



**cherenkov
telescope
array**

an observatory for
ground-based
gamma-ray astronomy

Public Corporate Governance Code Report 2017

Preamble

As the statutes of the CTAO gGmbH do not provide for a supervisory body, the task of supervising the management is incumbent on the meeting of the company's shareholders.

The current management of the CTAO gGmbH consists of the Managing Director, Prof Dr. Ulrich Straumann. He manages the company since 1 March 2016.

Declaration

The Management of the CTAO gGmbH declares herewith that the applicable recommendations of the Public Corporate Governance Code of the Federation dated 30 June 2009 have been complied with and continue to be complied with - with the following justified exceptions:

4. Management

4.2.1: *“As a minimum, the management shall consist of two persons.”*

Deviation and Justification:

The management of the CTAO gGmbH consists of one Managing Director. The company was setup as an interim legal entity and will remain as such due to delays experienced, with the goal to establish a final organisation for the construction and operation of the CTA Observatory. The limited scope and duration of the interim GmbH justified the appointment of a single director.

4.3.3: *“The supervisory body shall deliberate on the remuneration system established for the management, including the essential elements of the contract; it shall review the system at regular intervals, and shall adjust it as required...”*

Deviation and Justification:

No formal remuneration system for management has been established within the CTAO gGmbH. The remuneration of the MD has been negotiated individually so far. Given that the Managing Director's remuneration has been symbolic due to the fact that his main professional activities have been with a university, a remuneration system was not established.

5. Supervisory body

CTAO gGmbH has no statutory supervisory body. Tasks and competences of the supervisory body have been regularly exercised by Council

5.1.1: *“...At regular intervals, the supervisory body and its committees shall review the quality and efficiency of their activities. The supervisory body shall monitor the implementation of the measures it has resolved be taken in this regard.”*

Deviation and Justification:

A quality review is not foreseen in the Rules of Procedure of the Council, nor in the AoA or any other bylaw, and has not been done so far.

5.1.2: *“An age limit shall be set for the members of the management at which they must resign from the management.”*

Deviation and Justification:

No such age limit has been set and determined. As a company with Shareholders from multiple nationalities, it was not deemed appropriate to set such a limit in order to avoid discrimination.

Report according to 6 PCGC (Transparency)

The annual PCGC reports are publicly available on the company’s website at:

<https://www.cta-observatory.org/about/governance/#1473147489559-0e6ea653-4004>

The monthly remuneration of the current Managing Director, Prof Dr Ulrich Straumann, was set to a fixed rate composed of a direct transfer, being subject to income taxes, plus half of the statutory social insurance premium, which would be due if the Managing Director would have been employed in Switzerland with the same remuneration.

In 2017 Prof Dr. Ulrich Straumann received a remuneration of EUR 48.000 plus social insurance premium of EUR 6.825,24. No other benefits were granted to him.

Heidelberg, Feb 7, 2018



Prof. Dr. Ulrich Straumann
Managing Director