

Corporate Governance Guidelines of Hapimag AG

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1. Hapimag business model

General strategy

Hapimag's business model is based on the following basic idea: Resorts, similar facilities (hereinafter referred to as resorts or facilities) and the associated infrastructure are financed collectively by a large number of individuals in order to use them individually for purposes of residence, in particular holidays (cooperative orientation).

Link between usage and investment intensity

The individual's required financial commitment is based on the intensity with which they wish to use the Hapimag resorts:

- How long each year;
- Yearly or every two or three years;
- In the high or low season;
- In a one-, two- or three-room apartment.

Hapimag resorts

Hapimag puts its basic idea into practice by building and operating resorts in prime locations, in which it offers *holiday apartments of various sizes* (studios, two- and three-room apartments). As the holiday apartments have the nature of second homes, the conscious choice has been made not to offer single rooms. To a small extent, Hapimag also rents suitable resorts on a temporary basis or secures access to them elsewhere.

Hapimag's aim is to make the resorts available to its shareholders and members at the *most advantageous conditions possible*.

Hapimag's resorts also offer an *infrastructure* adapted to the situation and location.

Hapimag offers various *additional services*, whether for planning the stay or directly on site.

The *planning services* include the Service Line, the website and the online booking option.

On-site services include e.g.:

- Reception;
- Restaurants, shops and goods;
- Facilities and opportunities for sport and wellness activities;

- Leisure Consultants and Active Team;
- Children's clubs;
- Transfers.

Hapimag shareholders and members *currently* have access to around 5 400 holiday apartments in around 60 resorts, mainly in European countries but also in Turkey, Morocco and the USA.

The resorts are primarily available to Hapimag shareholders and members. Only Hapimag shareholders and members can book all Hapimag resorts at any time.

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

Right-of-residence products and residence points

The *key* to entering the Hapimag holiday world is a *right-of-residence product*.

With the *primary* right-of-residence product, the Hapimag customer acquires one or more Hapimag share(s) as part of a holiday contract. The customer will thus become a shareholder of Hapimag and can exercise his voting rights at the Hapimag Annual General Meeting (AGM).

Hapimag also sells *other* right-of-residence products that are *not* linked to a share (further holiday contracts).

The right-of-residence products generate annual residence points that are valid for a limited period of time and entitle Hapimag shareholders and members to use the apartments in the resorts at any time and place (within the scope of the offer and subject to availability).

Hapimag shareholders and members may purchase *additional residence points* to a limited extent if required.

Payments obligations

To participate in the Hapimag system, a *one-time payment* (entry fee) must be made.

For the use of the holiday apartments the guests pay *local charges (LCs)* locally. These are used to cover the operating costs, the specific services of the resorts and local taxes.

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

Long-term approach, flexibility and termination of Hapimag membership

Hapimag membership is intended to be *long-term*.

Hapimag *right-of-residence products* may be transferred to third parties at any time (except for commercial purposes).

Holiday reservations (bookings) made or authorised by shareholders and members with their residence points may be transferred to third parties and used by them at any time (except for commercial purposes).

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 directly on the one hand 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

The *shareholders* of Hapimag AG are *also 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 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). Article 28 of the Articles of Association specifies that the retained earnings remain solely with the company to achieve its purpose and are *not* paid out as a dividend. For shareholders, the “return” on shares or invested capital 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. Financial model

Hapimag's financial model was developed in the 1960s and is constantly being optimised. It has *proven* itself in its principles in growth, stagnation and "normal" phases of the course of business. Hapimag's financial model focusses on *long-term* financial stability and balance and guarantees Hapimag's long-term financial stability. 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* entitles the holder 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. Article 5 of the Articles of Association states 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 he/she assumed in purchasing the share;
2. The purchaser refuses to conclude a holiday contract in the currently valid version (or alternatively in the version applicable to 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 he will fulfil his obligations under the holiday contract;
 - b) the shares are not acquired for the purpose of using the company's facilities and services within the scope of the company's purpose;
 - c) there is reason to believe that the purchaser 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 of the acquisition values of the Group's fixed assets. Moreover, Hapimag's properties may be mortgaged up to no more than 20% of their acquisition costs.

6. Board of Directors (BoD)

6.1 Duties, rights and obligations

The *main duties* of the *Board of Directors* are laid down in the Swiss Code of Obligations and in the company's Articles of Association and more specifically in its Organisational Regulations. These are primarily the following tasks:

- a) *Supreme leadership* of the company and of the Group;
- b) Defining the *strategy* and principles of *corporate governance*, monitoring implementation and regular reviews;
- c) Determining the legal *structure* and *organisation* of the company and the Group;
- d) Structuring of *accounting*, *financial control* and *financial planning* (including annual budgets and decisions on major investments and divestments);
- e) *Appointment and dismissal* of the members of the committees of the Board of Directors and of the persons entrusted with the management (EC);
- f) *Overall supervision of the EC* and determining its members' compensation;
- g) *Ensuring appropriate risk management, controlling, quality management*, and putting in place a system suitable to the company for ensuring *Compliance* with applicable standards, *internal controls* and internal and external *audits*;
- h) Creation of the *Annual Report*, preparation of the *Annual General Meeting* and execution of its resolutions;
- i) *Notification of the judge* in the event of over-indebtedness;
- k) *Informing shareholders* at the AGM and during the year, either directly or indirectly via the EC;
- l) Adoption and implementation of rules for dealing with *conflicts of interest* and ensuring the *independence* of the members of the BoD;
- m) Adoption of any *regulations* required and their regular review;
- n) Planning the succession of its members and of the EC.

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

The 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 closely associated with them are subject to the principle of at arm's length accounting. The approval of the BoD is required; the subject recuses themselves from the decision. This regulation also applies to employees of the EC and the MNGT.

Before taking up a seat on the governing bodies of companies *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 Board of Directors is *elected* by the shareholders at the Annual General Meeting for a term of two years. The members may be elected for a maximum term of 12 years. BoD members who have reached the age of 70 leave the BoD on the date of the following ordinary Annual General Meeting. If a Board member retires from his/her term of office, a successor is elected for the remainder of it.

The members of the Board of Directors *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. Furthermore, the BoD *constitutes* itself and names the Vice President, the members of its committees and the board members for them.

The BoD *consists* of five to nine members. They bring experience and in-depth knowledge from the main areas of Hapimag: resort development & management, finance, business administration, tourism & hospitality, marketing & sales, communication (incl. new media), digitalisation & IT and law. All members of the BoD have international experience. The nomination is based on the fulfilment of a requirement profile defined by the Board of Directors on the basis of the concrete situation.

Constituting the BoD in this way ensures that it can *come to decisions independently* in dialogue with the EC. No members of the BoD are also members of the EC, so the BoD has no Delegate. It follows that the members of the BoD do not perform any executive functions. Nor do they sit on any of the governing bodies of Hapimag's subsidiaries. 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 may 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 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 properly carried out. Each member of the BoD can at any time move 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 and, for the discussion of specific agenda items, the participation of other members of the EC, MNGT 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. Under exceptional circumstances, individual or all BoD members can take part in a meeting over the phone.

The BoD *adopts resolutions* by a majority of the votes cast. In the event of parity of votes, the chairman 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.

The 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. where they are performing one of the duties the BoD is allowed to delegate.

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

- Audit Committee (AC);
- Nomination and Compensation Committee (NCC);

- Strategy and Marketing Committee (SMA).
- Digital and IT Committee (DIC).

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. They 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 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 CEO and to the EC. Where an issue touches on the 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 chairmen. 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 activities of the committees are 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.

Details of the committees may be found on the website (www.hapimag.com) and in the Corporate Governance report in the Annual Report.

a. **Audit Committee (AC)**

The AC *supports the BoD* in particular with the monitoring of and compliance with 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. IKS).

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 MNGT. 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, com-

compensation (incl. BoD compensation regulations and regulations on performance-based compensation for the EC), qualification and contracts for members of the BoD and the EC as well as with determining the structure and organisation of the EC and the MNGT. He/she supports the BoD in searching for members of the RAB. In addition, the NCC is to be consulted by the EC before taking decisions on important personnel questions (policy issues).

The *meetings* of the 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 MNGT members.

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

c. Strategy and Marketing Committee (SMA)

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

The CEO and other members of the EC and/or the MNGT can be invited as needed to the *meetings* of the SMA.

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

d. Digital and IT Committee (DIC)

The *DIC supports* the BoD in particular in all questions of the digital transformation of processes and structures of the company, for example, pertaining to the development and operation of digital platforms and channels, increasing the integration of online and offline experiences in the resorts and the IT infrastructure (hardware and software). The DIC 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 MNGT will also be invited to the *DIC meetings*.

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

6.5 Division of responsibilities between the Board of Directors and the Executive Committee

At Hapimag, the BoD has made use of the option to delegate authority as called for by law

and *transferred* the management of day-to-day operations (*operational business management*) to the 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 the day-to-day business than the BoD.

In order for the *BoD* to carry out its duties despite the delegation of the 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 monthly about the financial situation and the ongoing business as part of the comprehensive *Management Information System (MIS)*. The MIS prepares every 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 reports 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 were assigned and upcoming projects.

Every quarter, the CEO informs the Board of Directors about the main risks and his assessment of the risks on the basis of their relevance and likelihood of occurring (*risk report*). The BoD takes note of the measures defined and to be implemented by the EC to mitigate the risks and monitors their implementation.

Together with the CEO and the committee chairmen, the *PoBD* ensures the timely *reporting to the BoD members* or, in the other direction, to the CEO regarding all aspects relevant to the 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 findings they have that are essential for the Hapimag Group.

For his part, the CEO ensures *reporting in the EC*. The members of the EC and the MNGT inform the CEO in good time about their key findings for Hapimag.

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

In addition, each member of the BoD may at any time request *information* about issues regarding Hapimag and Hapimag companies, and *view* the Group's books and files.

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

7.1 Duties, rights and obligations

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 the 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 the EC as a body decides and which the responsible EC member decides individually - or together with the CEO and/or other EC members - the EC adheres to the following *requirements*:

- Where more than one area or where a fundamental issue for the company and/or the Hapimag Group (in particular one that requires a uniform decision) is affected, the EC and MNGT as a whole will decide.
- In other cases, the division head makes the decision with the CEO or alone, if delegated by the CEO to do so. In case of doubt, the CEO decides who has the 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 MNGT - 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) also apply to EC meetings.

Resolutions are made on the basis of a *majority* of the votes cast by the members of the EC. In the event of parity of votes, the CEO has the casting vote. The *CEO* also has the *right of veto*; but he does *not* have the *right to make unilateral decisions*.

7.4 Management Team (MNGT)

The MNGT is the operational management level below the EC. The members of the MNGT are subordinate to the CEO or other member of the EC. They are named and recalled 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 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 request a special audit within the framework of the legal regulations.

The *AGM* is *convened* by the *BoD*. Shareholders do not have the individual right to convene an extraordinary 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 some cases, Hapimag even goes beyond the usual standard:

- a) Shareholders that together represent at least 5% of the share capital can request that a General Meeting 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 states 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, *reach* 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 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 right*:
- Each shareholder can attend the *AGM* in person;
 - Each shareholder can *vote electronically* (eVoting);
 - Each shareholder may be *represented by another shareholder, his or her spouse or relatives* in 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 him by the shareholders; without instructions, the proxy follows the proposals of the BoD. For the granting of a proxy, pre-printed forms are sent to each shareholder, which can be completed quickly and easily and which 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 chairman *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 give 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. Reviewing Advisory Board (RAB)

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

The RAB consists of three shareholders who are elected by the Annual General Meeting based at the proposal of the Board of Directors for a term of office of two years each. The maximum term of office is 12 years and the maximum age is 70 (justified exceptions are possible).

The RAB will be elected for the first time at the 2019 AGM and will then take up its responsibilities. The RAB constitutes itself.

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

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

The Board of Directors will formulate, implement and communicate in an appropriate manner the regulations of this body (RAB regulations) that are provided for in the Articles of Association.

10. Auditor

The function of (external) auditor is exercised by the auditor selected by the AGM (for the parent company) and the Group auditor. For logical reasons, 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 MNGT, 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*.

11. Information

Hapimag is committed to an open, direct and transparent *information policy*. The details are governed in the Hapimag communication concept.

The aim is to provide information about the company in a transparent manner and provide timely information about the business development as well as a true picture of the development 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 MNGT* 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 website (www.hapimag.com) and may be obtained from Hapimag at any time.

12. Abbreviations

This document uses the following abbreviations:

- AC Audit Committee
- AGM Annual General Meeting
- BoD Board of Directors
- CEO Chief Executive Officer
- CFO Chief Financial Officer
- DIC Digital and IT Committee
- EC Executive Committee
- ICS Internal Control System
- LC Local charges
- MNGT Management Team
- MIS Management Information System
- NCC Nomination and Compensation Committee
- PoBD President of the Board of Directors
- RAB Reviewing Advisory Board
- SMA Strategy and Marketing Committee

The function names in this document are gender-neutral and refer both to women and men.

These Corporate Governance guidelines were approved by the BoD of the company at its meeting on 19 September 2018 and put into effect. They replace all previous versions.