

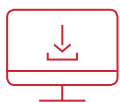
SWISS PRIME SITE

2020

— COMPENSATION REPORT

Compensation Report

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Reporting structure

Reporting consists of the online report (www.sps.swiss/reporting) and the separate sub-reports (PDF download). For reasons of sustainability, only the short report is available as a printed version.



Agility, flexibility and responsibility in the new normal

The past 12 months have strongly influenced our perception of the world. As a society, we have had to restrict ourselves and partially and temporarily give up freedoms we took for granted. This is in order to protect ourselves but also others. Agility and flexibility are two important virtues, especially in these times, to deal with changing circumstances.

Swiss Prime Site succeeded well in this in 2020. Despite some major restrictions, the company was able to continue working towards the goals it had set thanks to the adaptability of its processes and the open-mindedness of its employees. At the beginning of 2020, the group company Tertianum was successfully transferred into new hands. It was important that the approximately 5000 employees continue to be employed by the new owner.

Especially in 2020, the commitment towards a range of stakeholders was fundamental, while protecting the employees was top priority. It is only by having highly-qualified experts that we were able to safeguard our business processes despite the altered, and significantly more challenging, circumstances. In addition, the Board of Directors and Executive Board decided to set up a solidarity fund to help those employees particularly affected by the coronavirus. In the first instance, this was intended to provide quick and effective help to Jelmoli sales staff, who were on short-time work due to the crisis and the prescribed closure of the premium department store, and suffered a loss in wages as a result. The fund was endowed with CHF 450 000 and was financed equally from the Board of Directors' fees and Executive Board members' salaries. It was also important to assist our tenants with personal and financial resources and provide them with as much support as possible during this crisis. Many hospitality companies, event organisers, retailers and independent businesses were severely impacted by lockdown and had to stop trading for a period. By offering payment extensions, rent waivers and individual solutions, Swiss Prime Site managed to help nearly all its clients.

The renewal of the executive committees within Swiss Prime Site continued. Since the 2020 Annual General Meeting, Ton Büchner has been the new Chairman of the Board of Directors. As part of the renewal process, the aim is to fill the announced vacant position of Rudolf Huber in the Board of Directors with a suitable successor at the 2021 Annual General Meeting. With Barbara A. Knoflach, the ideal candidate will be proposed to the Annual General Meeting. At the Executive Board level, there has been a change in the leadership of the core real estate business, with Dr. Martin Kaleja chosen as the ideal appointment. Anastasius Tschopp (CEO Swiss Prime Site Solutions) joined the Executive Board from 2021, reflecting the future strategic importance of real estate asset management for third-parties.

Regarding compensation and incentivisation of the Board of Directors and Executive Board, several key plans were implemented in 2020. One of these was to conduct an external benchmarking analysis. This revealed that, in the context of the size and structure of our company, and in the real estate industry, Swiss Prime Site is within the standard market range. In addition, amendments and clarifications to the management compensation regulations have been made. From 2021, clawback clauses will be introduced for members of the Executive Board. Regarding the compensation of the Board of Directors, the 10% discount for allocated shares has been cancelled and the blocking period has been adjusted from four to the standard three years.

When I write these lines again in a year's time, agility, flexibility and responsibility will still be at the top of my list of priorities. Nonetheless, my wish for all of us is that we will have passed a bit of the «new normal» and will be able to pursue our tasks again with a little more ease.



Dr. Barbara Frei-Spreiter
Member of the Swiss Prime Site AG Board of Directors and
Chair of the Nomination and Compensation Committee

Governance

The Compensation Report is written in accordance with the provisions of the Swiss Ordinance Against Excessive Compensation in Listed Companies (hereinafter referred to as «Ordinance»), the guidelines regarding corporate governance information of the SIX Swiss Exchange and the principles of the Swiss Code of Best Practice for Corporate Governance of *economiesuisse*. The Compensation Report describes the governance framework, the compensation principles and programmes as well as the compensation awarded to the members of the Board of Directors and of the Executive Board in the financial year 2020.

Shareholders approve the maximum amount of compensation of the Board of Directors and the Executive Board by way of a binding vote at the Annual General Meeting. Shareholders also approve the Articles of Association that outline the principles of compensation and approve the Compensation Report by way of a consultative vote. The proposed maximum amounts of compensation submitted to shareholders' vote are maximum figures that are paid out in case of substantial over-achievement of all relevant performance targets. The effective compensation paid out is therefore likely to be below the approved maximum amounts. The effective compensation is reported in the Compensation Report, which is subject to a consultative vote by the shareholders at the Annual General Meeting. The combination of the prospective binding vote on the maximum amounts of compensation and retrospective consultative vote on the Compensation Report gives shareholders a say in decisions regarding compensation. Swiss Prime Site will continue to present the Compensation Report to the Annual General Meeting for a consultative vote in future in order to give shareholders the opportunity to express their opinion on the compensation system.

Provisions on compensation in the Articles of Association

The Articles of Association can be found in their entirety on the Company's website (www.sps.swiss under Governance). The following is a summary:

| | |
|--|---|
| Principles of compensation of the Board of Directors Article 28 | The members of the Board of Directors receive fixed compensation for their activities. Additional compensation may be paid for memberships in committees and for assuming special tasks or assignments. The compensation may be paid entirely in cash or in restricted or unrestricted shares of the Company. |
| Principles of compensation of the Executive Board Articles 30 and 31 | The members of the Executive Board receive fixed annual compensation for their activities as well as variable performance-based compensation. The variable compensation is based on quantitative and individual targets that are determined annually by the Board of Directors in the Company's and the shareholders' long-term interests. The variable compensation may be paid in cash or partly in restricted or unrestricted shares of the Company. |
| Approval of compensation by shareholders Articles 29 and 32 | <p>The Annual General Meeting annually approves with binding effect the maximum amount of compensation of the Board of Directors for the respective current financial year and the maximum amount comprising both the fixed and variable compensation of the Executive Board for the current financial year.</p> <p>The compensation effectively paid to the Board of Directors and the Executive Board is disclosed in the Compensation Report, which is subject to a consultative vote by the shareholders.</p> |
| Additional compensation for new Executive Board members Article 32 | In case of appointment of new members of the Executive Board after the approval of the maximum amount of compensation by the Annual General Meeting, the maximum additional amount available for each new member corresponds to 150% of the highest compensation paid to a member of the Executive Board in the last ordinary shareholders' meeting of the previous financial year. |

Nomination and Compensation Committee

The Board of Directors has a Nomination and Compensation Committee (NCC) to provide support in compensation matters. Barbara Frei-Spreiter (Chair), Gabrielle Nater-Bass and Christopher M. Chambers are the current members of the Nomination and Compensation Committee.

The responsibilities of the Nomination and Compensation Committee are defined in a separate regulation. In summary, this includes:

- Preparation of proposals to the Board of Directors regarding the compensation principles, including the design of variable compensation
- Preparation of proposals to the Board of Directors regarding the maximum amounts of compensation of the members of the Board of Directors and the Executive Board to be submitted to shareholders' vote at the Annual General Meeting
- Preparation of proposals to the Board of Directors regarding the individual compensation of the members of the Board of Directors and the Executive Board within the limits approved by the shareholders
- Preparation of proposals to the Board of Directors on the performance targets relevant for the determination of the variable compensation
- Evaluation of the achievement of the performance targets for the calculation of the variable compensation and preparation of the corresponding proposals to the Board of Directors
- Monitoring compliance of the compensation principles with the law, the Articles of Association and internal regulations as well as the resolutions of the Annual General Meeting regarding compensation
- Preparation of the Compensation Report
- Preparation of the guidelines and proposals for the nomination (including authority to sign) for the compensation payable to the Board of Directors, the Executive Board, employees of Swiss Prime Site AG and its group companies, real estate asset managers, property/facility managers, related persons and external valuation experts

- Monitoring of compliance with the compensation and nomination policy determined by the Board of Directors, the Committee itself and the Executive Board

- Any other activities assigned by law or by the Board of Directors

The Nomination and Compensation Committee acts in an advisory capacity while the Board of Directors retains the decision-making authority on compensation matters, except for matters concerning the maximum amounts of compensation of the Board of Directors and Executive Board, which are subject to the approval of shareholders at the Annual General Meeting. The authority levels of the different bodies on compensation matters are detailed in the following table.

Authority levels in compensation matters

| | CEO | NCC | BoD | AGM |
|---|----------|----------|----------|-------------------------|
| Compensation principles and variable compensation design | | Proposes | Approves | |
| Maximum amounts of compensation of Board of Directors and Executive Board | | Proposes | Reviews | Approves (binding vote) |
| CEO compensation | | Proposes | Approves | |
| Individual compensation of the Executive Board | Proposes | Reviews | Approves | |
| Performance target setting and assessment of the CEO | | Proposes | Approves | |
| Performance target setting and assessment of the Executive Board | Proposes | Reviews | Approves | |
| Individual compensation of the members of the Board of Directors | | Proposes | Approves | |
| Compensation Report | | Proposes | Approves | Consultative vote |

The Nomination and Compensation Committee held five meetings in 2020, of which one was a phone/video conference. Over the course of the year, the Nomination and Compensation Committee reviewed the appropriateness of the compensation of the Board of Directors and the compensation structure for the Executive Board. Furthermore, the Nomination and Compensation Committee performed its regular activities throughout the year, such as the performance target setting at the beginning of the year and the performance assessment following the year-end, the annual review and determination of the individual compensation of the members of the Board of Directors and the Executive Board, as well as the preparation of the Compensation Report and of the say-on-pay compensation votes for the Annual General Meeting.

The Chair of the Nomination and Compensation Committee reports the activities of the committee to the Board of Directors after each meeting. The minutes of the committee meetings are available to the members of the Board of Directors. As a general rule, the Chairman of the Board of Directors and CEO attend the meetings in an advisory capacity. They do not attend the meeting when their own compensation and/or performance are being discussed. The Nomination and Compensation Committee may consult an external advisor from time to time regarding special compensation issues. In 2020, Agnès Blust Consulting AG was commissioned as an independent, external consultancy firm on matters of compensation. This company has no other consultancy mandate from Swiss Prime Site AG.

Method of determination of compensation

The Nomination and Compensation Committee periodically reviews the compensation of the Board of Directors and Executive Board. This includes the regular benchmarking analysis – approximately every two to three years – of the compensation of similar positions in other stock exchange-listed companies that are comparable in size (market capitalisation, revenues, headcount). However, it is worth noting that Swiss Prime Site's business model – with operating group companies in real estate-related business fields and a total workforce of more than 1 700 employees – has a higher degree of complexity than pure real estate companies.

In 2020, the consultancy firm Agnès Blust Consulting AG conducted two comparative analyses. To review the compensation of the Executive Board and the Board of Directors, the same companies were included in the comparison. The companies in the comparison group were selected based on market capitalisation, revenues and headcount. They included: Adecco, Barry Callebaut, Belimo, BKW, Clariant, Emmi, EMS-Chemie, Galenica, Geberit, Idorsia, Logitech, PSP Swiss Property, SIG Combibloc, Sonova, Straumann, Swatch, Swisscom, Tecan, Temenos, VAT and Vifor Pharma.

Compensation principles

Compensation of the Board of Directors

To help ensure that the Board of Directors perform their supervisory activities independently, they only receive a fixed compensation. This is paid partly in cash, and partly in restricted shares, with the intention of more closely linking the interests of the Board members with those of shareholders.

In 2020, the Nomination and Compensation Committee reviewed the structure and amount of the compensation of the Board of Directors. While the total compensation of the Board of Directors is comparatively low as no committee fees are usually paid (except for the Chair of the Audit Committee), the structure of the compensation generally corresponds to market practice. The Board of Directors concluded that the overall concept for the compensation of the Board of Directors is generally appropriate, with a few amendments: the 10% discount granted on allocated shares was cancelled. The use of a 60-day VWAP of the share price, instead of the closing price from the previous year, is intended to result in a price that is closer to the market. In line with common market practice, the vesting period was amended to three years.

Compensation of the Executive Board

The compensation principles for the Executive Board of Swiss Prime Site reflect the Company's commitment to attract, develop and retain qualified and talented executives. Compensation drives performance, rewards the achievement of business and individual targets and supports the long-term creation of value for the shareholders. In order to ensure market competitiveness, the compensation structure and levels are subject to regular reviews.

The compensation programme of the Executive Board was reviewed with regard to current guidelines by a number of stakeholder groups and points of criticism from investors. The compensation system for the Executive Board generally corresponds to market practice, and is structured quite conservatively. The compensation principles are outlined as follows.

| | |
|---|--|
| Pay for performance | Compensation of the Executive Board is directly linked to the Company's financial results and individual performance. Both the annual performance and sustainable success of Swiss Prime Site are rewarded through a well-balanced combination of performance targets. |
| Alignment with shareholders' interests | A portion of the compensation of the Board of Directors is paid in the form of shares, for members of the Executive Board in the form of performance share units (PSUs). In this way, alignment with the interests of the shareholders is ensured. |
| Competitiveness | Compensation is benchmarked against that of comparable companies at regular intervals in order to ensure market competitiveness. |
| Internal equity and fairness | Compensation decisions are based on objective factors such as scope of responsibility of the position, external value of the position and individual performance. Compensation decisions are communicated in an open and transparent way. |

The actual compensation paid to the individual members of the Executive Board in a given year depends on the Company's results and individual performance. Individual performance is assessed through the annual performance management process. The Company's targets and individual targets are determined at the beginning of the financial year. Achievement of targets is assessed at the end of the year. In discussing the individual performance of the members of the Executive Board, the Nomination and Compensation Committee considers the achievement of the individual

performance targets pre-determined during the performance management process as well as the extent to which the members of the Executive Board have conducted themselves in line with Swiss Prime Site's DNA. The Company's DNA includes Swiss Prime Site's vision, the corporate culture, the Company's values and its commitment toward sustainability. The performance assessment is the basis for determining the actual level of compensation.

Compensation system for the Board of Directors

In order to ensure their independence in exercising their supervisory duties toward the Executive Board – and to strengthen their focus on the long-term strategy and good corporate governance of the Company – the members of the Board of Directors receive a fixed annual fee only, reflecting the respective member's role on the Board of Directors, as well as a lump-sum expense allowance.

Half of the compensation of the members of the Board of Directors is paid in cash and the other half is paid in the form of restricted Swiss Prime Site AG shares. This reinforces the alignment of their interests with those of the shareholders.

The comparative study conducted in the reporting year on the total compensation of the Board of Directors revealed that the total amount of compensation for the Board of Directors is quite low compared to market practice. However, the Board of Directors will abstain from making any adjustments at present.

The 10% discount granted up until now on allocated shares has been cancelled. In line with common market practice, the vesting period has been amended to three years. This vesting period also applies to members who depart the Board of Directors. To ensure that the Swiss Prime Site share price is current, the Board of Directors' fee will now be paid half-yearly using the volume-weighted average share price (VWAP) of the 60 trading days prior to the shares being granted.

The compensation levels of the Board of Directors are shown in the following table.

Compensation levels of the Board of Directors

| | |
|---|---------|
| Fixed annual retainer for members of the Board of Directors | CHF |
| Chairman of the Board of Directors | 350 000 |
| Vice-Chairman of the Board of Directors | 190 000 |
| Member of the Board of Directors | 180 000 |
| | |
| Additional compensation | CHF |
| Additional fee for the Chair of the Audit Committee | 10 000 |
| Expense allowance | 6 000 |

Compensation system for the Executive Board

The compensation system for the Executive Board is based on the business strategy, medium-term financial planning and the long-term interests of the Company's shareholders. The current compensation system has been in force since 2017 and is characterised by various elements.

- According to the performance-related remuneration approach, compensation consists of three elements: fixed base salary, short-term and long-term variable compensation.
- Split of the variable compensation into two components: 62.5% is awarded as a short-term incentive (STI) in cash and 37.5% delivered in the form of performance share units under the long-term incentive plan (LTI). STI and LTI together can at best achieve a maximum of 100% of the fixed base salary (for the LTI, this is without taking into account any changes in the share price during the vesting period).
- Direct link to the business strategy: The STI rewards the annual financial performance of the business for which responsibility is held and the individual performance, while the LTI rewards the performance of Swiss Prime Site as a whole over a performance period of several years. Therefore, the performance of Swiss Prime Site as a group and the performance of the individual operating group companies are rewarded in a balanced manner.

- Direct link to the mid-term financial planning: All performance indicators are determined on the basis of the Company's three-year rolling financial planning. This ensures that performance measurement is robust, transparent and sustainable. There is no possibility for the Board of Directors to apply management discretion in the determination of the effective variable compensation awarded.

- Direct link to shareholders' interests: In the case of long-term compensation (LTI), members of the Executive Board receive performance-related entitlements, so-called Performance Share Units (PSUs). After three years, the degree of target achievement is measured retroactively and the PSUs are converted into a corresponding number of shares. The performance target was defined as earnings per share (EPS) before revaluations and deferred taxes, which also serves as the basis for dividend payments to shareholders. In this way, we ensure that the interests of the Executive Board and those of the shareholders are aligned.

The compensation system for the Executive Board is well balanced: the system is performance-oriented with a larger portion of variable compensation, and it reflects the business strategy by rewarding Swiss Prime Site's profitability. In addition, the system incorporates the top-line and bottom-line contributions of the operating group companies.

Compensation structure of the Executive Board in the financial year 2020

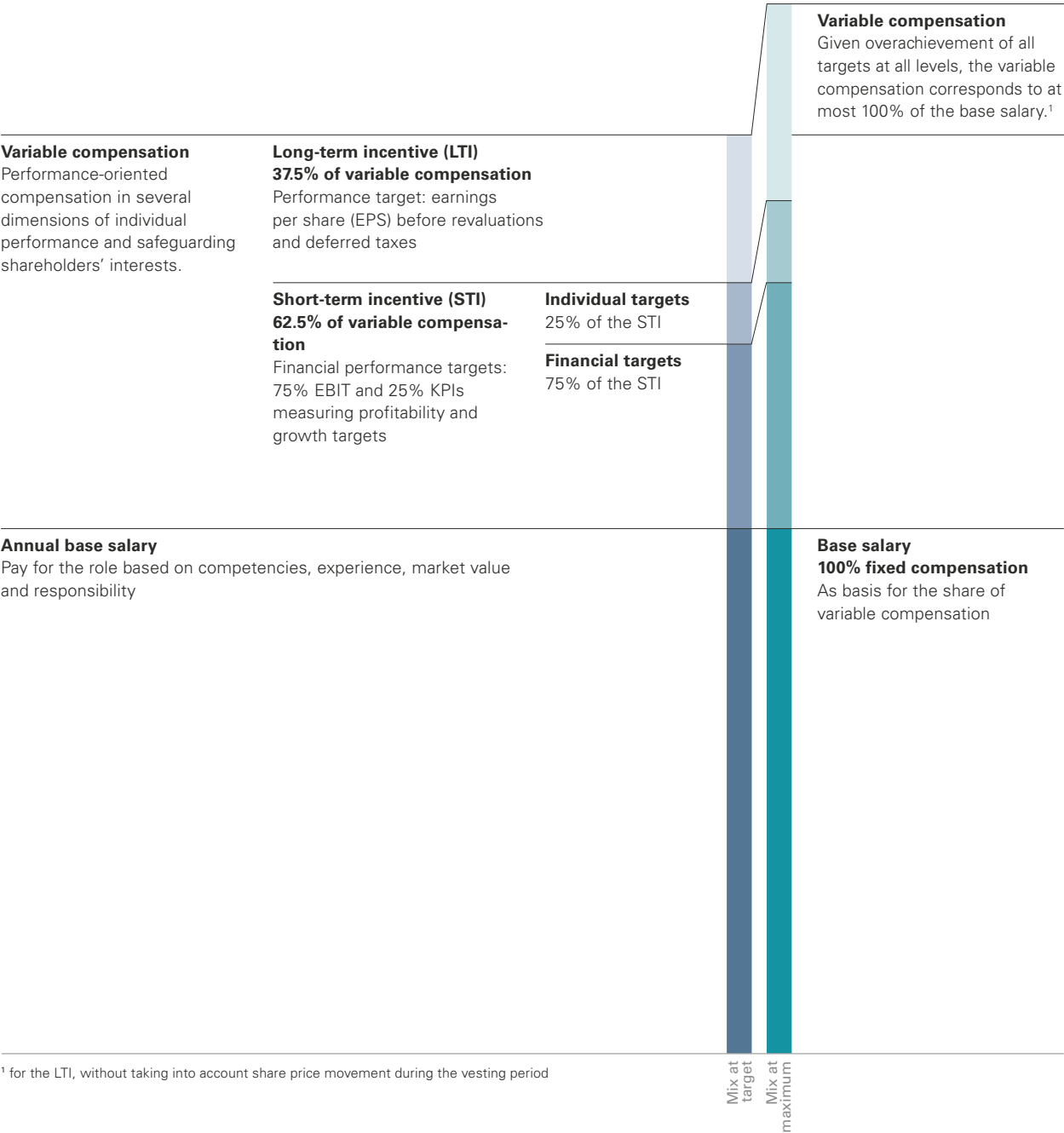
| | Element | Purpose | Drivers | Performance indicators |
|-----------------------|--|--|--|---|
| Base salary | Monthly cash payments | Pay for the role; attracting and retaining talent | Market value of position, skills and experience | |
| Variable compensation | STI (in cash) | Pay for performance | Achievement of annual business and individual targets | EBIT, ROIC, revenue and other key market-specific figures |
| | LTI (performance share units) | Pay for performance and alignment with shareholders' interests | Group performance over three years and continuous employment | Earnings per share (EPS) before revaluations and deferred taxes |
| Benefits | Social contributions, retirement plans and fringe benefits | Risk coverage | Market practice, function and local regulations | |

Annual base salary

The annual base salary is part of the compensation. The amount of the base salary is determined particularly by individual competencies, experience, market value and responsibility of the respective Executive Board member. The base salary also serves to ensure a certain attractiveness of the Company's public image.

Variable compensation

The total variable compensation amounts to a maximum of 100% of the annual base salary; in the case of the STI, achievement of 100% of all targets results in a variable compensation of 75% of the base salary. The variable compensation is split into short-term incentive (STI) and long-term incentive (LTI), as shown in the following illustration.



¹ for the LTI, without taking into account share price movement during the vesting period

Short-term incentive (STI): in cash

The STI constitutes 62.5% of the total variable compensation. It represents a reward for the business and the individual performance over a time horizon of one year.

The business-related objectives make up 75% of the STI. For the members of the Executive Board employed by Swiss Prime Site, business objectives include earnings before interest and tax (EBIT excluding revaluations) of Swiss Prime Site weighted at 75%, and return on invested capital (ROIC) of Swiss Prime Site weighted at 25%. For the members of the Executive Board who manage Jelmoli and Wincasa – and are employed by the respective operating group company – business objectives include EBIT of the respective operating company as well as profitability and growth targets in the specific market.

For each business objective, a target is set corresponding to the expected level of performance that will generate a payout if achieved. Given achievement of 100% of all the targets, a payout of 75% of variable compensation applies. Individual objectives are weighted at 25% of the STI, consisting of annual personal objectives that are determined and agreed upon within the scope of the performance management process:

- For the CEO: Implementation of innovation and sustainability initiatives, strategic management of the operating group companies and perception of Swiss Prime Site as a leading real estate firm according to the Company's vision.
- For the other members of the Executive Board: Risk management, reduction of fluctuation and vacancy rates, customer satisfaction, contract renewals and personnel management.

The business objectives and the target level of performance are determined on the basis of the mid-term financial planning, making the target setting very robust and ambitious. These objectives represent business-critical information. Communication of these objectives would grant an insight into Swiss Prime Site's strategy and, under certain circumstances, could result in a competitive disadvantage for the Company. The decision was therefore made not to publish any details of the objectives when they are decided, but to comment in general terms on performance at the end of the period. The maximum limit for the payout of variable compensation amounts to 100% of the fixed salary.

Long-term incentive (LTI): performance share units

The LTI constitutes 37.5% of the total variable compensation and is granted in the form of performance share units (PSUs) that reward the long-term performance of Swiss Prime Site. It ensures that the interests of the members of the Executive Board align with those of the shareholders.

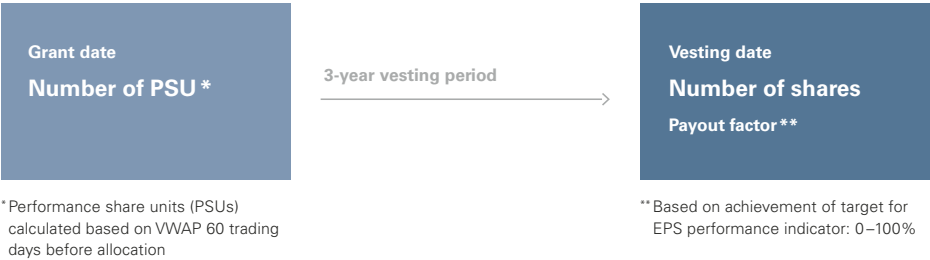
On the date of allocation, the individual LTI amount is converted to PSUs based on the volume-weighted average share price of the last 60 trading days prior to the allocation date.

The PSUs are subject to a three-year vesting period, conditional upon fulfilment of the performance indicators and continued employment relationship during the vesting period. Swiss Prime Site's earnings per share (EPS) before revaluations and deferred taxes constitutes the performance indicator and is a suitable overarching group performance indicator due to the diverse nature of Swiss Prime Site's individual business fields. The EPS target for the three-year vesting period is predetermined based on Swiss Prime Site's ambitious medium-term financial planning.

At the vesting date, the number of allocated PSUs is multiplied by the payout factor in order to determine the number of Swiss Prime Site shares that are definitively transferred out. The payout factor depends on the achievement of the EPS target and hovers in a range between 0% and 100%.

The performance share units are subject to forfeiture clauses in case of termination of employment during the vesting period. In case of termination for cause, all PSUs are forfeited. In case of resignation or termination (not for cause), all PSUs granted in the year of termination are forfeited. PSUs granted in previous years are subject to the regular vesting periods. In cases of retirement, disability or death of the participant, the PSUs are subject to a pro-rata vesting for the number of full months of employment in the respective vesting periods that have expired by the termination date. The determination of the payout factor and the vesting date remain unchanged (no acceleration of vesting). In case of change of control, the PSUs are subject to an accelerated pro-rata vesting process for the number of full months of the respective vesting periods that have expired by the date of change of control. The decisive factor here is the effective EPS performance at the date of change of control as determined by the Board of Directors.

Mechanism of the performance share units (PSUs) within the scope of the long-term incentive (LTI) plan



Benefits and fringe benefits

Benefits consist mainly of retirement, insurance and healthcare plans that are designed to provide a reasonable level of protection for the employees and their dependants with respect to retirement, the risk of disability and death, and risks to health. The members of the Executive Board are covered by the respective pension plans of the employing company. There are three pension plans within the SPS and Jelmoli pension funds for the employees of Swiss Prime Site Management AG, Jelmoli AG and Wincasa AG. The employer contributions are graduated in a range between 10% and 14% depending on age and/or position.

In addition, all members of the Executive Board are entitled to a lump-sum expense allowance, according to the regulations approved by the relevant tax authorities that are applicable to all Executive Board members. No other fringe benefits are paid to members of the Executive Board.

Employment contracts

According to article 23 of the Articles of Association, the contracts determining the compensation of the members of the Board of Directors and the Executive Board may be of fixed or unlimited term. The maximum duration of fixed-term contracts is one year. The notice period for unlimited contracts may not exceed one year. These contracts may stipulate post-contractual non-competition clauses with a duration of up to one year. The compensation corresponds to the maximum amount of the last effected fixed annual compensation in proportion to the duration.

The current employment contracts of the members of the Executive Board are indefinite and include notice periods of six to twelve months. These contracts contain no unusual provisions, in particular no severance pay, no extraordinary clauses in the event of change of control over the Company and no non-competition clause.

Compensation in 2020

The compensation is disclosed in gross terms and according to the accrual principle: contributions made by the employer to pension funds are considered an integral part of compensation and disclosed as such.

During the reporting year, the Board of Directors and the members of the Executive Board voluntarily and unanimously agreed to contribute equally to a fund of CHF 450'000 and to give this amount to employees who had been particularly impacted by COVID-19, especially those working in sales and gastronomy. For the Board of Directors, the amount will be deducted from their total fee.

Compensation to the Board of Directors

In 2020, the total compensation of the Board of Directors amounted to CHF 1.3 million [2019: CHF 1.8 million] comprising: cash compensation of CHF 0.6 million [2019: CHF 0.7 million], restricted shares worth CHF 0.6 million [2019: CHF 1.0 million], social contributions and other forms of compensation amounting to CHF 0.1 million [2019: CHF 0.1 million].

The total compensation of CHF 1.3 million paid to the Board of Directors in 2020 is 28% less than the previous year's and below the maximum amount of compensation of CHF 1.8 million for the financial year 2020 approved by the shareholders at the Annual General Meeting on 24 March 2020.

01.01.–31.12.2020

| in CHF 1'000 | Compensation in cash | Share-based compensation ¹ | Other compensation components ² | Employer social security contributions | Gross compensation | Expense allowance |
|--|-------------------------|--|--|--|-----------------------|----------------------|
| Ton Büchner, Chairman of the BoD ³ | 116 | 103 | 6 | 13 | 238 | 5 |
| Mario F. Seris, Vice-Chairman of the BoD | 82 | 73 | 5 | 7 | 167 | 6 |
| Christopher M. Chambers, member of the BoD | 78 | 69 | 6 | – | 153 | 6 |
| Dr. Barbara Frei-Spreiter, member of the BoD | 78 | 69 | 6 | 5 | 158 | 6 |
| Dr. Rudolf Huber, member of the BoD | 78 | 69 | 6 | 7 | 160 | 6 |
| Gabrielle Nater-Bass, member of the BoD | 78 | 69 | 6 | 5 | 158 | 6 |
| Thomas Studhalter, member of the BoD | 82 | 73 | 6 | 5 | 166 | 6 |
| Prof. em. Dr. Hans Peter Wehrli, Chairman of the BoD ⁴ | 43 | 44 | – | 4 | 91 | 2 |
| Total compensation to the Board of Directors 2020, gross | 635 | 569 | 41 | 46 | 1'291 | 43 |
| Compensation approved by the Annual General Meeting | | | | | 1'800 | |

¹ the shares are subject to blocking for three years, fair value upon transfer of shares

² services and benefits in kind (provision of Swiss federal railways (SBB) general pass, gross)

³ since 24.03.2020

⁴ until 24.03.2020

At the end of 2019, the Board of Directors comprised seven members. At the 2020 Annual General Meeting, a new Chairman of the Board of Directors was chosen to replace the Chairman who had stepped down, so the Board of Directors still comprised seven members at the end of 2020.

01.01.–31.12.2019

| in CHF 1 000 | Compensation in cash | Share-based compensation ¹ | Other compensation components ² | Employer social security contributions | Gross compensation | Expense allowance |
|---|-------------------------|--|--|--|-----------------------|----------------------|
| Prof. em. Dr. Hans Peter Wehrli, Chairman of the BoD | 175 | 239 | 5 | 24 | 443 | 6 |
| Mario F. Seris, Vice-Chairman of the BoD | 95 | 130 | 6 | 16 | 247 | 6 |
| Christopher M. Chambers, member of the BoD | 90 | 123 | 6 | – | 219 | 6 |
| Dr. Barbara Frei-Spreiter, member of the BoD | 90 | 123 | 6 | 8 | 227 | 6 |
| Dr. Rudolf Huber, member of the BoD | 90 | 123 | 6 | 15 | 234 | 6 |
| Gabrielle Nater-Bass, member of the BoD ³ | 68 | 92 | 6 | 6 | 172 | 5 |
| Thomas Studhalter, member of the BoD | 95 | 130 | 6 | 9 | 240 | 6 |
| Klaus R. Wecken, member of the BoD ⁴ , ⁵ | – | – | – | – | – | 3 |
| Total compensation to the Board of Directors 2019, gross | 703 | 960 | 41 | 78 | 1 782 | 44 |
| Compensation approved by the Annual General Meeting | | | | | 1 800 | |

¹ the shares are subject to blocking for four years, fair value upon transfer of shares

² services and benefits in kind (provision of Swiss federal railways (SBB) general pass, gross)

³ since 26.03.2019

⁴ until 26.03.2019

⁵ waived the annual fee and received a CHF 12 000 lump-sum expense allowance

Benefits and compensation to the Executive Board

In 2020, the members of the Executive Board received total compensation of CHF 6.6 million [2019: CHF 6.7 million]. This amount comprised a fixed compensation of CHF 3.1 million [2019: CHF 3.2 million], a variable compensation component in cash of CHF 1.6 million [2019: CHF 1.5 million], performance share units amounting to CHF 1.1 million [2019: CHF 1.1 million], as well as other social insurance components totalling CHF 0.8 million [2019: CHF 0.8 million].

Notes on the compensation table

During the reporting year, the Board of Directors and the members of the Executive Board voluntarily and unanimously agreed to contribute equally to a fund of CHF 450 000 and to give this amount to employees who had been particularly impacted by COVID-19, especially those working in sales and gastronomy.

The target achievement rates for the short-term incentive (STI) were within the range of 63% to 79% (see table on page 18). The variable compensation in 2020 was 82% of the fixed compensation for the CEO and between 76% and 86% of the fixed compensation for the other members of the Executive Board.

The long-term incentive (LTI) comprises performance share units (PSUs) whose number is based on the volume-weighted average share price (VWAP) calculated from the last 60 trading days in the previous year. Due to the three-year vesting period, these entitlements (PSUs) will only result in a transfer of shares at a later date and only if the target has been achieved accordingly (measured value EPS).

The target achievement of the LTI plan due in 2021 was 101.43%. (Payout factor: 100%). Accordingly, on 19 February 2021 (vesting date) a total of 10 673 shares will be transferred to the Executive Board.

The total compensation of CHF 6.6 million effected to the Executive Board for the financial year 2020 fell far short of the maximum amount of CHF 8.3 million approved by the Annual General Meeting on 24 March 2020.

At the end of 2019, the Executive Board comprised five members, as Franco Savastano (CEO of Jelmoni) left the Company on 30 September 2019 and resigned from the Executive Board. Following the sale of Tertium, Dr Luca Stäger resigned from the Executive Board on 28 February 2020. As of 1 April 2020, Nina Müller took over as CEO of Jelmoni, so the Executive Board comprised five members as at the end of 2020.

01.01.–31.12.2020

| in CHF 1 000 | Total Group Executive Board | of which René Zahnd (CEO) ¹ |
|--|--------------------------------------|---|
| Fixed compensation in cash, gross | 3 051 | 900 |
| Variable compensation in cash, gross | 1 611 | 401 |
| Share-based variable compensation ² | 1 050 | 338 |
| Other compensation components ³ | 32 | 6 |
| pension fund contributions | 466 | 96 |
| Other social security contributions | 365 | 107 |
| Total compensation to the Group Executive Board 2020, gross | 6 575 | 1 848 |
| Expense allowance | 87 | 18 |
| Compensation approved by the Annual General Meeting | 8 300 | |

¹ highest compensation to the Executive Board² performance share units (LTI) with three-year vesting period³ includes all compensation components not separately reported according to art. 14, para. 2 of the Swiss Ordinance Against Excessive Compensation in Listed Companies, e.g. provision of Swiss federal railways (SBB) general pass**01.01.–31.12.2019**

| in CHF 1 000 | Total Group Executive Board | of which René Zahnd (CEO) ¹ |
|--|--------------------------------------|---|
| Fixed compensation in cash, gross | 3 208 | 900 |
| Variable compensation in cash, gross | 1 518 | 381 |
| Share-based variable compensation ² | 1 088 | 338 |
| Other compensation components ³ | 23 | 6 |
| pension fund contributions | 529 | 96 |
| Other social security contributions | 299 | 74 |
| Total compensation to the Group Executive Board 2019, gross | 6 665 | 1 795 |
| Expense allowance | 98 | 18 |
| Compensation approved by the Annual General Meeting | 8 300 | |

¹ highest compensation to the Executive Board² performance share units (LTI) with three-year vesting period³ includes all compensation components not separately reported according to art. 14, para. 2 of the Swiss Ordinance Against Excessive Compensation in Listed Companies, e.g. provision of Swiss federal railways (SBB) general pass

Target weighting and target achievement 2020

| | Total variable compensation, maximum 100% of base salary | | | | |
|------------------------------------|--|-----------------------------|-----------------|--|--|
| | 62.5% short term | | | Achievement of targets in % of maximum variable compensation for the STI | 37.5% long-term number of PSUs based on VWAP in 2017 |
| | 25% individual objectives | 75% EBIT and growth targets | | | |
| CEO | 25% | 75% | 25% ROIC | 71% | 100% EPS ^{1,2} |
| CFO | 25% | 75% | 25% ROIC | 79% | 100% EPS ^{1,2} |
| CEO Swiss Prime Site Immobilien | 25% | 75% | 25% ROIC | 78% | 100% EPS ^{1,2} |
| CEO Wincasa | 25% | 75% | 25% AuM | 66% | 100% EPS ^{1,2} |
| CEO Jelmoli | 25% | 50% | 50% strategy | 63% | n.a. |

¹ Before revaluations and deferred taxes² Swiss Prime Site Group

Shareholding rights for Board of Directors and Executive Board

| Number of shares | 31.12.2019 | 31.12.2020 |
|--|----------------|----------------|
| Board of Directors | | |
| Ton Büchner, Chairman of the BoD ¹ | n.a. | 4 809 |
| Mario F. Seris, Vice-Chairman of the BoD | 14 190 | 15 138 |
| Christopher M. Chambers, member of the BoD | 42 742 | 43 640 |
| Dr. Barbara Frei-Spreiter, member of the BoD | 2 089 | 2 987 |
| Dr. Rudolf Huber, member of the BoD | 21 071 | 15 969 |
| Gabrielle Nater-Bass, member of the BoD | 942 | 1 840 |
| Thomas Studhalter, member of the BoD | 2 159 | 3 107 |
| Prof. em. Dr. Hans Peter Wehrli, Chairman of the BoD ² | 45 096 | n.a. |
| Executive Board | | |
| René Zahnd, member of the Executive Board (CEO) | 4 535 | 9 680 |
| Markus Meier, member of the Executive Board (CFO) | 6 451 | 8 754 |
| Peter Lehmann, member of the Executive Board and CEO of Swiss Prime Site Immobilien AG | 11 845 | 15 069 |
| Oliver Hofmann, member of the Executive Board and CEO of Wincasa AG | – | 400 |
| Dr. Luca Stäger, member of the Executive Board and CEO of Tertianum Gruppe AG ³ | 1 387 | n.a. |
| Nina Müller, member of the Executive Board and CEO of Jelvoli AG ⁴ | n.a. | – |
| Total share ownership | 152 507 | 121 393 |

¹ since 24.03.2020² until 24.03.2020³ until 28.02.2020⁴ since 01.04.2020

Loans and credits to members of the Board of Directors and Executive Board

No loans or credits were granted to current members of the Board of Directors or the Executive Board in 2020, and there were no loans or credits outstanding as at 31 December 2020.

Compensation, loans and credits to former members and related persons

No compensation was paid nor loans or credits granted to former members of the Board of Directors and the Executive Board, or related persons of members of the Board of Directors or Executive Board. There were no such loans or credits or compensation outstanding as at 31 December 2020.

Business relations of Board of Directors members

No member of the Board of Directors has any significant business relationship with Swiss Prime Site AG or its group companies.

Any compensation other than that stipulated in the Articles of Association and referred to in this report to members of the Board of Directors and Executive Board is prohibited. No compensation was effected to members of the Board of Directors and Executive Board in 2020 other than that referred to in the previous sections.



Report of the Statutory Auditor

To the General Meeting of Shareholders of Swiss Prime Site AG, Olten

We have audited the accompanying compensation report of Swiss Prime Site AG for the year ended 31 December 2020. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the sections "Compensation to the Board of Directors", "Benefits and compensation to the Executive Board", "Loans and credits to members of the Board of Directors and Executive Board" and "Compensation, loans and credits to former members and related persons" on pages 14 to 19 of the compensation report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the compensation system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the compensation report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the compensation report for the year ended 31 Dezember 2020 of Swiss Prime Site AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

Anna Pohle
Licensed Audit Expert

Zurich, 23 February 2021

KPMG AG, R ffelstrasse 28, PO Box , CH-8036 Zurich

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