

Corporate Governance Guidelines of Hapimag AG

Steinhausen, valid as of 23 September 2021

Contents

1.	Hapimag Business Model	3
2.	Group structure	5
3.	Shareholders	5
4.	Finance model	6
5.	Capital structure	6
6.	Board of Directors (BoD)	7
6.1	Duties, rights and obligations	7
6.2	Composition	8
6.3	Meetings	9
6.4	Committees of the Board of Directors	9
a.	Audit Committee (AC)	10
b.	Nomination and Compensation Committee (NCC)	10
c.	Customer and Product Committee (CPC)	11
6.5	Division of responsibilities between the Board of Directors and the Executive Committee	11
6.6	Information and control instruments of the Board of Directors	12
7.	Executive Committee (EC) and Management Team (MT)	12
7.1	Duties, rights and obligations of the EC	12
7.2	Organisation and composition of the EC	13
7.3	EC meetings	13
7.4	Management Team (MT)	14
8.	Shareholders' participation rights	14
9.	Audit Advisory Board (AAB)	15
10.	Auditor	16
11.	Information	16
12.	Abbreviations	17

1. Hapimag Business Model

General strategy

Hapimag's business model is based on the following concept: Multiple shareholders jointly finance resorts and similar facilities (hereinafter resorts) and the related infrastructure in order to use them individually. The company is organised as a cooperative.

Link between usage and level of investment

The amount of financial commitment is based on the intensity with which each individual shareholder wishes to use the resorts:

- How long each year;
- Yearly or every two or three years;
- In high or low season;
- In a one-, two- or three-room*)¹ apartment;
- In a Budget, Comfort, Premium*) or Deluxe* apartment.

Hapimag resorts

Hapimag builds and operates resorts in prime locations and offers *holiday apartments of various sizes* (studios, two and three*- room apartments) and of *various comfort levels* (Budget, Comfort, Premium*, Deluxe*) studios and apartments). Hapimag also, to a limited extent, may rent suitable reports on a temporary basis or acquire the use of them in other ways.

Hapimag's objective is to make the resorts available to its shareholders and members for a relaxing stay.

Hapimag's resorts also have *infrastructure* adapted to their situation and location.

Hapimag offers holidaymakers a number of *additional services*, both when planning their stay and after their arrival.

The *services offered at the planning stage* include the Service Line, the website and the Hapimag Booking Portal.

The *local services* include:

¹ * where available

- Reception;
- Restaurants, shops or “honesty shops” and goods;
- Facilities and opportunities for sport and wellness activities;
- Active teams;
- Children's clubs;
- Transfers from airports to resorts.

Hapimag shareholders and members *currently* have some 5200 holiday apartments in around 56 resorts to choose from, mainly in European countries but also in Turkey and Morocco.

The resorts are available primarily to Hapimag shareholders and members. They have booking options for all Hapimag resorts.

The resorts are maintained on a *long-term basis* and are regularly *renovated and updated*.

Right-of-residence or holiday right products and residence points

The *key* that gives access to the holiday world of Hapimag is a right-of-residence or *holiday right product*.

The *primary* right-of-residence or holiday right product is a *Hapimag share*. A Hapimag customer acquires one or more such shares when they conclude a holiday contract, thus becoming a Hapimag shareholder with a right to vote at Hapimag's Annual General Meeting (AGM).

Hapimag may also sell *other* holiday right products that are *not* associated with a share (additional holiday contracts). Every year, the right-of-residence and holiday right products generate *residence points*, which are valid for a limited period of time and entitle Hapimag shareholders and members to use apartments in resorts where and when they choose, subject to the range on offer and to availability.

Hapimag shareholders and members may, if they need to, buy a limited number of *additional residence points*.

Funding

Hapimag shares can currently be purchased from the company or from other shareholders. The Hapimag share is the “key” to the Hapimag Community and finances the real estate offer. It confers on shareholders all shareholder rights in accordance with the Swiss Code of Obligations and the Articles of Association.

The guests then pay *local charges (LCs)* for the use of the holiday apartments when they get

there. These cover the operating costs, specific services offered by the resorts and local taxes.

The *annual subscription charges* paid by shareholders and members cover the main costs of operating and administering the resorts and the head office in Steinhausen as well as renovations of the resorts.

Transfer and termination

The Hapimag *share with its inseparable right of residence or holiday rights* can be transferred to third parties at will (except for commercial purposes).

Shareholders and members can transfer (other than for commercial purposes) *holiday reservations* (bookings) made or authorised using their residence points to third parties of their choice, who can then use them.

The *exit options* are set out in, and governed by, the Articles of Association and the applicable General Terms and Conditions (GTC).

2. Group structure

Hapimag AG, the parent company of the Hapimag Group, is a *public limited company under Swiss law* with its head office in the canton of Zug, Switzerland. It operates internationally, but primarily in Europe and neighbouring countries.

Hapimag AG owns the resorts both directly and indirectly via direct or indirect investments in subsidiaries which own resorts of the Hapimag Group abroad.

The resorts made available by Hapimag AG are either owned by Hapimag AG or by the subsidiaries of the Group, which are controlled by Hapimag AG.

3. Shareholders

Shareholders in Hapimag AG are *also customers of Hapimag AG or guests* of the resorts.

Hapimag registered shares are transferable subject to restrictions and cannot be bought or sold on stock exchanges; Hapimag shareholders do not buy the shares as a *financial or capital investment*, but as a right-of-residence or holiday right product intended to be used. Therefore, Hapimag shareholders *do not expect share price to rise, nor do they expect a distribution of profit* (participation in the net profit or dividend). The Articles of Association specify that the retained earnings remain solely with the company to achieve its purpose and are *not* paid out as a dividend. For shareholders, the benefit from the shares or the invested capital for the shareholders is derived from the long-term right to use the Hapimag resorts.

A Hapimag share is rather a “key” to Hapimag’s holiday world. Anyone no longer wishing to

use Hapimag's resorts is generally able to transfer their share(s) to someone else and so cease to be a Hapimag shareholder.

There are *no* major or majority shareholders.

Likewise, there is *no* authorised or conditional capital. *Nor are any* other equity securities, such as convertible bonds or employee options, issued.

4. Finance model

The Hapimag finance model was developed in the 1960s and is optimised on an ongoing basis. It has *proven* itself with its principles during growth, stagnation and "normal" phases of the business. The Hapimag finance module focusses on *long-term* financial stability and balance and guarantees the long-term financial stability of Hapimag. This is helped by the fact that the resorts are largely financed from own funds. The Articles of Association restrict the permitted mortgage exposure of the real estate of Hapimag to a maximum of 20% of the total acquisition value.

5. Capital structure

The share capital is *fully paid up*. Every *share* gives the right to *one* vote at the AGM.

The ordinary share capital of Hapimag AG amounts to CHF 41,670,000 and consists of 59,300 registered shares with a nominal value of CHF 100 each and 178,700 registered shares with a nominal value of CHF 200 each. For the purpose of attaining the company's objective, the shareholders' legal subscription right shall be ruled out in the case of capital increases.

In order to *secure the company's objective*, the transferability of the shares is restricted. The Articles of Association state that the Board of Directors can refuse to enter the purchase of a share in the register if:

1. The seller has failed to meet the obligations they assumed in purchasing the share;
2. The purchaser refuses to conclude a holiday contract of the type currently valid (or alternatively the type that was valid for the original purchaser);
3. According to the discretionary judgement of the Board of Directors:
 - a) the person and/or the financial circumstances of the purchaser do not offer any guarantee that they will fulfil their obligations under the holiday contract;
 - b) the share purchase is not being effected for the purpose of using the company's facilities and services within the scope of the company's objective;
 - c) there is reason to assume that the buyer will use the rights granted by the holiday

contract for commercial purposes.

The Articles of Association state that the sum of equity investments in which the Company does not hold a controlling interest must not exceed 20% of the total acquisition values of the Group's fixed assets. Moreover, Hapimag's properties may be mortgaged up to no more than 20% of their acquisition values.

6. Board of Directors (BoD)

6.1 Duties, rights and obligations

The *main duties* of the *BoD* are laid down in Swiss company law (Code of Obligations) and in the company's Articles of Association and more specifically in its Organisational Regulations. Its primary duties are as follows:

- a) *Supreme management* of the company and of the Hapimag Group and issuance of the necessary directives;
- b) Determining the *strategy* and the principles of *corporate governance*, monitoring implementation and conducting regular reviews;
- c) Determining the legal *structure* and *organisation* of the company and of the Hapimag Group;
- d) Configuring the *accounting system*, *financial controls* and *financial planning* (incl. annual budgets and decisions on the main acquisitions and disposals of investments);
- e) *Appointing and removing* the members of the BoD's *committees* and the persons entrusted with management and the representation;
- f) *Overall supervision of the Executive Committee* and determining its members' compensation;
- g) *Ensuring* appropriate *risk management*, *controlling* and *quality management*, and putting in place a system suitable for the Hapimag Group for ensuring *compliance* with applicable standards, *internal controls* and internal and external *audits*;
- h) Compiling the *Annual Report*, preparing the *AGM* and executing its resolutions;
- i) *Notifying the courts* in the event of over-indebtedness;
- k) *Informing shareholders* at the *AGM* and during the year, either directly or indirectly through the Executive Committee;
- l) Adopting and enforcing rules on the handling of *conflicts of interest* and maintaining the *independence* of members of the BoD;

- m) Adopting any *regulations* required and their regular review;
- n) Planning the *succession* of its members and members of the Executive Committee.

The *tasks of the BoD* are detailed in the functional diagram that forms part of the Organisational Regulations.

Members of the BoD are required to act in good faith *in the company's interests* and to discuss matters concerning it *confidentially*.

They must disclose conflicts of interest, both direct and indirect, and recuse themselves from discussion of matters in which such conflicts of interest might arise. Transactions between Group companies and members of the BoD or persons related to them must be conducted at arm's length. The approval of the BoD is required; the subject recuses themselves from the decision. This regulation also applies to employees of the Executive Committee (EC) and the Management Teams (MT).

Before taking up a seat on the governing bodies of organisations *competing with Hapimag*, members of the BoD must obtain the approval of the BoD and must recuse themselves from the vote on the decision.

Members of the BoD have *joint* signing powers. They are bound by the duty of *confidentiality*.

6.2 Composition

The BoD is *elected* by the shareholders at the AGM for a term of two years. Members can be elected for a maximum term of 12 years. Board members who have reached the age of 70 shall step down from the BoD from the date of the next AGM. If a Board member retires during their term of office, a successor is elected for the remaining term.

The members of the BoD *must be shareholders*. This helps to ensure that they take their holidays with Hapimag and thus better understand the Hapimag holiday world.

The AGM elects the President of the Board of Directors (PoBD), who shall be independent. To be considered independent, members of the BoD must not be members of the Executive Committee or the Management Team. Furthermore, the BoD *constitutes* itself and names the Vice President, the members of its committees and their chairs from within its ranks.

The BoD *is made up* of between three and seven members. To be nominated, they have to meet the criteria defined in a qualification profile drawn up by the BoD on the basis of actual circumstances.

Constituting the BoD in this way ensures that it can *come to decisions independently* in dialogue with the EC. Since there can be no conflicts of interest resulting from other mandates or functions, the BoD can be guaranteed to be *entirely independent*.

Details of the *current* composition and members of the BoD and of their functions can be

found on the website (www.hapimag.com) and in the corporate governance report in the Annual Report.

6.3 Meetings

The BoD meets as often as business requires. The BoD can also meet without physically being at the same place, using communication media such as telephone or video-conferencing. The *PoBD* ensures that meetings are properly prepared, that the BoD discusses agenda items and adopts resolutions in due form, and that its resolutions and instructions are carried out. Each member of the BoD can at any time request the immediate calling of an extraordinary meeting of the BoD or propose the inclusion of items on its agenda.

Ordinary *meetings of the BoD* are divided into two parts, with only members of the BoD taking part in the *internal part*, but with the *external part* involving also the CEO, CFO, CHO and, for the discussion of specific agenda items, the participation of other members of the Management Team (MT) or other persons from within or outside the company, such as the auditors.

The BoD has a *quorum* when the majority of its members are present.

The BoD *adopts resolutions* by a majority of the votes cast. In the event of a tie, the president has the casting vote. Under exceptional circumstances, the BoD can adopt resolutions by correspondence, unless a member demands that the matter be discussed orally at a meeting.

All proceedings of the BoD are recorded in *minutes*.

6.4 Committees of the Board of Directors

Committees can be appointed for various reasons and may take various *forms*:

- They can perform a *permanent* function *or* manage a specific project on an *ad hoc* basis.
- They can have purely *advisory or preparatory* functions *and/or* be endowed with *decision-making powers* where this is permitted by law, i.e. when performing one of the duties that can be delegated by the BoD.

The BoD has provided in the Organisational Regulations for *three permanent committees* in the interests of increasing its own efficiency and the efficiency of its meetings:

- Audit Committee (AC)
- Nomination and Compensation Committee (NCC)
- Customer and Product Committee (CPC)

The committees *analyse* in depth the matters assigned to them and *report* on them to the BoD at each meeting of the latter. Events out of the ordinary are to be reported without delay

to the PoBD and if appropriate or necessary to the CEO. The committees also function as a *sounding board* for the EC in matters of fundamental importance to the company.

The committees have *no authority to reach decisions or issue instructions* except as granted to them by the BoD or by the Organisational Regulations. They submit *motions to the BoD*. They have rights of inspection and information in the matters assigned to them and can make *recommendations* to the BoD, CEO and to the EC. Where an issue touches on matters assigned to more than one committee, the committees work together.

Each committee *is made up* of more than one member of the BoD. The BoD *appoints* the members of each committee for the duration of their term of office and also appoints their chairpersons. Where necessary, committees can call upon the advice and assistance of other persons, such as members of the EC, other members of the BoD or third-party experts from outside the company and transfer duties to members of the committee.

The work of the committees is coordinated by the PoBD. The provisions applicable to the BoD's *meetings, quorum, resolutions and minutes* (see section 6.3 above) apply largely and similarly also to those of the committees.

a. Audit Committee (AC)

The AC *supports the BoD* in particular with monitoring and compliance concerning the integrity and conformity with regulations (financial, legal, tax and internal regulatory compliance), with preparing the assessment of the strategic and operational financial performance of the Hapimag Group (incl. financial and tax planning) as well as with risk assessment and risk management (incl. ICS).

The CEO and CFO are invited to the *meetings* of the AC, along with the members of the BoD and, if necessary, other members of the EC and/or the MT. The AC works together with the internal and external auditors.

The *duties of the AC* are *detailed* in the functional diagram that forms part of the Organisational Regulations.

b. Nomination and Compensation Committee (NCC)

The NCC *supports the BoD* in particular on questions regarding nominations, dismissals, compensation (incl. BoD compensation regulations and regulations on performance-based compensation for the EC and MT), qualification and contracts for members of the BoD and the core EC as well as with determining the structure and organisation of the EC. It supports the BoD in searching for members of the Audit Advisory Board (AAB). In addition, the NCC is to be consulted by the EC before taking decisions on important personnel questions (policy issues).

The *meetings* of NCC are divided into an internal part, which is not attended by members of the EC, and an external part that is expanded to include the CEO and, if necessary, other EC

and/or MT members.

The *duties of the NCC* are *detailed* in the functional diagram that forms part of the Organisational Regulations.

c. **Customer and Product Committee (CPC)**

The CPC *supports the BoD* in particular with developing the marketing, competition and product strategy as well as with evaluating the programmes and activities in the area of new customers, existing customers (“Resorts & Hospitality”) and marketing (including product management). The CPC reviews the structures, processes and reporting within these areas.

The CPC also *supports* the BoD in particular with all issues relating to the company’s digital transformation of processes and structures; this includes, for example, the development and operation of digital platforms and channels, increasing the integration of online and offline experiences in the resorts and IT infrastructure (hardware and software). The CPC also deals with the evaluation of strategic investments in digital assets and cooperation ventures in the digital area.

The CEO and other members of the EC and/or the MT are also being invited to the CPC *meetings*.

The *duties of the CPC* are *detailed* in the functional diagram that forms part of the Organisational Regulations.

6.5 **Division of responsibilities between the Board of Directors (BoD) and the Executive Committee (EC)**

At Hapimag, the BoD has made use of the option to delegate authority as provided for by law and *transferred* the management of day-to-day operations (*operational business management*) to the *die EC under the leadership of the CEO* on the basis of the Organisational Regulations, unless contrary to law or the Articles of Association. Thus, the authority of the BoD is associated with the power to undo this transfer at any time, to appoint and dismiss the members of the EC and to set their compensation.

The direct *contact person* of the CEO in the BoD is the *PoBD*. The *PoBD supports* the EC and is the interface between the EC and the BoD.

Although the EC is hierarchically subordinate to the BoD, it is *of extraordinary importance*. Thanks to its informational edge, full-time engagement and ability to act, it is closer to day-to-day business than the BoD.

In order for the *BoD* to carry out its duties despite the delegation of day-to-day business to the EC, the BoD has *information and control instruments* at its disposal.

6.6 Information and control instruments of the Board of Directors

The BoD is informed on a monthly basis about the financial situation and ongoing business as part of the comprehensive *Management Information System* (MIS). The MIS prepares each month an income statement, cash flow statement and various key figures, and compares the current figures to the previous year and to the budget.

The CEO and the EC report to the *BoD meetings* and in part to the *committee meetings* about ongoing day-to-day operations, the financial situation and the main business transactions, as well as the execution of duties that have been assigned and upcoming projects.

Every six months, the CEO and CFO inform the BoD about the main risks and the assessment thereof on the basis of their relevance and likelihood of occurrence (*risk report*). The BoD approves measures defined and to be implemented by the EC to mitigate the risks and monitors their implementation. If significant changes in the risk assessment arise between the semi-annual reports, reporting is performed at the next possible BoD or AC meeting.

Together with the CEO and the committee chairpersons, the PoBD ensures timely *reporting to the BoD members* or, in the opposite direction, to the CEO regarding all aspects relevant to decision-making and monitoring of the Hapimag Group. The members of the BoD inform the PoBD – including the CEO if necessary – in good time about any findings they are aware of that are material for Hapimag.

The CEO, in turn, ensures *reporting in the EC*. The members of the EC and the MT inform the CEO in good time about any findings they are aware of that are material for Hapimag.

The PoBD and CEO ensure timely *reporting between the BoD, the committees and the EC/MT*. The PoBD also receives the minutes of the EC and MT meetings.

Each member of the BoD can also request the relevant persons at any time to supply *information* about issues regarding Hapimag and Hapimag companies, and *view* the Group's books and files.

7. Executive Committee (EC) and Management Team (MT)

7.1 Duties, rights and obligations of the EC

The EC prepares the decisions of the BoD and implements its resolutions. It is *responsible* for preparing and implementing the strategic business plan.

The BoD has a professional EC that works full-time for Hapimag and which is led by the CEO for the *operational management of the Hapimag Group*.

The *duties of the EC* are *detailed* in the functional diagram that forms part of the Organisational Regulations.

The *CEO* is the head of senior management and is responsible for operational management of the Hapimag Group. The CEO is given the full decision-making authority that is required.

Essential transactions that are defined in the Organisational Regulations require, however, the *approval of the BoD*; the same holds true for transactions for which approval is reserved for the BoD.

The (other) *members of the EC* are responsible for the business areas assigned to them and have the corresponding decision-making authority.

For questions regarding which transactions fall under the decision-making authority of the EC as a body and which fall under the decision-making authority of the responsible EC member as an individual (or together with the CEO and/or other EC members), the EC adheres to the following *requirements*:

- Where the decision affects more than one area or involves a fundamental issue for the company and/or the Hapimag Group (in particular one that requires a uniform decision), the EC and the MT as a whole shall decide.
- In other cases, the division head makes the decision together with the CEO or alone, if delegated by the CEO to do so. In case of doubt, the CEO decides who has decision-making authority.

7.2 Organisation and composition of the EC

The BoD decides upon request from the NCC about the *organisation* of the EC.

The *CEO* is the head of the EC. All other EC members report to the CEO.

The EC – together with the MT – also appoints the *management bodies for the subsidiaries*, provided they are not staffed by local employees or independent third parties due to local circumstances.

Additional information on the *current organisation* and on individual members of the EC is available on the Hapimag website (www.hapimag.com).

7.3 EC meetings

The *regulations of the BoD* for meetings, convocation, items of discussion, quorum and minutes (see above section 6.3) apply *analogously* to EC meetings.

Decisions are made on the basis of a *majority* of the votes cast by the members of the EC. In the event of a tied vote, the CEO has the casting vote. The *CEO* also has the *right of veto*; they do *not* have the *right to make unilateral decisions*.

7.4 Management Team (MT)

The MT is the operational management level below the EC. The members of the MT report to the CEO or to another member of the EC. They are appointed and dismissed by the CEO.

8. Shareholders' participation rights

The shareholders as investors have the *final decision in the company*. Their decision-making authorities are determined by law (primarily the Swiss Code of Obligations) and the Articles of Association. They alone are authorised to make decisions regarding *personnel at the highest level* (election and discharge of the PoBD and the other members of the BoD and selection of the auditor), the *final approval of accounts* (at both company and Group level) as well as the *policy on distributions and shareholders' equity* (capital increase and decrease). The shareholders determine the purpose of the company and the other key parameters and regulations in the *Articles of Association*.

The shareholders exercise their *participation rights* at the AGM. At the AGM they can make decisions, request information and propose a special audit within the framework of the legal regulations.

The AGM is *convened* by the BoD. Individual shareholders do not have the right to convene an AGM.

Hapimag has made it *as simple as possible* for shareholders who are registered in the share register before the AGM by the cut-off date noted in the AGM invitation to *exercise* their legal rights. In fact, Hapimag even goes beyond the usual standard:

- a) Shareholders that together represent at least 5% of the share capital can request that an AGM be convened;
- b) *Each* shareholder has the right to *place an item on the agenda* for the AGM.

Art. 11 (3) of the Articles of Association states that the agenda item must relate to the powers of the AGM. Art. 716a of the Swiss Code of Obligations specifies that proposals that contravene the non-transferable and irrevocable duties and authorities of the BoD are not allowed.

Agenda items of shareholders must be submitted, or more precisely, be *received* by Hapimag, at least *60 days* before the AGM;

- c) At the time *the AGM is convened*, the agenda items and the proposals of the BoD will be explained briefly, if required.

If agenda items (or proposals that relate to existing agenda items) have been received from shareholders on time, they will be placed on the agenda and the reason for the item and the position of the BoD will be presented in brief;

- d) The BoD *announces* the *date* of the next AGM in good time and the invitation is published in the Swiss Commercial Gazette;
- e) It is easy for shareholders to *exercise their voting rights*:
 - Each shareholder can attend the *AGM* in person²;
 - Each shareholder can *vote electronically* (eVoting);
 - Each shareholder may be *represented by another shareholder, their spouse or relatives* in the ascending or descending line;
 - Each shareholder can also be *represented by a proxy that is independent* of the company; the proxy is a Swiss notary public and exercises the votes on the basis of the instructions given to them by the shareholders. When granting a proxy, pre-printed forms are sent to each shareholder, which can be completed quickly and easily and contain clear and concise instructions;
- f) The Articles of Association contain *no quorum provisions* that go beyond the law;
- g) *Each* shareholder has the right to make *proposals to the AGM as part of the agenda items*. The shareholder can do this ahead of the AGM or spontaneously on the day of the AGM;
- h) The chairperson *answers the questions* at the AGM or has them answered by experts. Complex and multi-faceted questions are to be presented in writing to the BoD well ahead of the AGM so that the BoD can prepare the answers and/or provide written answers. To relieve the AGM, the answers to questions may also be attached to the minutes, provided the shareholder asking the question agrees to this;
- i) The *minutes of the AGM* are accessible to all shareholders and members in the protected login area and can be sent to them by post on request.

9. Audit Advisory Board (AAB)

In 2018, the AGM added a new provision to the Articles of Association regarding an AAB (Art. 25^{bis}).

The AAB is composed of three shareholders that are elected by the Annual General Meeting based on the recommendation of the BoD for a term of office of two years each. The maximum term of office is 12 years and the maximum age is 70 (justified exemptions are possible).

The AAB was elected for the first time at the AGM 2019 and subsequently took up its

²Subject to regulatory requirements, such as at the 2020 or 2021 AGM due to COVID-19.

responsibilities. The AAB constitutes itself.

The AAB is an independent controlling body and, on behalf of the AGM, reviews compliance with regulations by company management (BoD and EC) and its activities, insofar as the review is not within the scope of the auditors. The AAB reports both orally and in writing to the Board of Directors and is present at the AGM, where it explains the annual report with regard to compliance with the Corporate Governance Guidelines, the proper performance of company management and the business operations.

The AAB has extensive information and access rights, but it is required to maintain confidentiality outside the company.

The details are set out in the regulations of the Audit Advisory Board (AAB regulations).

10. Auditor

The function of (external) auditor is exercised by the auditor selected by the AGM (for the parent company) and the Group auditor. The statutory auditors and the Group auditor are the same company.

The statutory auditors must be fully *independent* of Hapimag, its bodies and shareholders, and must comply with *special legal requirements* for a company the size of Hapimag, in particular a state-regulated audit firm in accordance with the provisions of the Audit Supervision Act.

The *term of office* is one year and re-election is possible. The chief auditor may hold this position for a maximum of seven years.

The auditors fulfil the *duties* incumbent on them in accordance with the law, the Articles of Association, the regulations and the applicable accounting standards and are in direct contact with the MT, the EC, the AC and the BoD

The audit took place until the close of 2016 on the basis of *IFRS* (International Financial Reporting Standards), since 2017 on the basis of the standard *Swiss GAAP FER*. Both are true and fair view accounting standards and are intended to present as reliable a picture as possible of the Group's actual financial position.

11. Information

Hapimag is committed to an open, direct and transparent *information policy*.

The aim is to provide information about the company in a *transparent* manner and furnish timely information about business development as well as a true picture of the performance of the company.

On its website (www.hapimag.com), Hapimag provides information about the *organisation* of the company and about the *members of the BoD* and its *committees*, the *EC*, the *MT* and the *statutory auditors*.

Hapimag publishes an *annual report* in printed and electronic form to provide information about the annual results. The annual report can be obtained from the company free of charge or downloaded at www.hapimag.com.

The *Articles of Association* are published on the homepage (www.hapimag.com) and may be obtained from Hapimag at any time.

12. Abbreviations

This document uses the following abbreviations:

- AC Audit Committee
- CEO Chief Executive Officer
- CFO Chief Financial Officer
- CHO Chief Hospitality Officer
- EC Executive Committee
- AGM Annual General Meeting
- AAB Audit Advisory Board
- ICS Internal Control System
- LC Local charges
- MIS Management Information System
- MT Management Team
- NCC Nomination and Compensation Committee
- CPC Customer and Product Committee
- BoD Board of Directors
- PoBD President of the Board of Directors

The function names in this document are gender-neutral.

These Corporate Governance Guidelines were approved by the BoD of the company at its meeting on 23 September 2021 and put into effect. They replace all previous versions.