

COMPENSATION REPORT

1. INTRODUCTION

This Compensation Report is intended to provide an overview of the compensation structure, the compensation procedure and the compensation committee of Investis Holding SA as well as the compensation amounts paid to the members of the Board of Directors and Executive Board for fiscal year 2016. The compensation report follows the requirements of the Swiss Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC) and also contains certain information which has to be disclosed pursuant to article 663c para 3 of the Swiss Code of Obligations and sections 5.1 and 5.2 of the annex to the Directive on Information Relating to Corporate Governance of the SIX Exchange Regulation. In addition, Investis Holding SA has taken into account the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse*. The compensation report regarding fiscal year 2016 has been reviewed and audited by the Company's auditors and will be submitted to the 2017 Annual General Meeting for an advisory vote. Please find the auditors' report at the end of this chapter.

2. COMPENSATION COMMITTEE

According to Article 25 of the Articles of Association and the Organisational Regulations of Investis Holding SA, the Compensation Committee consists of at least two non-executive members of the Board of Directors. The members of the Compensation Committee are elected annually and individually by the Annual General Meeting for a term of office of one year ending at the closure of the next Annual General Meeting following their election. At the end of their term of office, members of the Compensation Committee can be re-elected. The Chairman of the Compensation Committee is appointed by the Board of Directors. Currently, the Compensation Committee consists of Albert Baehny (Chairman) and Riccardo Boscardin. In the opinion of the Board of Directors, both Compensation Committee members possess the required experience for this function and are familiar with the regulatory requirements as well as with compensation practices and developments. Riccardo Boscardin, Chairman of the Board of Directors, is currently one of the members of the Compensation Committee.

The duties and responsibilities of the Compensation Committee are set out in Article 26 of the Articles of Association and further described in detail in the Organisational Regulations of Investis Holding SA as issued by the Board of Directors. In accordance with the Organisational Regulations, the Board of Directors of Investis Holding SA has adopted separate Compensation Committee regulations which govern in detail the organisation, functions, operation and modalities of the resolutions passed by the Compensation Committee. Meetings of the Compensation Committee are convened by its chairman and are held as often as required for the fulfilment of its duties but at least three times a year.

The main duty of the Compensation Committee is to develop the compensation policies, compensation principles and performance criteria with respect to compensation for the Board of Directors and the Executive Board of Investis Holding SA and to monitor their implementation in order to ensure a fair, reasonable and competitive remuneration that is consistent with the strategic objectives of Investis Group. The Compensation Committee further prepares decisions of the Board of Directors that relate to the compensation of the Board of Directors and the Executive Board and submits motions to the Board of Directors. In addition, the Compensation Committee assists the Board of Directors with respect to the preparation of the Compensation Report.

3. COMPENSATION PROCEDURE

The Compensation Committee annually reviews the compensation structure as well as the amounts of compensation paid to the members of the Board of Directors and the members of the Executive Board, and submits motions and recommendations for compensation-related decisions and changes to the compensation structure and policies to the entire Board of Directors. The Board of Directors takes its compensation-related decisions in response to the motions and recommendations presented by the Compensation Committee. This annual review process includes an assessment of basic salaries and fringe benefits as well as performance-based short-term remuneration and stock purchase plans.

If necessary, the Compensation Committee may use the services of independent external consultants. External consultants are usually used to ensure remuneration is benchmarked and to contribute to the design of compensation plans.

Members of the Executive Board are not involved in determining their own remuneration. The Chief Executive Officer (CEO), however, is usually consulted about the remuneration proposed for the other members of the Executive Board.

Recommendations by the Compensation Committee about the remuneration of members of the Board of Directors must comply with internal corporate guidelines. Remuneration of members of the Board of Directors has to be approved by all members of the Board of Directors, though when a vote is taken on compensation for a specific member of the Board of Directors, the respective member must comply with the applicable walkout rules.

3.1 Performance review process

The actual remuneration effectively paid out in a given year depends on the individual's as well as on the Company's performance. Individual performance is assessed through the formal annual review process. Company and individual performance objectives are approved at the beginning of the business year and achievements against those objectives are assessed after year-end. The performance appraisal is the basis for the determination of the actual remuneration.

Objective setting (December)	Mid-year review (July)	Full-year review (January)	Determination of compensation (March)
Determination of objectives - Group - individual	Discussion of performance to date against defined objectives and corrective measures	Performance assessment	Determination of actual compensation

4. COMPENSATION RELATED RULES IN THE ARTICLES OF ASSOCIATION

4.1 Principles of compensation

Investis Group is committed to attracting, motivating and retaining the best professionals and managers to ensure the sustained success of the Company.

Pursuant to Article 19 of the Articles of Association, the members of the Board of Directors and the members of the Executive Board are entitled to a remuneration commensurate with their activities. The remuneration may be paid by the Company or by another Group company provided it is covered by the total compensation amount approved by the General Meeting for the Board of Directors and Executive Board, respectively.

The members of the Board of Directors receive fixed remuneration in cash. No other remuneration or committee fees are paid except for the relevant employer social security contributions.

Remuneration of members of the Executive Board consists of a fixed and a variable component. The amount of the variable remuneration paid to the members of the Executive Board depends on qualitative and quantitative targets and parameters defined by the Board of Directors. The Board of Directors defines and assesses the targets and their achievement or delegates this task to the Compensation Committee. The variable remuneration may be paid in cash or in the form of equity instruments, conversion or option rights or other rights to equity instruments.

The Board of Directors determines the respective amounts of remuneration within the total remuneration amounts approved by the General Meeting and in response to proposals made by the Compensation Committee.

If any remuneration is paid in the form of shares, option rights or similar instruments, the Board of Directors shall set out the applicable conditions and requirements in one or more plans or sets of regulations. These plans or regulations may stipulate the time of allocation, the valuation, the applicable holding, vesting and exercise periods (including their acceleration, shortening or revocation in the event of predefined events), the maximum number of shares, option rights or other instruments that may be allocated, potential claw-back mechanisms and discounts at allocation.

Reimbursement of expenses does not qualify as remuneration. The Company may reimburse members of the Board of Directors and the members of the Executive Board in the form of lump-sum expenses as recognised for tax purposes.

4.2 Approval of total compensation by the General Meeting

According to Article 20 of the Articles of Association, the General Meeting approves annually, separately and with binding effect the proposals made by the Board of Directors regarding the maximum total compensation for the Board of Directors and the Executive Board as follows:

- 1) For the remuneration of the Board of Directors, the maximum total amount is approved for the period until the next Annual General Meeting;
- 2) For the fixed and variable remuneration of the Executive Board, the maximum total amount is approved for the fiscal year following the Annual General Meeting (approval period).

If the proposed remuneration amount for the Board of Directors or the Executive Board is rejected by the Annual General Meeting, the Board of Directors can put forward new proposals at the same General Meeting or can convene an Extraordinary General Meeting for this purpose.

4.3 Additional amount for the compensation of additional members of the Executive Board

For Investis Holding SA, the additional amount within the meaning of article 19 of the OaEC is governed by Article 21 of the Articles of Association. Pursuant to this provision, an additional amount of not more than 33% of the last total compensation amount approved for the compensation of the members of the Executive Board is available per year for each new member of the Executive Board who is appointed after the annual total compensation has been approved by the General Meeting, provided that the aggregate amount approved for the respective approval period proves insufficient.

4.4 Loans and credits, post-retirement benefits outside the occupational pension scheme

Pursuant to Article 22 of the Articles of Association, loans and credits to members of the Board of Directors or Executive Board may only be granted at market conditions. Further, the total amount of any loans and credits granted directly or indirectly to members of the Board of Directors or Executive Board may not exceed CHF 50 million.

The Articles of Association of Investis Holding SA do not allow the payment of post-retirement benefits outside the occupational pension scheme (within the meaning of the OaEC) to members of the Board of Directors or Executive Board.

4.5 Termination clauses applicable to members of the Executive Board

The employment contracts of the members of the Executive Board provide for a twelve-month notice period. There is no entitlement to any severance payments.

In the event of a change in corporate control, no additional compensation or benefits are paid to members of the Executive Board.

5. COMPENSATION, LOANS AND CREDITS TO THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The following paragraphs provide information on the compensation granted to the members of the Board of Directors and Executive Board for fiscal 2016, as well as information about loans and credits granted to the members of the Board of Directors and Executive Board, as required by the OaEC.

Please note that Investis Holding SA was only incorporated during the course of 2016, so no comparative figures for the preceding fiscal year are included in the following paragraphs.

5.1 Compensation of the Board of Directors and the Executive Board

5.1.1 Compensation of the Board of Directors

(non-executive)

For the first approval period up to the 2017 Annual General Meeting maximum total compensation of CHF 351,000 was approved by the General Meeting of 17 June, 2016 for the compensation of the Board of Directors.

The following table sets out the aggregate compensation paid to the Board of Directors for fiscal 2016, as well as the compensation paid to the individual members of the Board of Directors. These amounts were entirely paid in cash.

Annualised compensation of the Board of Directors in detail:

Name	Function	Compensation (in CHF 1,000)	Social security contributions (in CHF 1,000)	2016 Total (in CHF 1,000)
Riccardo Boscardin	Chairman, Member of the Audit and Compensation Committee	160	0	160
Albert Baehny	Vice-Chairman and Chairman of the Compensation Committee	80	6	86
Thomas Vettiger	Member and Chairman of the Audit Committee	80	6	86
Stéphane Bonvin ¹⁾	Member	0	0	0
Total compensation 2016		320	12	332

- 1) Stéphane Bonvin has been compensated for his role as Chief Executive Officer (CEO) only and did not receive a separate compensation for his function as member of the Board of Directors.

No compensation was paid in 2016 to any former members of the Board of Directors (either directly or indirectly) or to any affiliated persons of current or former members of the Board of Directors.

5.1.2 Compensation of the Executive Board

(including the executive member of the Board of Directors)

An annualised maximum total amount of CHF 2,542,000 was approved by the General Meeting of 17 June, 2016 for the fixed and variable compensation of the Executive Board for the shortened first approval period lasting from 1 July, 2016 until 31 December, 2016.

The following table sets out the aggregate annualised compensation paid to the Executive Board for fiscal 2016 in cash, as well as the compensation paid to the individual member of the Executive Board who received the highest remuneration in 2016.

The base compensation consists of a fixed salary and is entirely paid in cash.

Base compensation	Variable compensation
Reflects function, scope of responsibilities, experience and skills	Rewards performance and achievement of business, financial and individual objectives over a one-year period

Annualised compensation of the Executive Board in detail ¹⁾:

2016	Executive Board ²⁾ (in CHF)	of which: Stéphane Bonvin (CEO) (in CHF)
Base compensation	1,170	455
Variable compensation	583	360
Pension fund contribution	151	69
Social security contributions	175	87
Other ³⁾	14	4
Total	2,093	975

1) Annualised remuneration as at 1 July 2016

2) The Executive Board consists of three members. There are no past members.

3) Allowances in connection with company car entitlements

No remuneration was paid in 2016 to former members of the Executive Board (either directly or indirectly) or to any persons affiliated to current or former members of the Executive Board.

The additional amount pursuant to Article 21 of the Articles of Association was not used in 2016.

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

5.2.1 Loans and credits to the Board of Directors

No loans or credits have been granted to any current or former members of the Board of Directors or to any persons affiliated to current or former members of the Board of Directors.

As at 31 December 2016 the Group had an outstanding loan to a related party in the amount of CHF 30 million.

5.2.2 Loans and credits to the members of the Executive Board

No loans or credits have been granted to any current or former members of the Executive Board or to persons affiliated to current or former members of the Executive Board.

As at 31 December 2016 the Group had an outstanding loan to a related party in the amount of CHF 30 million.

6. SHARE OWNERSHIP

Members of the Board of Directors

(non-executive)

As at 31 December 2016 the non-executive members of the Board of Directors (including their related parties) held the following Investis shares.

As at 31 December 2016	Function	Number of registered shares held	Voting rights in % (rounded)
Riccardo Boscardin	Chairman, Member of the Audit and Compensation Committee	2,000	<0.1
Albert Baehny	Vice-Chairman and Chairman of the Compensation Committee	18,867	0.1
Thomas Vettiger	Member and Chairman of the Audit Committee	750	<0.1
Total		21,617	0.2

Members of the Executive Board

(including the executive member of the Board of Directors)

As at 31 December 2016 the executive member of the Board of Directors and the members of the Executive Board (including their related parties) held the following Investis shares.

As at 31 December 2016	Function	Number of registered shares held	Voting rights in % (rounded)
Stéphane Bonvin ¹⁾	Chief Executive Officer and member of the Board of Directors	9,751,080	76.2
Catherine Dubey	Head Real Estate Services	600	<0.1
René Häsler	Chief Financial Officer	11,340	0.1
Total		9,763,020	76.3

- 1) In the context of the initial public offering carried out in June 2016, Stéphane Bonvin, as selling shareholder, entered into a lock-up arrangement with Credit Suisse AG (acting on behalf of the other banks) covering any shares within a 67% stake in the share capital of Investis as of the first trading day for a period of 36 months after the first trading day. A lock-up period of 12 months after the first trading day applies to any shares in excess of a 67% stake in the share capital of Investis as of the first trading day.

REPORT OF THE STATUTORY AUDITOR



Report of the statutory auditor to the General Meeting of Investis Holding SA Zurich

We have audited the accompanying compensation report of Investis Holding SA for the year ended 31 December 2016. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies contained on pages 56 to 59 in the chapters 5. and 6. of the compensation report.

Board of Directors' responsibility

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 compensation 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 compensation, 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 of Investis Holding SA for the year ended 31 December 2016 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

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Bern, 21 March 2017

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