Reporting structure
Swiss Prime Site AG is the leading listed real estate company in Switzerland. The innovatively and sustainably managed real estate portfolio forms the Company’s core business. The reports comprise the Strategy and Management Report available online (annualreport2018.sps.swiss) and the separate sub-reports (PDF download). For reasons of innovation and sustainability, only the short report is available as a printed version.
Corporate Governance

This Corporate Governance report contains the requisite disclosures according to the guidelines regarding corporate governance information of the SIX Swiss Exchange and basically follows their structure in terms of presentation.

Group structure

All investments in group companies are unlisted firms. These companies were fully consolidated and non-controlling interests are recognised. The registered shares of the holding company – Swiss Prime Site AG with headquarters in Olten, Switzerland – are listed on the SIX Swiss Exchange under securities number 803838 and ISIN number CH0008038389. Swiss Prime Site AG reported market capitalisation of CHF 6041.5 million [CHF 6433.1 million] as at 31 December 2018. During the reporting year, the Group implemented the following changes:

01.01.18  Bellevue-Bau AG, Winterthur into Swiss Prime Site Immobilien AG, Olten
          Merger

01.01.18  La Résidence des Marronniers SA, Martigny into Les Tourelles S.à r.l., Martigny
          Merger

01.01.18  Résidence les Sources Saxon SA, Saxon into Les Tourelles S.à r.l., Martigny
          Merger

01.01.18  Perlavita Rosenau AG, Kirchberg into Tertianum AG, Zurich
          Merger

01.01.18  SENIOcare AG, Zurich into Tertianum AG, Zurich
          Merger

01.01.18  Zentrum Schönb erg AG, Berne
          Acquisition of 51% of the shares

12.01.18  Home Médicalisé Vert-Bois SA, Val-de-Ruz into Les Tourelles S.à r.l., Martigny
          Merger

01.04.18  streamnow AG, Zurich
          Acquisition of 100% of the shares
### Fully consolidated investments in group companies (direct or indirect)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Field of Activity</th>
<th>31.12.2017 Capital in CHF 1'000</th>
<th>Shareholding in %</th>
<th>31.12.2018 Capital in CHF 1'000</th>
<th>Shareholding in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellevue-Bau AG, Winterthur¹</td>
<td>Real estate</td>
<td>6'000</td>
<td>100.0</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Home Médicalisé Vert-Bois SA, Val-de-Ruz²</td>
<td>Assisted living</td>
<td>100</td>
<td>100.0</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Hôtel Résidence Bristol SA, Montreux</td>
<td>Assisted living</td>
<td>100</td>
<td>100.0</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>immoveris ag, Berne</td>
<td>Real estate services</td>
<td>200</td>
<td>100.0</td>
<td>200</td>
<td>100.0</td>
</tr>
<tr>
<td>Jelmoli AG, Zurich</td>
<td>Retail</td>
<td>6'600</td>
<td>100.0</td>
<td>6'600</td>
<td>100.0</td>
</tr>
<tr>
<td>La Fontaine SA, Court</td>
<td>Assisted living</td>
<td>100</td>
<td>100.0</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>La Résidence des Marronniers SA, Martigny³</td>
<td>Assisted living</td>
<td>100</td>
<td>100.0</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Leben im Alter AG, Zurich</td>
<td>Assisted living</td>
<td>100</td>
<td>100.0</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>Le Manoir AG, Gampelen</td>
<td>Assisted living</td>
<td>100</td>
<td>100.0</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>Leora S.à r.l., Villeneuve</td>
<td>Assisted living</td>
<td>140</td>
<td>100.0</td>
<td>140</td>
<td>100.0</td>
</tr>
<tr>
<td>Les Tourelles S.à r.l., Martigny³</td>
<td>Assisted living</td>
<td>20</td>
<td>100.0</td>
<td>20</td>
<td>100.0</td>
</tr>
<tr>
<td>Perlavita Rosenau AG, Kirchberg⁴</td>
<td>Assisted living</td>
<td>300</td>
<td>100.0</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Quality Inside SA, Crissier</td>
<td>Assisted living</td>
<td>150</td>
<td>100.0</td>
<td>150</td>
<td>100.0</td>
</tr>
<tr>
<td>Résidence Bel-Horizon Sàrl, Ecublens</td>
<td>Assisted living</td>
<td>20</td>
<td>100.0</td>
<td>20</td>
<td>100.0</td>
</tr>
<tr>
<td>Résidence de la Jardinerie SA, Delémont</td>
<td>Assisted living</td>
<td>100</td>
<td>100.0</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>Résidence du Bourg SA, Aigle</td>
<td>Assisted living</td>
<td>50</td>
<td>100.0</td>
<td>50</td>
<td>100.0</td>
</tr>
<tr>
<td>Résidence Joli Autonne SA, Ecublens</td>
<td>Assisted living</td>
<td>100</td>
<td>100.0</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>Résidence le Pacifique SA, Etoy</td>
<td>Assisted living</td>
<td>150</td>
<td>100.0</td>
<td>150</td>
<td>100.0</td>
</tr>
<tr>
<td>Résidence l’Eaudine SA, Montreux</td>
<td>Assisted living</td>
<td>100</td>
<td>100.0</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>Résidence les Sources Saxon SA, Saxon⁴</td>
<td>Assisted living</td>
<td>100</td>
<td>100.0</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>SEnIOcare AG, Zurich⁴</td>
<td>Assisted living</td>
<td>2'400</td>
<td>100.0</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>SPS Beteiligungen Alpha AG, Olten</td>
<td>Investments</td>
<td>450'000</td>
<td>100.0</td>
<td>450'000</td>
<td>100.0</td>
</tr>
<tr>
<td>streamnow ag, Zurich⁵</td>
<td>Real estate services</td>
<td>–</td>
<td>–</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>Swiss Prime Site Fund Advisory AG II, Olten</td>
<td>Collective investments</td>
<td>100</td>
<td>100.0</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>Swiss Prime Site Immobilien AG, Olten¹</td>
<td>Real estate</td>
<td>50'000</td>
<td>100.0</td>
<td>50'000</td>
<td>100.0</td>
</tr>
<tr>
<td>Swiss Prime Site Management AG, Olten</td>
<td>Services</td>
<td>100</td>
<td>100.0</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>Swiss Prime Site Solutions AG, Zurich</td>
<td>Asset management</td>
<td>1'500</td>
<td>100.0</td>
<td>1'500</td>
<td>100.0</td>
</tr>
<tr>
<td>Tertianum AG, Zurich⁶</td>
<td>Assisted living</td>
<td>9'562</td>
<td>100.0</td>
<td>9'562</td>
<td>100.0</td>
</tr>
<tr>
<td>Tertianum Gruppe AG, Zurich</td>
<td>Investments</td>
<td>50'000</td>
<td>100.0</td>
<td>50'000</td>
<td>100.0</td>
</tr>
<tr>
<td>Tertianum Management AG, Zurich</td>
<td>Services</td>
<td>500</td>
<td>100.0</td>
<td>500</td>
<td>100.0</td>
</tr>
<tr>
<td>Tertianum Romandie Management SA, Crissier</td>
<td>Services</td>
<td>100</td>
<td>100.0</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>Wincasa AG, Winterthur</td>
<td>Real estate services</td>
<td>1'500</td>
<td>100.0</td>
<td>1'500</td>
<td>100.0</td>
</tr>
<tr>
<td>Wohn- und Pflegezentrum Salmenpark AG, Rheinfelden</td>
<td>Assisted living</td>
<td>1'000</td>
<td>51.0</td>
<td>1'000</td>
<td>51.0</td>
</tr>
<tr>
<td>Zentrum Schönberg AG, Berne⁶</td>
<td>Assisted living</td>
<td>–</td>
<td>–</td>
<td>1'000</td>
<td>51.0</td>
</tr>
</tbody>
</table>

¹ merger of Bellevue-Bau AG in Swiss Prime Site Immobilien AG as of 01.01.2018
² merger of Home Médicalisé Vert-Bois SA in Les Tourelles S.à r.l. as of 01.04.2018
³ merger of La Résidence des Marronniers SA and Résidence les Sources Saxon SA in Les Tourelles S.à r.l. as of 01.01.2018
⁴ merger of Perlavita Rosenau AG and SEnIOcare AG in Tertianum AG as of 01.01.2018
⁵ acquisition as at 19.10.2018
⁶ acquisition as at 12.01.2018

### Investments in associates valued according to the equity method

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Field of Activity</th>
<th>31.12.2017 Capital in CHF 1'000</th>
<th>Shareholding in %</th>
<th>31.12.2018 Capital in CHF 1'000</th>
<th>Shareholding in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parkgest Holding SA, Geneva</td>
<td>Parking</td>
<td>4'750</td>
<td>38.8</td>
<td>4'750</td>
<td>38.8</td>
</tr>
<tr>
<td>Parking Riponne S.A., Lausanne</td>
<td>Parking</td>
<td>5'160</td>
<td>27.1</td>
<td>5'160</td>
<td>27.1</td>
</tr>
</tbody>
</table>
Segments

Swiss Prime Site comprises two segments: Real Estate and Services. The investments in group companies are allocated to these segments as follows:

**Real estate**

- Swiss Prime Site Immobilien AG, Olten
- SPS Beteiligungen Alpha AG, Olten
- Swiss Prime Site Management AG, Olten
- Swiss Prime Site Fund Advisory AG II, Olten

**Services**

- Tertianum Gruppe AG, Zurich
- Jelmoli AG, Zurich
- Wincasa AG, Winterthur
- Hôtel Résidence Bristol SA, Montreux
- immoveris ag, Berne
- La Fontaine SA, Court
- Leben im Alter AG, Zurich
- Le Manoir AG, Gampelen
- Leora S.à r.l., Villeneuve
- Les Tourelles S.à r.l., Martigny
- Quality Inside SA, Crissier
- Résidence Bel-Horizon Sàrl, Ecublens
- Résidence de la Jardinerie SA, Delémont
- Résidence du Bourg SA, Aigle
- Résidence Joli Automne SA, Ecublens
- Résidence le Pacific SA, Etoy
- Résidence l’Eaudine SA, Montreux
- streamnow ag, Zurich
- Swiss Prime Site Solutions AG, Zurich
- Tertianum AG, Zurich
- Tertianum Management AG, Zurich
- Tertianum Romandie Management SA, Crissier
- Wohn- und Pflegezentrum Salmenpark AG, Rheinfelden
- Zentrum Schönberg AG, Berne

**Employees**

- 59 employees in Real estate
- 6,236 employees in Services
### Shareholder structure

#### Shareholders as at 31.12.2018

<table>
<thead>
<tr>
<th>Number of shares</th>
<th>Number of registered shareholders</th>
<th>Registered shareholders in %</th>
<th>Number of registered shares</th>
<th>Registered shares in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 1 000</td>
<td>8 591</td>
<td>81.1</td>
<td>2 633 731</td>
<td>3.5</td>
</tr>
<tr>
<td>1 001 to 10 000</td>
<td>1 627</td>
<td>15.4</td>
<td>4 364 194</td>
<td>5.7</td>
</tr>
<tr>
<td>10 001 to 100 000</td>
<td>289</td>
<td>2.7</td>
<td>8 845 351</td>
<td>11.7</td>
</tr>
<tr>
<td>100 001 to 1 000 000</td>
<td>70</td>
<td>0.7</td>
<td>17 992 083</td>
<td>23.7</td>
</tr>
<tr>
<td>1 000 001 and above</td>
<td>7</td>
<td>0.1</td>
<td>14 825 077</td>
<td>19.5</td>
</tr>
<tr>
<td>Total registered shareholders/shares</td>
<td>10 584</td>
<td>100.0</td>
<td>48 660 436</td>
<td>64.1</td>
</tr>
<tr>
<td>Unregistered shares</td>
<td></td>
<td></td>
<td>27 285 913</td>
<td>35.9</td>
</tr>
<tr>
<td>Total shares issued</td>
<td></td>
<td></td>
<td>75 946 349</td>
<td>100.0</td>
</tr>
</tbody>
</table>

1 as % of shares issued

#### Countries/regions

<table>
<thead>
<tr>
<th>Countries/regions</th>
<th>Number of registered shareholders</th>
<th>Registered shareholders in %</th>
<th>Number of registered shares</th>
<th>Registered shares in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>9 815</td>
<td>92.8</td>
<td>33 885 713</td>
<td>69.6</td>
</tr>
<tr>
<td>Europe (excluding Switzerland)</td>
<td>586</td>
<td>5.5</td>
<td>12 053 510</td>
<td>24.8</td>
</tr>
<tr>
<td>Other countries</td>
<td>183</td>
<td>1.7</td>
<td>2 721 213</td>
<td>5.6</td>
</tr>
<tr>
<td>Total registered shareholders/shares</td>
<td>10 584</td>
<td>100.0</td>
<td>48 660 436</td>
<td>100.0</td>
</tr>
</tbody>
</table>

#### Shareholder categories

<table>
<thead>
<tr>
<th>Shareholder categories</th>
<th>Number of registered shareholders</th>
<th>Registered shareholders in %</th>
<th>Number of registered shares</th>
<th>Registered shares in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural persons</td>
<td>9 502</td>
<td>89.8</td>
<td>7 273 403</td>
<td>14.9</td>
</tr>
<tr>
<td>Legal entities</td>
<td>504</td>
<td>4.8</td>
<td>18 145 551</td>
<td>37.4</td>
</tr>
<tr>
<td>Pension funds</td>
<td>200</td>
<td>1.9</td>
<td>9 744 805</td>
<td>20.0</td>
</tr>
<tr>
<td>Insurance companies</td>
<td>30</td>
<td>0.3</td>
<td>1 915 691</td>
<td>3.9</td>
</tr>
<tr>
<td>Funds</td>
<td>185</td>
<td>1.7</td>
<td>8 027 171</td>
<td>16.5</td>
</tr>
<tr>
<td>Other</td>
<td>163</td>
<td>1.5</td>
<td>3 553 815</td>
<td>7.3</td>
</tr>
<tr>
<td>Total registered shareholders/shares</td>
<td>10 584</td>
<td>100.0</td>
<td>48 660 436</td>
<td>100.0</td>
</tr>
</tbody>
</table>

#### Major shareholders (shareholding interest >3%)

<table>
<thead>
<tr>
<th>Major shareholder</th>
<th>31.12.2017 Shareholding interest in %</th>
<th>31.12.2018 Shareholding interest in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlackRock Inc., New York</td>
<td>&gt;5.0</td>
<td>&gt;10.0</td>
</tr>
<tr>
<td>Credit Suisse Funds AG, Zurich</td>
<td>3.2</td>
<td>4.1</td>
</tr>
<tr>
<td>State Street Corporation, Boston</td>
<td>3.9</td>
<td>3.6</td>
</tr>
<tr>
<td>UBS Fund Management (Switzerland) AG, Basel</td>
<td>n.a.</td>
<td>3.2</td>
</tr>
</tbody>
</table>

### Disclosure notifications of major shareholders

Information regarding major shareholders is based on the register of shareholders or the notifications received by Swiss Prime Site AG. The obligation to disclose investments exists when a person or group subject to this obligation has 3, 5, 10, 15, 20, 25, 33\(\frac{1}{3}\), 50 or 66\(\frac{2}{3}\) percent of the voting rights in Swiss Prime Site AG or their holding falls above or below this level. The disclosure notifications issued in the reporting year – according to article 120 of the Swiss Financial Market Infrastructure Act (FMIA) and the provisions of the Swiss Financial Market Infrastructure Ordinance (FMIO) – can be viewed on the reporting and disclosures platform of the SIX Swiss Exchange (www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html).
Cross-investments

As at the balance sheet date, there were no cross-investments.

Capital structure

Share capital
As at the balance sheet date, Swiss Prime Site AG’s share capital comprised 75,946,349 registered shares at a nominal value of CHF 15.30. All outstanding shares are entitled to voting rights and dividends. There are no preferential rights. In accordance with articles 3a and 3b of the Articles of Association, share capital (authorised and conditional capital) may be increased by a maximum of CHF 38,748 million or 3.3% of existing share capital. On 28 September 2018, share capital was increased by CHF 68,352 million (4,467,432 shares).

Authorised and conditional capital
The authorised and conditional capital comprises 2,532,568 registered shares amounting to CHF 38,748 million [CHF 63,841 million].

The Board of Directors is authorised to increase the share capital within the aforementioned limits at any time until 27 March 2020. The Board of Directors is entitled to exclude shareholders’ subscription rights in favour of third parties, in the event that the new shares should be utilised for acquiring other companies, stakes in companies, investments or real estate, or for financing or re-financing such transactions. Additional details on the changes to share capital can be found in note 23 «Shareholders’ equity» of the consolidated financial statements, on page 58 of the Financial Report. Swiss Prime Site AG has no other equity instruments (e.g. participation or profit share certificates) outstanding other than registered shares.

The precise wording regarding authorised and conditional capital can be found in articles 3a and 3b of Swiss Prime Site AG’s Articles of Association (download at www.sps.swiss under Investors / Corporate Governance).

Restrictions on transferability and nominee registrations
Pursuant to article 5 of the Articles of Association, every shareholder and usufructuary may request to be registered in the share register. The Articles of Association are available for download on the website www.sps.swiss under Investors / Corporate Governance. Only those persons whose names appear in the share register and who have acquired shares in their own name and on their own account are registered as shareholders or usufructuaries by the Company. The Company acknowledges only one beneficiary per share.

Each share is entitled to a vote at the Annual General Meeting. The Board of Directors is authorised to reject foreign purchasers of registered shares as shareholders with voting rights insofar as, and as long as, their recognition can prevent the Company from providing the verification governing the composition of its shareholders, which is required by federal law. Otherwise, there are no restrictions on registration or voting rights. The Annual General Meeting may resolve to suspend these restrictions on transferability with a majority of valid votes according to article 12, paragraph 3 of the Articles of Association (download at www.sps.swiss under investors/corporate governance).

Shareholdings not subject to notification held by nominees and fiduciaries are entered into the register without voting rights.
### Capital structure as at 31.12.2018

<table>
<thead>
<tr>
<th>Capital</th>
<th>Number of registered shares</th>
<th>Nominal per share in CHF</th>
<th>Total in CHF 1 000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>75,946,349</td>
<td>15.30</td>
<td>1,161,979</td>
</tr>
<tr>
<td>Authorised and conditional capital</td>
<td>2,532,568</td>
<td>15.30</td>
<td>38,748</td>
</tr>
<tr>
<td>of which for exercising options and/or conversion rights granted with bonds or similar issues</td>
<td>2,532,568</td>
<td>15.30</td>
<td>38,748</td>
</tr>
</tbody>
</table>

### Share capital changes over the last three years

<table>
<thead>
<tr>
<th>Changes</th>
<th>Number of registered shares</th>
<th>Nominal per share in CHF</th>
<th>Nominal value in CHF 1 000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital as at 31.12.2015</td>
<td>69,651,534</td>
<td>15.30</td>
<td>1,065,668</td>
</tr>
<tr>
<td>Conversion of 29,930 units of the CHF 190.35 million convertible bond</td>
<td>1,827,383</td>
<td>15.30</td>
<td>27,959</td>
</tr>
<tr>
<td>Share capital as at 31.12.2016</td>
<td>71,478,917</td>
<td>15.30</td>
<td>1,093,627</td>
</tr>
<tr>
<td>Share capital as at 31.12.2017</td>
<td>71,478,917</td>
<td>15.30</td>
<td>1,093,627</td>
</tr>
<tr>
<td>Capital increase on 28.09.2018</td>
<td>4,467,432</td>
<td>15.30</td>
<td>68,352</td>
</tr>
<tr>
<td>Share capital as at 31.12.2018</td>
<td>75,946,349</td>
<td>15.30</td>
<td>1,161,979</td>
</tr>
</tbody>
</table>

### Convertible bonds

<table>
<thead>
<tr>
<th></th>
<th>CHF 250 m 2023</th>
<th>CHF 300 m 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuing volume, nominal</td>
<td>CHF m</td>
<td>CHF m</td>
</tr>
<tr>
<td>Nominal value as at 31.12.2018</td>
<td>CHF m</td>
<td>CHF m</td>
</tr>
<tr>
<td>Book value as at 31.12.2018</td>
<td>CHF m</td>
<td>CHF m</td>
</tr>
<tr>
<td>Book value as at 31.12.2017</td>
<td>CHF m</td>
<td>CHF m</td>
</tr>
<tr>
<td>Conversion price</td>
<td>CHF m</td>
<td>CHF m</td>
</tr>
<tr>
<td>Interest rate</td>
<td>%</td>
<td>0.25</td>
</tr>
<tr>
<td>Term to maturity</td>
<td>years</td>
<td>7</td>
</tr>
<tr>
<td>Maturity</td>
<td>date</td>
<td>16.06.2023</td>
</tr>
<tr>
<td>Securities number</td>
<td>32,811,156 (SPS16)</td>
<td>39,764,277 (SPS18)</td>
</tr>
</tbody>
</table>

Each individual bond with a nominal value of CHF 0.005 million can be converted into registered shares of the Company at any time. New shares will be guaranteed using conditional capital of CHF 36,634 million. This is equal to 3.3% of share capital prior to the convertible bond issue.

No conversions took place in the reporting year. Further information on convertible bonds is included in note 21 «Financial liabilities», on page 56 of the Financial Report.
Board of Directors

As at the balance sheet date, the Board of Directors of Swiss Prime Site AG comprised seven members. All members are non-executive Board of Directors members in the context of the Swiss Code of Best Practice for Corporate Governance. None of the members of the Board of Directors maintains any significant business relationship with Swiss Prime Site AG or Swiss Prime Site Group.

Composition of the Board of Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Nationality</th>
<th>Member since</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof. em. Dr. Hans Peter Wehrli</td>
<td>Chairman</td>
<td>Swiss</td>
<td>2002</td>
</tr>
<tr>
<td>Mario F. Seris</td>
<td>Vice-Chairman</td>
<td>Swiss</td>
<td>2005</td>
</tr>
<tr>
<td>Christopher M. Chambers</td>
<td>Member</td>
<td>Swiss/British</td>
<td>2009</td>
</tr>
<tr>
<td>Dr. Barbara Frei-Spreiter</td>
<td>Member</td>
<td>Swiss</td>
<td>2018</td>
</tr>
<tr>
<td>Dr. Rudolf Huber</td>
<td>Member</td>
<td>Swiss</td>
<td>2002</td>
</tr>
<tr>
<td>Thomas Studhalter</td>
<td>Member</td>
<td>Swiss</td>
<td>2018</td>
</tr>
<tr>
<td>Klaus R. Wecken</td>
<td>Member</td>
<td>German</td>
<td>2009</td>
</tr>
</tbody>
</table>

Departures during the reporting period

Dr. Elisabeth Bourqui on 23 April 2018.

Articles of Association provisions regarding the number of permitted activities

Members of the Board of Directors may simultaneously carry out no more than ten additional mandates outside the Group in the supreme managing or supervising body of legal entities that are required to be entered in the commercial register or an equivalent foreign register, of which no more than four in listed entities.

Several mandates within the same group of companies and mandates carried out as part of the member’s position on the Board of Directors or the executive management or a supreme managing or supervisory body (including in pension funds, joint ventures and legal entities, in which the company has a substantial investment) are counted as one mandate. Activities in non-profit-oriented associations, organisations and foundations are not subject to any restrictions.

The Board of Directors currently has three committees (Audit Committee, Nomination and Compensation Committee and Investment Committee), which are described in more detail in the following sections.

Elections and period of office

The respective Chairman as well as members of the Board of Directors and Nomination and Compensation Committee are individually elected by the Annual General Meeting for a one-year term of office.

Members of the Board of Directors place their mandate at the disposal of the ordinary Annual General Meeting in the year in which they reach the age of 70.

Regulation of the powers and duties of the Board of Directors

The basic principles and the separation of the functions and powers between the Board of Directors and Executive Board are stipulated in the organisational and competence regulations as well as Executive Board regulations.

The Board of Directors is responsible for the general management of the Company as well as supervising and controlling the Executive Board. The Board of Directors makes the fundamental decisions that determine the activity of the Company. Within the framework of its activities, the Board of Directors ensures profit-focused and competent management of the Company by its Executive Board, according to the provisions of the Articles of Association, the regulations and the applicable legislation.

The Board of Directors acts as a collective body. Unless otherwise provided in the resolutions of the Board of Directors and the organisational regulations, its members may not have any personal authority over the Company and therefore cannot issue any instructions of their own accord.

As required, the Board of Directors can form committees from among its members and allocate powers to these committees in separate sets of regulations, or...
by amending the existing organisational regulation. The Board of Directors has taken advantage of this opportunity and formed an Audit Committee, Investment Committee and Nomination and Compensation Committee. The Board of Directors can delegate the preparation and implementation of its resolutions or the monitoring of activities to one or more committees or to individual members or the Executive Board. It ensures appropriate reporting to its members.

The Board of Directors delegates all executive management activities to the Executive Board unless otherwise provided by law, the Articles of Association or the organisational regulations. It issues directives on the business and investment policy and keeps itself regularly informed of the course of business. The Board of Directors holds meetings as often as business requires, but a minimum of once per quarter. During the reporting period, five meetings and eight conference calls of the Board of Directors took place. Executive Board members are invited to attend the Board of Directors meetings.

**Information and control instruments applied to the Executive Board**

The Board of Directors controls the Executive Board and monitors its method of operation by means of reporting processes and right of inspection of business procedures and business transactions.

The Board of Directors is briefed by the Chief Executive Officer as well as by the other Executive Board members at each meeting regarding the ongoing course of business and significant business operations. At these meetings, members of the Board of Directors can request any information regarding Swiss Prime Site Group from other members of the Board of Directors or Executive Board that they require to fulfil their duties. Members of the Board of Directors must be immediately notified of any extraordinary incidents.

The internal auditor, risk management and external auditors provide support to the Board of Directors in exercising its monitoring and controlling functions. In addition, the Audit Committee, Investment Committee and Nomination and Compensation Committee oversee the control and information functions relative to the Executive Board. These functions are coordinated with the Board of Directors and defined in the relevant regulations and records.

The Audit Committee, Investment Committee and Nomination and Compensation Committee are informed about the relevant issues by means of corresponding reports and analyses. These reports are discussed in detail and relevant proposals are submitted to the Board of Directors. The reports and analyses are then presented by the respective chairman of the committees in the subsequent board meetings and approved by the Board of Directors.

The Board of Directors defines and evaluates any risks that are significant for the Group. This evaluation is based on group-wide coordinated and consistent risk management and internal control systems, which were expanded with a process landscape already in 2016. By means of a risk inventory, the risks are identified, analysed, evaluated and managed according to the Company’s targets and sustainability roadmap. The Audit Committee assesses the Group’s risk situation through risk reporting. Risk management is subsequently assessed, approved and controlled in terms of implementation by the Board of Directors based on the request of the Audit Committee.

The Board of Directors is also supported by the internal and external auditors. The internal auditors receive audit and analysis assignments from the Board of Directors. Internal auditors have an unrestricted right to information and right of inspection of records relative to all Group companies and positions. Moreover, the Executive Board in consultation with the Audit Committee can assign internal auditors tasks outside the scope of the planned auditing activities, for example, executing special investigations and analyses. The internal auditor in charge reports to the Audit Committee. The external auditors attend relevant meetings of the Audit Committee and, as required, are enlisted to resolve issues.

**Audit Committee**

Chairman: Rudolf Huber; members: Elisabeth Bourqui (until 23/04/2018), Thomas Studhalter, Christopher M. Chambers.

The functions, duties and powers of the Audit Committee are set out in separate rules and essentially comprise the following areas: The Audit Committee manages all Board of Directors’ business activities in the areas of financial management (such as accounting, finance control and financial planning), assurance (risk management, internal control system, compliance and internal audit), external audit as well as additional Board of Directors’ business activities that require specific technical expertise in the financial field (for example, regarding taxes and dividend policy).

The Audit Committee has the right to issue instructions and obtain information with regard to the internal audit. The Audit Committee proposes the internal audit charter, which determines the organisation and operation of Swiss Prime Site’s internal audit, to the full Board of Directors. The Audit Committee enlisted
Rolf Krummenacher, Lucerne, as regular advisor for the reporting year.

The Audit Committee holds meetings as often as business requires, but a minimum of twice per year. During the reporting period, five meetings and two conference calls of the Audit Committee took place.

Each year, at least one meeting with the external auditors is held. On the basis of this meeting, the Audit Committee forms an in-depth picture of the activities of the auditors and informs the Board of Directors about its findings.

The Audit Committee acts as a joint and collective body. Its members have no personal authority over the Company and therefore cannot issue instructions of their own accord. The Audit Committee has a right of proposal to the Board of Directors.

The Audit Committee reports regularly to the Board of Directors about its activities and submits the necessary proposals.

Nomination and Compensation Committee
Chairman: Barbara Frei-Spreiter; members: Elisabeth Bourqui (until 23/04/2018), Mario F. Seris, Christopher M. Chambers.

Swiss Prime Site’s Nomination and Compensation Committee assumes the relevant responsibilities in accordance with the Ordinance Against Excessive Compensation in Listed Companies (Ordinance) and the Articles of Association amended based on this Ordinance.

The functions, duties and powers of the Nomination and Compensation Committee are set out in separate rules and essentially comprise the following areas: The Nomination and Compensation Committee manages all of the Board of Directors’ business activities in the areas of real estate and real estate investments as well as additional Board of Directors’ business activities that require specific technical expertise in the real estate field.

The Nomination and Compensation Committee acts as a joint and collective body. Its members have no personal authority over the Company and therefore cannot issue instructions of their own accord. The Nomination and Compensation Committee has the right to submit proposals to the full Board of Directors.

The Nomination and Compensation Committee holds meetings as often as business requires, but a minimum of twice per year. During the reporting period, five meetings of the Nomination and Compensation Committee took place.

Investment Committee
Chairman: Mario F. Seris; members: Hans Peter Wehrli, René Zahnd, Peter Lehmann, Markus Meier.

The functions, duties and powers of the Investment Committee are set out in separate rules and essentially comprise the following areas: The Investment Committee manages all Board of Directors’ business activities in the areas of real estate and real estate investments as well as additional Board of Directors’ business activities that require specific technical expertise in the real estate field.

The Investment Committee acts as a joint and collective body. Its members have no personal authority over the Company and therefore cannot issue instructions of their own accord. The Investment Committee has the right to submit proposals to the Executive Board or Board of Directors.

The Investment Committee holds meetings as often as business requires, but a minimum of twice per year. During the reporting period, five meetings and three conference calls of the Investment Committee took place.

The Investment Committee reports regularly on its activities to the Board of Directors and Executive Board and submits the necessary proposals.

The Nomination and Compensation Committee reports regularly to the Board of Directors about its activities and submits the necessary proposals.
Prof. em. Dr. Hans Peter Wehrli  
1952, Zurich

«Building a good strategy always starts with the customer.»

Position  
Chairman of the Board of Directors, member since 2002, Chairman since 2005

Committees  
Investment: Member

Education  
Prof. Dr. oec. publ.; University of Zurich

Professional activity  
Professor of business management studies and chair for marketing at the University of Zurich from 1993 to 2017.

Mandates outside Swiss Prime Site  
Stock exchange-listed companies: Chairman of the Board of Directors of Belimo Holding AG, Hinwil; member of the Board of Directors of Datacolor AG, Lucerne  
Unlisted companies: Member of the Board of Directors of Gebäudeversicherung Berne (GVB), Ittigen; Vice-Chairman of the Board of Directors of Härdi Holding AG, Oberentfelden

Mario F. Seris  
1955, Klosters-Serneus

«We are totally committed to our shareholders as well as to the society.»

Position  
Vice-Chairman of the Board of Directors, member since 2005

Committees  
Investment: Chairman  
Nomination and Compensation: Member

Education  
Lic. phil. I; English and Education Studies at the University of Zurich

Professional activity  
From 1978 to the beginning of 2013, Mario F. Seris held various national and global management positions at Credit Suisse AG, including as Chief Executive Officer of Credit Suisse Asset Management, Switzerland from 2002 to 2005. He was also Global Head of Real Estate Asset Management at Credit Suisse AG from 2005 to 2010. He represented Credit Suisse AG as senior adviser on various boards of directors and investment committees in the real estate and fund sectors from 2011 to 2012. Since March 2013, he has been an independent advisor.

Mandates within Swiss Prime Site  
Member of the advisory board of Wincasa AG, Winterthur

Mandates outside Swiss Prime Site  
None
Position
Member of the Board of Directors, member since 2018

Committees
Nomination and Compensation: Chairwoman

Education
Degree in Mechanical Engineering, Swiss Federal Institute of Technology; Dr. sc. Techn., Swiss Federal Institute of Technology; Master of Business Administration, IMD Lausanne

Professional activity
Between 1998 and 2016, Barbara Frei held several senior roles in the ABB Group, most recently as Head of Strategic Portfolio Reviews for the Power Grids division. Since December 2016, Barbara Frei has been Zone President for Germany, Austria and Switzerland for Schneider Electric and Chairwoman of the Executive Board of Schneider Electric GmbH, Germany.

Mandates outside Swiss Prime Site
Stock exchange-listed companies: Member of the Board of Directors of Swisscom AG, Berne
Unlisted companies: Mandates due to her roles in the Schneider Electric Group: CEO of ELSO GmbH, Merten GmbH, Schneider Electric GmbH, Schneider Electric Holding Germany GmbH, SE Real Estate GmbH; CEO of Schneider Electric «Austria» Ges.m.b.H; member of the Supervisory Board of Schneider Electric Sachsenwerk GmbH; member of the Board of Directors of Feller AG, Horgen; Chairwoman of the Board of Directors of Schneider Electric (Switzerland) AG, Ittigen

Position
Member of the Board of Directors, member since 2002

Committees
Audit: Chairman

Education
Dr. oec. publ.; University of Zurich

Professional activity
Rudolf Huber has held positions as member of management and CEO of various internationally active industrial companies, including as member of the executive board and Chief Financial Officer of Geberit Group, Rapperswil-Jona from 1992 to 2004. As CEO of Axega GmbH, Rudolf Huber subsequently assumed various board of director, advisory, teaching and interim management mandates. From 2015 to end-2016, he held the position of acting CEO of Looser Holding AG.

Mandates within Swiss Prime Site
Member of the advisory board of Jelmoli AG, Zurich

Mandates outside Swiss Prime Site
Stock exchange-listed companies: none
Unlisted companies: Chairman of the Board of Directors of Fageb Verwaltungs AG, Rapperswil-Jona; member of the Board of Directors of Hoerbiger Holding AG, Zug; member of the Board of Trustees of the Hoerbiger Foundation, Zug
Christopher M. Chambers  
1961, London, UK

«Strategic positioning is the key to success and provides support in all market situations.»

Position  
Member of the Board of Directors, member since 2009

Committees  
Audit: Member  
Nomination and Compensation: Member

Education  
Fellow of the Royal Society of Arts (FRSA); United Kingdom

Professional activity  
Christopher M. Chambers began his professional career in investment banking, before becoming Chief Executive Officer of global hedge fund Man Investments, which he left in 2005.

Mandates outside Swiss Prime Site  
Stock exchange-listed companies: Chairman of the Board of Directors of Leonteq AG, Zurich; Chairman of the Board of Directors of Pendragon PLC, Nottingham, UK  
Unlisted companies: Chairman of the Board of Directors of Lonrho Ltd., London, UK; member of the Board of Directors of Berenberg Bank (Switzerland) AG, Zurich; member of the Board of Directors of Oxford Sciences Innovation PLC, Oxford, UK; Chairman of the Board of Directors of Leonteq Securities AG, Zurich

Thomas Studhalter  
1969, Horw

«We make effective use of our resources and leverage them fully.»

Position  
Member of the Board of Directors, member since 2018

Committees  
Audit: Member

Education  
Business Economist, Certified Public Accountant

Professional activity  
Thomas Studhalter is partner and member of the Regional Board of Management for Central Switzerland at BDO. He manages the trust division in the Central Switzerland region. The Altdorf, Sursee and Zug branches also report to him. Prior to his role at BDO, Thomas Studhalter was a partner at KPMG and managed the Central Switzerland market region and the Audit department.

Mandates outside Swiss Prime Site  
Stock exchange-listed companies: Member of the Board of Directors of Datacolor AG, Lucerne  
Unlisted companies: Member of the Board of Directors of Bataillard AG, Rothenburg; Member of the Board of Directors of HelloNina AG, Zurich; Vice-Chairman of the foundation board of rowing center Luzern-Rotsee foundation, Luzern
Permanently low interest rates require the real estate industry to come up with innovative ways of maintaining positive rates of return.

Position
Member of the Board of Directors, member since 2009

Education
Economics, University of Freiburg in Breisgau

Professional activity
Since 1974, Klaus Wecken has been founder, partner and chairman of various companies in Germany and Switzerland. From 1984, he was co-founder and director of KHK Software AG, Frankfurt am Main, which he sold to SAGE Group, Newcastle, UK, in 1997. From 1999, he was co-founder and principal shareholder of the real estate company Tivona AG, Basel, which was integrated through Jelmoli Holding AG, Zurich, into Swiss Prime Site Group in 2009. From 2001 to 2002, he was member of the Board of Directors of Jelmoli Holding AG, Zurich. Since 2007 he has built up more than 40 investments focused on fields such as the Internet, software and medical technology as well as real estate, through his family office Wecken & Cie, Basel. In the stock exchange-listed real estate sector, Klaus Wecken is one of the major shareholders in Deutsche Mittelstands Real Estate AG (DEMIRE), Langen bei Frankfurt and Adler Real Estate AG, Berlin. DEMIRE previously acquired Fair Value REIT AG, Gräfeling. Adler AG acquired Westgrund AG, Berlin, Brack Capital Properties N.V., Amsterdam NL, Accentro AG, Berlin, and 25% of Conwert Immobilien Invest SE, Vienna. Accentro AG and the share in Conwert have since been sold on.

Mandates outside Swiss Prime Site
Stock exchange-listed companies: none
Unlisted companies: Chairman of the Board of Directors of Care4 Holding AG, Basel, Care4AG, Basel, and IRESI International Real Estate Investors AG, Basel; member of the Board of Directors of Sic invent AG, Basel; CEO of W&W Immobilien GmbH, Weil am Rhein, as well as other positions with related real estate companies.
Executive Board

The Executive Board is responsible for the operating management of Swiss Prime Site and represents the Group publicly. The Executive Board corresponds to the «executive management» according to the Articles of Association of Swiss Prime Site AG and Swiss Ordinance Against Excessive Compensation in Listed Companies (Ordinance).

Members of the Executive Board generally attend the Board of Directors meetings in an advisory capacity. They leave the meeting if the Chairman so directs.

Composition of the Executive Board

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Nationality</th>
<th>Member since</th>
</tr>
</thead>
<tbody>
<tr>
<td>René Zahnd</td>
<td>Chief Executive Officer</td>
<td>Swiss</td>
<td>2015</td>
</tr>
<tr>
<td>Markus Meier</td>
<td>Chief Financial Officer</td>
<td>Swiss</td>
<td>2015</td>
</tr>
<tr>
<td>Peter Lehmann</td>
<td>Member, CEO Swiss Prime Site Immobilien AG</td>
<td>Swiss</td>
<td>2002</td>
</tr>
<tr>
<td>Oliver Hofmann</td>
<td>Member, CEO Wincasa AG</td>
<td>Swiss</td>
<td>2013</td>
</tr>
<tr>
<td>Franco Savastano</td>
<td>Member, CEO Jelmoli AG</td>
<td>CH/IT</td>
<td>2012</td>
</tr>
<tr>
<td>Dr. Luca Stäger</td>
<td>Member, CEO Tertianum Gruppe AG</td>
<td>Swiss</td>
<td>2014</td>
</tr>
</tbody>
</table>

Additions to the Executive Board during the reporting period

None.

Articles of Association provisions regarding the number of permitted activities

Members of the Executive Board may simultaneously carry out no more than five additional mandates outside the Group in the supreme managing or supervising body of legal entities that are required to be entered in the commercial register or an equivalent foreign register, of which no more than one in a listed entity.

Several mandates within the same group of companies and mandates carried out as part of the member’s position on the Board of Directors or the executive management or a supreme managing or supervisory body (including in pension funds, joint ventures and legal entities, in which the company has a substantial investment) are counted as one mandate. Activities in not-for-profit associations, organisations and foundations are not subject to any restrictions.

Management contracts

There are no management contracts.

Compensation, shareholdings and loans

The following information is provided in the Compensation Report on pages 5 to 21:

- Articles of Association provisions regarding the basic principles governing profit-based compensation and the allocation of shareholdings, as well as an additional amount for those members of the Executive Board who are designated as such following the vote by the Annual General Meeting on compensation;
- Articles of Association provisions regarding loans, credit and pension benefits to members of the Board of Directors and Executive Board;
- Articles of Association provisions regarding the vote by the Annual General Meeting on compensation.

Shareholdings in Swiss Prime Site AG held by members of the Board of Directors and Executive Board are reported in the Company’s notes to the financial statements of Swiss Prime Site AG on page 83.
Position
Member of the Executive Board, Chief Executive Officer

Committees
Investment: Member

Education
Attorney at Law

Professional activity
Chief Executive Officer of Swiss Prime Site AG since 1 January 2016. René Zahnd began his professional career at Bratschi Emch & Partner Attorneys at Law in Berne and Zurich from 1994 to 1996. Thereafter, he held the following positions: co-head of Legal Services at BEKB and Dezenium AG from 1996 to 1998; head of Legal Services as well as Director of Project Development and member of the Executive Management at general contractor Losinger/Marazzi from 1998 to 2009; Implenia AG from 2009 to 30 October 2015 – as member of the Executive Management from 2010 and member of the Group Executive Board of Implenia AG from 2013 – first as director of Implenia Real Estate and thereafter as director of Modernisation & Development from February 2014.

Mandates within Swiss Prime Site
Chairman of the Board of Directors of the following group companies: Jelmoli AG, Zurich; SPS Beteiligungen Alpha AG, Olten; Swiss Prime Site Immobilien AG, Olten; Swiss Prime Site Fund Advisory AG II, Olten; Swiss Prime Site Management AG, Olten; Swiss Prime Site Solutions AG, Zurich; Tertianum Gruppe AG, Zurich; Wincasa AG, Winterthur; immoveris ag, Berne

Mandates outside Swiss Prime Site
None

«Turn challenges into opportunities.»

Markus Meier
1964, Winterthur

Position
Member of the Executive Board, Chief Financial Officer

Committees
Investment: Member

Education
Business Economist FH and Certified Public Accountant

Professional activity
Markus Meier has been Chief Financial Officer of Swiss Prime Site AG since 1 June 2015 and previously ad interim Chief Financial Officer since 1 January 2015. From 2009 to 31 December 2014, he held positions at Swiss Prime Site AG in the areas of Finance, Accounting and Investor Relations. Prior to that, he was Chief Financial Officer of Jelmoli AG and Mobimo AG as well as Head of Corporate Accounting and Tax at Ascom. He was also group controller at BZ Group after years of employment at Arthur Andersen (today Ernst & Young).

Mandates within Swiss Prime Site
Member of the Board of Directors of the following group companies: Jelmoli AG, Zurich; SPS Beteiligungen Alpha AG, Olten; Swiss Prime Site Immobilien AG, Olten; Swiss Prime Site Fund Advisory AG II, Olten; Swiss Prime Site Management AG, Olten; Swiss Prime Site Solutions AG, Zurich; Tertianum Gruppe AG, Zurich; Wincasa AG, Winterthur; immoveris ag, Berne; streamnow ag, Zurich; member of the foundation board of the SPS and Jelmoli pension fund, Zurich; member of the foundation board of the SPS and Jelmoli welfare foundation, Zurich

Mandates outside Swiss Prime Site
None

«Being successful on the market also means utilising resources in the right place.»
Position
Member of the Executive Board, Chief Executive Officer of Swiss Prime Site Immobilien AG

Committees
Investment: Member

Education
Construction planner

Professional activity
Peter Lehmann has been Chief Executive Officer of Swiss Prime Site Immobilien AG since 1 March 2017; previously he was Chief Investment Officer of Swiss Prime Site AG from 1 March 2002. He was head of various departments at Real Estate Asset Management, Credit Suisse AG, Zurich (managing director) from 1991 to end-2012. From 2004 to 2009, he was head of development, and prior to that head of construction and acquisitions & sales Switzerland, at Credit Suisse AG. Previously, he worked in the construction sector for the fund management of a big bank and as architectural project manager at a general contractor.

Mandates within Swiss Prime Site
Member of the Board of Directors of Swiss Prime Site Fund Advisory AG II; member of the Investment Committee of the SPS and Jelmoli pension fund

Mandates outside Swiss Prime Site
Stock exchange-listed companies: none
Unlisted companies: Chairman of the Board of Directors of DUK AG, Freienbach
Activities in not-for-profit associations, organisations and foundations: Member of the Executive Board of Verband Immobilien Schweiz (VIS)
Franco Savastano
1965, Stallikon

“Anyone can buy and sell. We offer quality, experience and uniqueness.”

Position
Member of the Executive Board, Chief Executive Officer of Jelmoli AG

Education
1984 retail business diploma in men's fashion sales; 1986 business school degree types R and S from the Limania commercial school in Baden; 1989 advanced degree in economics from the Kaufmännischen Lehrinstitut Zurich

Professional activity
Franco Savastano has been Chief Executive Officer of Jelmoli – The House of Brands premium department store in Zurich since 1 April 2012 and member of the Swiss Prime Site AG Executive Board. From 2001 to 2012, Franco Savastano was a member of the Management Board of Brunschwig & Cie. SA, holding the positions of director of the Grieder fashion stores in German-speaking Switzerland, as well as procurement director for Grieder throughout Switzerland. From 1997 to 2001, Franco Savastano held positions as head of Real Estate Advisory Switzerland at UBS AG. From 2007 to 2012, he held the position of head of Real Estate Advisory Switzerland at UBS AG. From 2010 to September 2013, he served as chairman of RICS Switzerland – Royal Institution of Chartered Surveyors. Oliver Hofmann is also a member of «G15 – Group of Fifteen».

Mandates within Swiss Prime Site
Member of the foundation board of the SPS and Jelmoli pension fund, Zurich; member of the foundation board of the SPS and Jelmoli welfare foundation, Zurich; member of the Board of Directors of immoveris ag, Berne; Chairman of the Board of Directors of streamnow ag, Zurich

Mandates outside Swiss Prime Site
Stock exchange-listed companies: none
Unlisted companies: Vice-Chairman of the Board of Directors of Siegmund & Hofmann AG, Basel; member of the Board of Directors of Crédit Agricole next bank (Suisse) SA, Geneva

Oliver Hofmann
1970, Horgen

“Pursuing efficiency and focusing on the essentials are what make our business model successful.”

Position
Member of the Executive Board, Chief Executive Officer of Wincasa AG

Education
Banking studies, bachelor in economics and business administration, Master of Science in Real Estate of CUREM (University of Zurich)

Professional activity
Oliver Hofmann has held the positions of Chief Executive Officer of real estate services company Wincasa AG since 1 January 2013 as well as member of the Executive Board of Swiss Prime Site AG since 1 June 2013. In addition to spending a few years of his professional career in the finance department of IBM (Switzerland) Ltd, he previously worked at UBS AG for more than 15 years with other intermittent activities (investment advisor in Wealth Management, Corporate Finance, build-up of Swiss real estate advisory services). From 2007 to 2012, he held the position of head of Real Estate Advisory Switzerland at UBS AG. From 2010 to September 2013, he served as chairman of RICS Switzerland – Royal Institution of Chartered Surveyors. Oliver Hofmann is also a member of «G15 – Group of Fifteen».

Mandates within Swiss Prime Site
Member of the foundation board of the SPS and Jelmoli pension fund, Zurich; member of the foundation board of the SPS and Jelmoli welfare foundation, Zurich; member of the Board of Directors of immoveris ag, Berne; Chairman of the Board of Directors of streamnow ag, Zurich

Mandates outside Swiss Prime Site
Stock exchange-listed companies: none
Unlisted companies: Vice-Chairman of the Board of Directors of Siegmund & Hofmann AG, Basel; member of the Board of Directors of Crédit Agricole next bank (Suisse) SA, Geneva
Position
Member of the Executive Board, Chief Executive Officer of Tertianum Gruppe AG

Education
1991 Degree in Economics (lic. oec.) and 1994 Doctorate in Economics (Dr. oec.) from the University of St. Gallen (HSG); 2002 further studies in integrated services management at the University of St. Gallen; 2003 training as EFQM assessor and 2005 completion of Executive Program in Health Care Policy at the University of Lausanne in cooperation with Harvard Medical International; 2013 Certificate from the Executive School of Management, Technology and Law of University of St. Gallen (ES HSG) in Advanced Management.

Professional activity
Luca Stäger has been Chief Executive Officer of Tertianum Group since 1 March 2010 and member of the Swiss Prime Site AG Executive Board since 1 January 2014. He began his professional career at Price Waterhouse as a consultant with a focal point on NGOs. Thereafter, he held the following positions: deputy project leader at the Canton Zurich Healthcare Directorate, consulting project leader at PuMaConsult GmbH, Zurich and Berne, Chief Executive Officer of Spital Lachen AG, Lachen, and director of Private Clinic Bethanien AG, Zurich, as well as recently as Chief Executive Officer of Swiss Paraplegic Group in Nottwil.

Mandates within Swiss Prime Site
Chairman of the Board of Directors: Les Tourelles S.à r.l., Martigny; Résidence du Bourg SA, Aigle; Résidence Bel-Horizon S.à r.l., Ecublens; Résidence le Pacific SA, Etoy; Résidence Joli Automne SA, Ecublens; Leora S.à r.l., Villeneuve; Hôtel Résidence Bristol SA, Montreux; Le Manoir AG, Gamprigen; La Fontaine SA, Court; Résidence de la Jardinerie SA, Delémont; Quality Inside SA, Crissier; Tertianum Romandie Management SA, Crissier; Leben im Alter AG, Zurich; Tertianum Management AG, Zurich; Tertianum AG, Zurich; Résidence l’Eaudine SA, Montreux; Wohn- und Pflegezentrum Salmenpark AG, Rheinfelden; Zentrum Schönberg AG, Berne

Mandates outside Swiss Prime Site
Stock exchange-listed companies: none
Unlisted companies: Vice-Chairman of the Board of Directors of Sanitas Beteiligungen AG, Zurich; Vice-Chairman of the Board of Directors of Clinica Luganese SA, Lugano; Vice-Chairman of the foundation board of the Swiss Paraplegic Foundation, Nottwil; Chairman of the Board of Directors of Clos Bercher SA, Bercher; Vice-Chairman of the Board of Directors of Compact Grundversicherungen AG, Zurich; Vice-Chairman of the Board of Directors of Sanitas Privatversicherungen AG, Zurich; Vice-Chairman of the Board of Directors of Sanitas Grundversicherungen AG, Zurich; Chairman of the foundation board of Fondation Espace, Bevaix; member of the foundation board of Sanitas Krankenversicherung, Zurich; member of foundation board of the Swiss University Sports Foundation, St. Gallen
Shareholder participation rights

The current Articles of Association can be found on www.sps.swiss under Investors / Corporate Governance. The following are references to selected articles:

- Share register and registration provisions (article 5)
- Powers of the Annual General Meeting (article 8)
- Convening/agenda of the Annual General Meeting (article 9, para.4 and article 10)
- Voting rights and adoption of resolutions, independent shareholder representative and issuing instructions (article 12 and article 13)
- Special quorums (article 14)
- Compensation of the Board of Directors and Executive Board (article 28 et seq.), see the Compensation Report

The texts of some Articles of Association provisions are presented in the following section:

Voting rights and adoption of resolutions—
According to article 12 of the Articles of Association:

«1 Each share entitles the holder to one vote.
2 Representation by proxy at the Annual General Meeting is only permissible with a written power of attorney. The chairman of the shareholders’ meeting decides on the recognition of proxies. The Board of Directors may issue rules on the participation, representation and the issuing of voting instructions. The Board of Directors ensures that shareholders can grant a power of attorney and issue their instructions to the independent proxy electronically.
3 The Annual General Meeting passes its resolutions and effects its elections with a majority of the validly cast votes, unless the law or the Articles of Association provide otherwise. Abstentions shall not be counted. In the event of a tie vote, the chairman shall have the casting vote for resolutions, while elections shall be decided by lot.
4 Elections and resolutions are taken in an open ballot or electronically, unless the Annual General Meeting resolves that an election or resolution shall be taken in writing or the Chairman decides to do so. The Chairman may always have an open or electronic ballot repeated as a written ballot if in his opinion there are doubts as to the result of the vote. In such case the previous open or electronic election or vote is considered not to have occurred.»

Any shareholder that is registered in the share register on 12 March 2019 (effective date) is eligible to vote at the ordinary shareholders’ meeting of 26 March 2019. Shareholders that sell their shares after this date are not eligible to participate in the ordinary shareholders’ meeting. No entries are recorded in the share register from 13 March up to and including 26 March 2019.

Special quorums
According to article 14 of the Articles of Association:

«A resolution of the Annual General Meeting with at least two-thirds of the represented votes and with the absolute majority of the represented nominal value is required for the following:
- amendment of the Company’s purpose;
- creation of shares with voting rights;
- transfer restrictions on registered shares;
- authorised or conditional capital increase;
- capital increases from shareholders’ equity, against contribution in kind or for the purpose of acquiring assets as well as granting of special rights;
- restriction or cancellation of subscription rights;
- change of the Company’s registered office;
- dissolution of the Company without liquidation;
- dissolution of the Company with liquidation;
- conversion of bearer shares into registered shares;
- conversion of registered shares into bearer shares;
- the abolishment of statutory restrictions regarding the adoption of resolutions at the Annual General Meeting pursuant to the above subsections i, k and l.»

Convening the Annual General Meeting
According to article 10 of the Articles of Association:

«1 The Annual General Meeting shall be convened by the Board of Directors or, if necessary, by the auditor.
2 The Annual General Meeting shall be called no less than 20 days before the date of the meeting by publication in the Swiss Official Gazette of Commerce. Shareholders recorded in the share register may also be invited by letter. The notice of an Annual General Meeting shall state the agenda items and the proposals of the Board of Directors and of the shareholders who requested that items be put on the agenda or that an Annual General Meeting be convened.
3 Subject to the provisions regarding universal meetings of shareholders, no resolutions can be passed on matters not thus announced except with respect to the application to convene an extraordinary shareholders’ meeting or to conduct a special audit. Proposals made after convening or during the Annual General Meeting may be allowed for discussion if the Annual General Meeting so decides. However, resolutions in relation to such proposals may only be made at the next Annual General Meeting.
4 No prior notification is required for submitting proposals in the context of agenda items and for the discussion of matters without the passing of a resolution.
5 The Annual Report, Compensation Report and corresponding audit report, the auditor’s report and the auditor’s report for the group of companies must be made available to the shareholders at the Company’s registered office no less than 20 days before the ordinary Annual General Meeting. The invitation to
the Annual General Meeting must refer to this fact and to the right of every shareholder to request that copies of these documents be sent to him.»

Agenda
According to article 9, para. 4 of the Articles of Association, shareholders representing shares with a nominal value of half a million Swiss francs may demand that an item be put on the agenda. Such demand must be made in writing, specifying the agenda item and the proposals, no later than 40 days before the date of the shareholders’ meeting.

Share register and registration provisions
According to article 5 of the Articles of Association:
«1 A share register is kept for the registered shares in which the owners and usufructuaries are entered with their name, given name, place of residence, address and nationality (in case of legal entities, the registered office). In the event of a change of place of residence, the Company must be notified in writing of the new place of residence, failing which the former place of residence continues to be relevant for the purpose of the relationship with the Company. The Company only acknowledges a person as shareholder if such person is entered in the share register. The Company acknowledges only one beneficiary per share.
2 Upon request, those acquiring registered shares are entered into the share register as shareholders with the right to vote if they expressly declare to have acquired these registered shares in their own name and for their own account. Art. 685d (3) CO remains reserved.
3 After having heard the registered shareholder, the Board of Directors may delete an entry in the share register with retroactive effect as of the date of that entry if such entry was based on false information. The respective shareholder must be informed immediately about the deletion.
4 The Board of Directors takes the necessary steps and makes the necessary arrangements in order to comply with the above provisions.
5 The Board of Directors is authorised to reject foreign purchasers of registered shares as shareholders with voting rights insofar as, and as long as, their recognition can prevent the Company from providing the verification governing the composition of its shareholders, which is required by federal law. Otherwise, there are no restrictions on registration or voting rights.»

Independent shareholder representative
The Articles of Association provisions regarding independent shareholder representative correspond to the regulations according to the Ordinance Against Excessive Compensation in Listed Companies (Ordinance). The Board of Directors ensures that shareholders can issue authority and instructions to the independent shareholder representative electronically as well. Detailed information and instructions are provided to shareholders together with the invitation documentation for attendance of the Annual General Meeting. These are also published on the Company’s homepage.

Change of control and defence measures
Anyone who directly, indirectly or in joint agreement with third parties acquires shares and, together with the shares already in their possession, exceeds the limit of 33 1/3% of the voting rights, whether exercisable or not, must submit an offer for all listed shares of the Company. There are no change of control clauses in the agreements and plans in favour of the members of the Board of Directors and Executive Board as well as other members of the Company’s executive management.
Statutory auditor

Duration of the mandate and period of office of the auditor in charge
Since the Company was founded (1999), the statutory auditor of Swiss Prime Site AG has been KPMG Ltd., Badenerstrasse 172, 8004 Zurich. KPMG Ltd. also acts as independent auditor for all significant fully consolidated group companies. The auditors are elected each year by the Annual General Meeting.

The auditor in charge has been in this role since 1 January 2013. The auditor’s period of office ends with the financial year 2019.

Fees
For the current reporting period, audit fees (incl. services relating to capital market transactions) of CHF 1.215 million [CHF 0.987 million] and CHF 0.027 million [CHF 0.043 million] were booked for consulting services.

Information tools of the external audit
The Audit Committee holds a meeting with the auditors on an annual basis regarding the financial statements as well as the audit thereof. Moreover, the results of the audit are recorded in writing in a comprehensive report for submission to the Board of Directors.

The Audit Committee evaluates the performance, fees and independence of the auditors on an annual basis and reports to the Board of Directors.

The Audit Committee evaluates the assessment of risks of misrepresentations in the financial statements by the Executive Board and external auditors as well as evaluates and monitors the implementation of countermeasures.

The Audit Committee discusses with the Executive Board and external auditors their assessment of the general quality of Swiss Prime Site’s accounting standards policy that is applied to the financial reporting, carries out a critical analysis and reports to the Board of Directors.

Information policy
Swiss Prime Site Group’s detailed financial reporting occurs in the form of semi-annual and annual reports. The published accounting standards comply with the provisions of Swiss Stock Exchange Act, Listing Rules of the SIX Swiss Exchange and Swiss GAAP FER regulations.

Swiss Prime Site presents the Semi-Annual and Annual Reports at the half-yearly and annual financial results press conferences as well as at the Annual General Meeting.

Swiss Prime Site conducts its reporting within the scope of the disclosure obligations according to the Financial Market Infrastructure Act (FMIA) as well as the ad-hoc publicity of the SIX Swiss Exchange. The ad-hoc releases can be retrieved concurrently with the reports to the SIX Swiss Exchange at www.sps.swiss, under Media.

In addition, media releases are published as required, which can also be subscribed to on www.sps.swiss under Media.

Further information about the Group can be found on the website at www.sps.swiss.

Contact address
Swiss Prime Site AG
Frohburgstrasse 1
CH-4601 Olten
Telephone: +41 58 317 17 17
E-mail: info@sps.swiss

Significant changes since the balance sheet date
No significant changes have taken place since the balance sheet date.
Disclaimer

This report contains statements regarding future financial and operational developments and results as well as other projections that are forward-looking or contain subjective assessments that are not historical facts. In some cases, these forward-looking statements can be identified by the use of words such as «believe», «estimate», «anticipate», «expect», «intend» and similar expressions as well as their negative equivalent. Such forward-looking statements or subjective assessments (hereafter referred to as «forward-looking statements») are based on expectations, estimates and assumptions that seem to be appropriate to the Company at the time of the preparation of the report. However, the actual results may differ from these statements. A number of factors, such as the ability of the management to implement the business strategies of Swiss Prime Site AG, the future conditions and developments in the market in which Swiss Prime Site AG operates, or the market behaviour of other market players, may differ materially from the anticipated results including the actual business situation, results of operations, financial condition of the Company. In addition, past trends are not indicative of any future trends.

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