGaA, Darmstadt, Germany attaches great importance to responsible governance and entrepreneurship. This is also reflected by the compensation of the members of the Executive Board. The compensation system for the Executive Board members was revised with effect from January 1, 2021 and thus adapted it to the specifications of the new section 87a AktG.

The adapted compensation system is intended to further strengthen the long-term incentive effect of the compensation and, at the same time, prevent disproportionate discrepancies. The following overview presents the essential components of the compensation system and highlights the most relevant changes:

In addition to the principles of good corporate governance, a key component of the revision was the strengthening of the "pay for performance" approach, as well as the introduction of sustainability targets. Overall, the changes thus meet the requirement for an ambitious compensation system that includes a long-term incentive effect for sustainable business success and at the same time ensures responsible corporate governance.