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**cherenkov  
telescope  
array**

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the observatory for  
ground-based  
gamma-ray astronomy

# **Public Corporate Governance Code Report 2018**

## 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 Federico Ferrini. He manages the company since 1 March 2018, following up on Prof Dr Ulrich Straumann (Managing Director of CTAO gGmbH from 1 March 2016 to 28 February 2018).

## 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. As the interim legal entity will be replaced by an ERIC in the near future, individual negotiations with the Managing Director were considered appropriate.

### 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 Articles of Association 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/%20about/%20governance/#1473147489559-0e6ea653-4004>

Prof Dr Ulrich Straumann has been Managing Director until 28 February 2018. His monthly remuneration 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 Prof Dr Straumann would have been employed in Switzerland (home country) with equal remuneration. In 2018 he received a remuneration of EUR 8.000,00 plus social insurance premium of EUR 1.006,80. No other benefits were granted to him.

Current Managing Director, Prof Dr Federico Ferrini, was appointed effective as of 1 March 2018. In 2018 Prof Dr Ferrini received a remuneration of EUR 108.000,00 as well as other benefits amounting to EUR 700,00. Additionally, the company paid EUR 9.839,50 for social security and health care contributions. No other benefits were granted to him.

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Place, date

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Managing Director Prof Dr Federico Ferrini