

HIAG

Annual Report



Corporate Governance

1 Principles

This Corporate Governance Report contains the information required as per the SIX Swiss Exchange Directive on Information relating to Corporate Governance (RLCG) and follows essentially the same structure. Unless indicated otherwise, the information in this report is as at 31 December 2021. The principles and rules of corporate governance are set out in the Articles of Incorporation and the Organisational Rules. Special emphasis is placed on the Codes of Conduct, in which HIAG expressly commits to comprehensive integrity and compliance with the law and all other external and internal regulations. HIAG expects its employees, business partners and their subcontractors to take responsibility for their actions, show consideration for people, society and the environment, comply with applicable rules, behave with integrity and report any compliance violations. The documents can be downloaded at the following link:

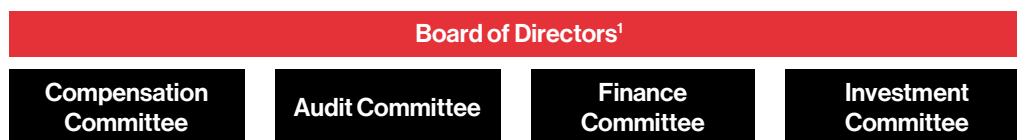
<https://www.hiag.com/en/investors/corporate-governance/further-information/>

2 Group structure and shareholders

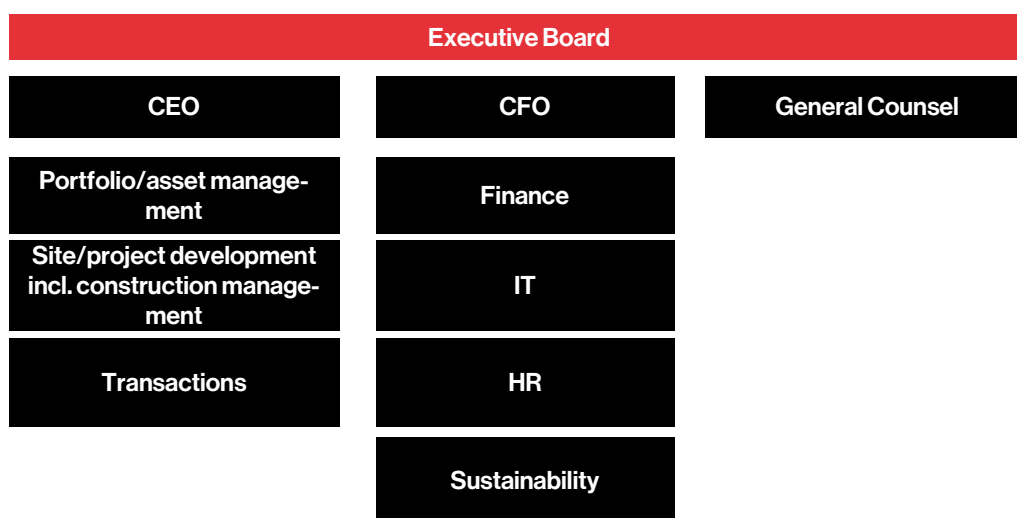
2.1 Group structure

2.1.1 Operational group structure (management structure)

The following organisational chart shows the operational group structure as at 31 December 2021.



¹ The President of the Audit Committee is responsible for sustainability issues on the Board of Directors.



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The overall supervision of the HIAG Group is ensured by the Board of Directors. The Executive Board is composed of the CEO, CFO and General Counsel. The operational management of the HIAG Group is entrusted to the CEO. The CFO is responsible for the finance, risk management, IT and HR departments, and implementation of the sustainability strategy (ESG). The General Counsel is in charge of the legal and regulatory affairs of the HIAG Group.

2.1.2 Listed companies

HIAG Immobilien Holding AG is the parent company of the HIAG Immobilien Group

Company	HIAG Immobilien Holding AG
Registered office	Basel, Switzerland
Listing	SIX Swiss Exchange, Zurich
Stock market capitalisation 31 December 2021	CHF 961.4 million
Symbol	HIAG
Valor	23,951,877
ISIN	CH0239518779

The key figures concerning HIAG Immobilien Holding AG shares can be found under “Share information” in this Annual Report on page 154.

2.1.3 Non-listed companies

With the exception of HIAG Immobilien Holding AG, the scope of consolidation includes only non-listed companies. The subsidiaries that fall under the Group’s scope of consolidation are listed in the Notes to Consolidated Financial Statements on page 87 with their headquarters, share capital and extent of interest.

2.2 Shareholders

As at 31 December 2021, 998 shareholders (previous year: 908) with voting rights were registered in the HIAG Immobilien Holding AG shareholder register. Of the total number of shares issued, 0.33% (previous year: 0.51%) were treasury shares held by HIAG Immobilien Holding AG.

The distribution of shares as at 31 December 2021 was as follows:

Number of registered shares	Registered shareholders		Registered shares		Non-registered shares		Total number of shares issued
	Number	%	Number	% issued shares	Number	% issued shares	
1 to 100	305	30.6%	15,162	0.1%	-	-	-
101 to 1,000	458	45.9%	170,269	1.7%	-	-	-
1,001 to 10,000	167	16.7%	572,445	5.7%	-	-	-
10,001 to 100,000	57	5.7%	1,615,194	16.0%	-	-	-
100,001 to 1,000,000	10	1.0%	2,451,816	24.2%	-	-	-
1,000,001 and over	1	0.1%	4,432,771	43.8%	-	-	-
Total number of registered shareholders/shares	998	100.0%	9,257,657	91.5%	-	-	-
Total number of non-registered shares	-	-	-	-	861,943	8.5%	-
Total	-	-	9,257,657	-	861,943	-	10,119,600

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Number of registered shares	Registered shareholders		Registered shares	
	Number	%	Number	%
Natural persons	755	75.7%	642,907	6.9%
Legal persons	68	6.8%	6,069,312	65.6%
Pensions funds	77	7.7%	1,190,021	12.9%
Insurance companies	10	1.0%	95,038	1.0%
Funds	44	4.4%	854,903	9.2%
Other foundations	21	2.1%	190,064	2.1%
Banks	15	1.5%	55,647	0.6%
Public corporations	8	0.8%	159,765	1.7%
Total	998	100.0%	9,257,657	100.0%
Switzerland	903	90.5%	9,010,738	97.3%
Europe (excluding Switzerland)	86	8.6%	211,818	2.3%
North America	6	0.6%	31,884	0.3%
Other countries	3	0.3%	3,217	0.0%
Total	998	100.0%	9,257,657	100.0%

Source: SIX Exchange Regulation/Significant shareholders

2.2.1 Significant shareholders as at 31 December 2021

According to the information available to the Board of Directors, the following shareholders held 3% or more of the share capital and voting rights of HIAG Immobilien Holding AG as at the balance sheet date.

Shareholder	Number of shares	Voting rights	Source
Shareholder groups ¹ composed of:	5,318,808	63.7%	Communication 18.11.21
SFAG Holding AG			
HIAG Beteiligung Holding AG ²			
Grisgros AG ³			
Senft AG ⁴			
UBS Fund Management CH AG	448,350	5.3%	Communication 15.09.21

Between 1 January 2021 and 31 December 2021, the following changes were disclosed and published on the SIX Exchange Regulation website:

Incurrence of the obligation to notify	Shareholders	Triggering event	Participation
11/11/2021	Shareholder groups ¹ composed of: SFAG Holding AG HIAG Beteiligung Holding AG ² Grisgros AG ³ Senft AG ⁴	Change of registered office of Grisgros AG	63.7%
06/09/2021	UBS Fund Management CH AG	Purchase	5.3%

¹ The members of this shareholder group signed a shareholders' agreement on 14 April 2014 concerning shares of SFAG Holding AG. On signature of this shareholder agreement, the shareholders of SFAG Holding AG and SFAG Holding AG became a group within the meaning of Art. 121 FINMA Stock Exchange Ordinance.

² HIAG Beteiligung Holding AG is controlled by Dr. Felix Grisard.

³ Grisgros AG is controlled by Andrea Grisard.

⁴ Senft AG is controlled by Salome Grisard.

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The disclosure notifications made to HIAG Immobilien Holding AG and SIX Swiss Exchange AG concerning shareholder participations in HIAG Immobilien Holding AG are published on the electronic SIX Swiss Exchange AG publication platform and can be retrieved using the search screen via the following link:

<https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html/>

2.3 Shares of unregistered owners

At 31 December 2021, shares of unregistered owners amounted to 8.52% (previous year: 7.61%) of total issued shares.

2.4 Cross-shareholdings

As at 31 December 2021, there were no cross-shareholdings.

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3 Capital structure as at 31 December 2021

3.1 Capital

In CHF	31/12/2021	31/12/2020	31/12/2019
Ordinary share capital (nominal)	10,119,600	8,433,000	8,050,000
Authorised share capital (nominal)	1,230,400	1,217,000.00	1,217,000
Conditional share capital (nominal)	350,000	350,000.00	350,000
Own Treasury shares	33,767	42,942	49,915

3.2 Approved share capital

The rules governing approved share capital are laid out in Art. 3a and Art. 3c of the Articles of Incorporation.

Art. 3a The Board of Directors is entitled to increase the share capital of the company by a maximum of CHF 1,217,000 by issuing a maximum of 1,217,000 fully paid up registered shares with a nominal value of CHF 1.00 each until 23 April 2022. The increase can be made by firm underwriting and/or in instalments. The Board of Directors is authorised to determine the issuing price of the shares, the type of contribution and the date of dividend entitlement. The new registered shares are subject to registration restrictions as per Art. 5 of the Articles of Incorporation after acquisition.

Art. 3c The Board of Directors is entitled to increase the share capital by a maximum of CHF 13,400 by issuing a maximum of 13,400 fully paid up registered shares with a nominal value of CHF 1.00 each at any time until 29 September 2023. The increase can be made by firm underwriting and/or instalments. The issuing price, date of dividend entitlement and type of contribution are determined by the Board of Directors. The Board of Directors may allow subscription rights that have not been exercised to expire, or it may place shares on the market for which subscription rights have been granted but not exercised. The new registered shares are subject to registration restrictions as per Art. 5 of the Articles of Incorporation after acquisition.

The exact wording of the provisions of the Articles of Incorporation on approved share capital can be found in the Articles of Incorporation of HIAG Immobilien Holding AG and downloaded from the HIAG website via the following link:

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

3.3 Conditional share capital

The rules governing conditional share capital are laid out in Art. 3b of the Articles of Incorporation:

Art. 3b As per Art. 3b of the Articles of Incorporation, the share capital of the company shall be increased by a maximum of CHF 350,000 by issuing a maximum of 350,000 fully paid up registered shares with a nominal value of CHF 1.00 resulting from the exercising of option rights or similar rights, to which employees, members of the Board of Directors and the Executive Board of the company and its subsidiaries are entitled within the framework of employee stock option plans. The Board of Directors draws up the corresponding employee stock option plans in coordination with the Compensation Committee.

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The exact wording of the provisions of the Articles of Incorporation on conditional capital can be found in the Articles of Incorporation of HIAG Immobilien Holding AG and downloaded from the HIAG website via the following link:

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

3.4 Changes in capital

The creation of approved share capital was decided at the Extraordinary General Meeting on 29 September 2021. A total of 1,686,600 registered shares with a nominal value of CHF 1.00 each were issued in the course of the approved share capital increase as at 16 November 2021. The existing share capital rose by CHF 1,686,600 from CHF 8,433,000 to CHF 10,119,600 due to the capital increases.

HIAG Immobilien Holding AG's share capital has changed over the last three years as follows:

	Number of registered shares	Nominal value per share in CHF	Nominal value in CHF
Share capital, issued and fully paid, as at 31 December 2019	8,050,000	1.00	8,050,000
Share capital, issued and fully paid, as at 31 December 2020	8,433,000	1.00	8,433,000
Share capital, issued and fully paid, as at 31 December 2021	10,119,600	1.00	10,119,600

Statutory reserves (general reserves)	in TCHF
31 December 2019	1,610
31 December 2020	1,610
31 December 2021	1,610

Statutory reserves (reserves from capital contributions)	in TCHF
31 December 2019	3,335
31 December 2020	35,890
31 December 2021	184,782

Freely distributable reserves	in TCHF
31 December 2019	108,000
31 December 2020	108,000
31 December 2021	–

Accumulated loss / profit	in TCHF
31 December 2019	-63,696
31 December 2020	-74,061
31 December 2021	18,703

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3.5 Shares, participations and dividend rights certificates

HIAG Immobilien Holding AG's share capital is fully paid up and amounts to CHF 10,119,600. It comprises 10,119,600 registered shares with a nominal value of CHF 1.00 each. Each registered share entitles its bearer to a vote and to dividends. Paragraph 7 on page 68 contains information about voting rights. There are no preferential rights or similar rights.

As at 31 December 2021, no participation certificates or dividend rights certificates had been issued.

3.6 Transferability restrictions and nominee registrations

The Board of Directors maintains a shareholder register, in which the name, address, nationality and, for legal entities, the headquarters of owners, beneficiaries and nominees are entered. Only shareholders, beneficiaries or nominees that are entered in the shareholder registry are recognised in relation to the company. Share purchasers are entered into the shareholder register on request as shareholders with voting rights if they expressly declare that these shares were purchased in their own name and on their own behalf. Art. 685d para. 3 of the Swiss Code of Obligations (OR) remains reserved. Persons who do not expressly declare in the registration request that they hold the shares on their own behalf (hereafter referred to as "Nominees") are entered in the shareholders register with voting rights up to a maximum of 2% of the share capital entered in the commercial register. Beyond this limit, shares of nominees are registered with voting rights only if the nominee in question discloses the name, address, nationality and number of shares of the persons on whose account he or she holds 0.5% or more of the equity capital entered in the commercial register. Nominees who are affiliated by capital or votes, through common management or otherwise, or who are acting together with a view to circumvention of the regulations concerning nominees are considered to be one nominee. The Board of Directors can refuse the registration of a shareholder, beneficiary or nominee if registration would lead to the impossibility of obtaining the legally required proof of the composition of the group of shareholders as per the federal law on the acquisition of real estate by persons abroad (BewG) due to recognition of the buyer. The company may strike entries from the shareholder register after hearing from the party concerned, if the entries were made on the basis of false declarations. The purchaser must be informed immediately should any entries be struck.

3.7 Convertible bonds and options

As at 31 December 2021, no convertible bonds or options were outstanding.

4 Board of Directors

The functions of HIAG Immobilien Holding AG's Board of Directors comply with the Swiss Code of Obligations (OR), the Articles of Incorporation and the Organisational Rules of the company. These documents are available for download via the following link:

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

4.1 Members of the Board of Directors

As per Art. 15 of the Articles of Incorporation, HIAG Immobilien Holding AG's Board of Directors is composed of a minimum of three and a maximum of nine members. As at 31 December 2021, the Board of Directors comprised six members, all of whom are non-executives with the exception of General Counsel Dr. Jvo Grundler. All other members did not work as executives for the HIAG Group in the three years before the

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reporting period and are independent within the meaning of economiesuisse's Swiss Code of Best Practice for Corporate Governance, and in particular there are no significant business relationships with the HIAG Group. All members of the Board of Directors hold Swiss citizenship.

The following table offers an overview of the composition of HIAG Immobilien Holding AG Board of Directors as at 31 December 2021. All members are elected until the end of the next Ordinary General Meeting.

Name	Nationality	Year of birth	Function	Assumption		
				of office	Executive	Independent
Dr. Felix Grisard	Swiss	1968	President Investment Committee (President) Audit and Finance Committee	2009	no	yes ¹
Balz Halter	Swiss	1961	Vice President ² Compensation Committee (President) Audit and Investment Committee	2019	no	yes
Salome Grisard Varnholt	Swiss	1966	Member Compensation Committee (President)	2009	no	yes
Dr. Jvo Grundler	Swiss	1966	Member	2017	yes	no
Dr. Christian Wiesendanger	Swiss	1964	Member Finance Committee (President)	2021	no	yes
Anja Meyer	Swiss	1967	Member ³ Investment Committee	2021	no	yes

¹ Interim CEO from 29 April to 31 December 2019

² Since the Ordinary General Meeting on 22 April 2021

³ Since the Extraordinary General Meeting on 29 September 2021

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Education and professional activities

The following table discloses important information about the education, professional experience, mandates outside the HIAG Group and other important activities of members of the Board of Directors (as at 31 December 2021).



Dr. Felix Grisard
President of the
Board of Directors

Education:
lic. oec. HSG, Dr. oec. HSG, University of St. Gallen, OPM Harvard Business School

Professional background

2002 to 2010	HIAG Group CEO
1998 to 2001	HIAG Group COO
1996 to 1996	Boston Consulting Group

Previous activities for the HIAG Holding Group

2019	Interim CEO from 29 April to 31 December 2019
2002 – 2010	CEO
1999 to 2001	COO

Activities on executive or supervisory boards

President of the Board of Directors of HIAG Beteiligung Holding AG, Basel, Member of the Board of Directors of Botiss Medical AG, Berlin, Member of the Board of Directors of Ultra-Brag AG, Basel, Member of the Board of Directors of SFAG Holding AG, Basel, President of the Board of Directors of MTIP AG, Basel, President of the Foundation Board of the HIAG Group's Welfare Fund, Baar, President of the Foundation Board of HIAG Immobilien Schweiz AG's Pension Fund, Zug, Member of the Advisory Board of the University of St. Gallen

No significant business relationships with HIAG Immobilien Holding AG or any of its group companies



Balz Halter
Vice President of the
Board of Directors

Education:
Dipl. Bau-Ing. ETH Zurich, lic. iur. University of Zurich, Stanford Executive Program, USA

Professional background

1986 to 2009	President of the Board of Directors and CEO of Halter AG, Zurich
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Activities on executive or supervisory boards

President of the Board of Directors of Halter Holding AG and Halter AG, Zurich, President of the Board of Directors of mivune AG, Zurich

No operational leadership responsibilities for HIAG Immobilien Holding AG or any of its group companies in the three business years before the reporting period

No significant business relationships with HIAG Immobilien Holding AG or any of its group companies

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Dipl Arch. ETH
Salome Grisard Varnholt
 Member of the
 Board of Directors

Education:
 Dipl. Architektin ETH / SIA, Zurich

Professional background

1999 to today	grisard'architektur architectural firm, Zurich
1999 to 2011	Assistant to Prof. Dominique Perrault, ETH Zurich
1995 to 1998	Burkhard Meyer, Baden
1991 to 1994	Herzog & de Meuron, Basel, Richter & Dahl Rocha, Lausanne

Activities on executive or supervisory boards

President of the Board of Directors of SFAG Holding AG, Basel, President of the Board of Directors of Senft AG, Engelberg, President of the Pension Fund Foundation of Senft AG, Engelberg, Member of the Board of the Association "Kids of Africa", Zurich, President of the Board of Directors of grisard'architektur AG, Zurich, Member of the Board of Directors of Schauspielhaus Zurich AG, Vice President of the Board of Trustees of the Swiss Architecture Museum, Basel-Stadt

No operational leadership responsibilities for HIAG Immobilien Holding AG or any of its group companies in the three business years before the reporting period

No significant business relationships with HIAG Immobilien Holding AG or any of its group companies



Dr. Jvo Grundler
 Executive Member of the
 Board of Directors and
 General Counsel

Education
 Dr. iur. HSG, University of St. Gallen, LL.M. University of Cambridge, UK

Professional background

2017 to today	General Counsel at HIAG Immobilien Holding AG
2017 to today	Of Counsel at a Zurich-based corporate law firm
2002 to 2017	Legal Counsel and Partner at Ernst & Young, inter alia, Head of Legal Consulting and General Counsel
2000 to 2002	Legal Counsel at Andersen Legal
1993 to 2000	Zurich-based corporate law firm

Activities on executive or supervisory boards

Vice President of the Board of Directors of Datacolor AG, Rotkreuz, Member of the Board of Directors of SHL Business Areas AG, Lucerne, Member of the Board of Directors of Serto Holding AG, Frauenfeld, Vice President of the Board of Directors of Villiger Söhne Holding AG, Rickenbach, Member of the Board of Directors of Villiger Söhne AG, Rickenbach, President of the Foundation Board of HIAG Pensionskasse

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Dr. Christian Wiesendanger

Member of the Board of Directors

Education

PhD in Theoretical and Mathematical Physics, University of Zurich; MBA INSEAD Fontainebleau, France

Professional background

2017 to 2020	Head of Investment Products and Services Global Wealth Management at UBS AG
2010 to 2017	Head of Wealth Management Switzerland at UBS AG
2006 to 2010	Head of Private Banking Latin America at Credit Suisse AG
2002 to 2006	Head of Private Banking Central Plateau Region at Credit Suisse AG
1997 to 2002	Management Consultant at McKinsey & Company

Activities on executive or supervisory boards

Board of Trustees of UBS pension fund
Member of the Private Banking Steering Committee of SBVg

No operational leadership responsibilities for HIAG Immobilien Holding AG or any of its group companies in the three business years before the reporting period

No significant business relationships with HIAG Immobilien Holding AG or any of its group companies



Anja Meyer

Member of the Board of Directors

Education

SME intensive studies, University of St. Gallen, Commercial diploma, Kantonsschule Luzern

Professional background

2014 to today	Owner and delegate of the Board of Directors of smeyers Holding AG, Lucerne
2001 to today	Various management positions in the real estate sector

Activities on executive or supervisory boards

Owner and delegate of the Board of Directors of smeyers Holding AG, Lucerne
Member of the Board of Directors of Soluma AG, Emmen

No operational leadership responsibilities for HIAG Immobilien Holding AG or any of its group companies in the three business years before the reporting period

No significant business relationships with HIAG Immobilien Holding AG or any of its group companies

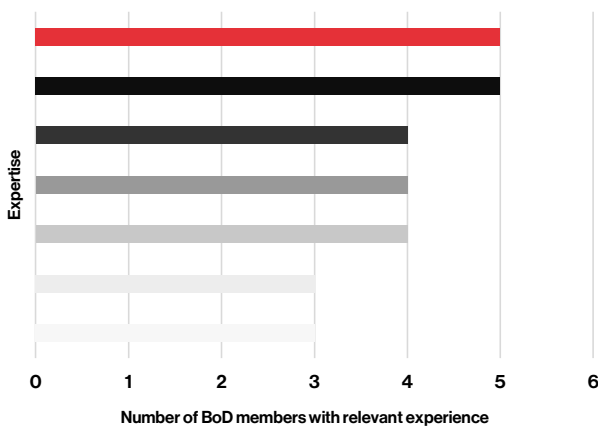
Corporate Governance

Composition and competencies of the Board of Directors at a glance

The following graphs show the composition of the Board of Directors in terms of competencies, length in office and gender.

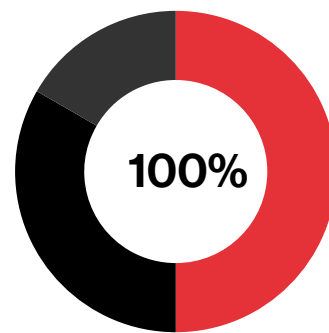
When selecting the members of the Board of Directors, the focus is on experience in leadership and management functions, as well as in listed companies, real estate development and management, innovation and digitisation, finance and risk management, M&A and law, the Swiss real estate market and sustainability.

Expertise / experience



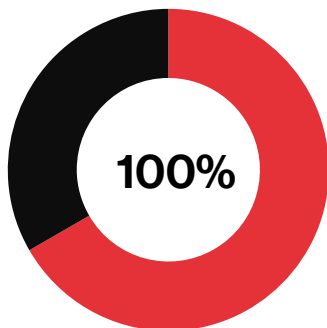
Experience in the Swiss real estate market	83%
Sustainability	83%
Real estate development/management	67%
Innovation/digitalisation	67%
Finance/risk management	67%
Leadership/management listed companies	50%
M&A/law	50%

Length in office



Under 4 years	50%
Between 4 and 8 years (1)	17%
More than 8 years (2)	33%

Gender



Men (4)	67%
Women (2)	33%

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Changes in the composition of the Board of Directors during the reporting year

Dr. Walter Jakob, Vice President of the Board of Directors and Lead Director until the Ordinary General Meeting on 22 April 2021, was no longer eligible for re-election after reaching the age limit. Balz Halter has held the office of Vice President of the Board of Directors since the Ordinary General Meeting. The finance specialist Dr. Christian Wiesendanger and the real estate specialist Anja Meyer were newly elected to the Board of Directors at the Ordinary General Meeting and at the Extraordinary General Meeting on 29 September 2021, respectively.

4.2 Statutory rules on other activities and interests

The members of the Board of Directors may not exercise more than four additional mandates in the executive or supervisory bodies of listed companies and no more than 10 additional mandates in the executive or supervisory bodies of non-listed legal entities, which must be entered in the commercial register or any comparable register in another country, and which do not control and are not controlled by the company. They may not hold a total of more than 10 additional mandates. Not subject to these restrictions are mandates held in group subsidiaries or those exercised by a member of the Board of Directors or the Executive Board on behalf of the company (joint ventures, pension schemes of this legal entity, companies in which this legal entity holds a significant equity share, etc.). In addition to being on the HIAG Immobilien Holding AG Board of Directors, Dr. Felix Grisard and Dr. Jvo Grundler are also members of the Board of Directors of all HIAG Group companies. Mandates held in legal entities that are not obliged to be entered into a commercial register or comparable register in another country, as well as honorary offices at charitable organisations as recognised under tax law, are also not subject to restriction. The details of the rules concerning external mandates, in particular the definition of the term “mandate”, are stipulated in Art. 25 of the Articles of Incorporation. No members of the Board of Directors have exceeded the established thresholds for mandates. The Board of Directors is made aware of the way in which interests should be handled during an annual in-house training session on stock exchange law.

4.3 Election and term of office

The President and Vice President of the Board of Directors and members of the Board of Directors and the Compensation Committee, who must be members of the Board of Directors, are generally elected individually at the Ordinary General Meeting until the conclusion of the next Ordinary General Meeting. Members of the Board of Directors may resign or be removed before the end of their term in office. New members join the Board of Directors for the remainder of the term in office of the member he or she is replacing. Re-election is permitted.

4.4 Internal organisation

Aside from the President and Vice President of the Board of Directors, who are elected by the General Meeting, the Board of Directors constitutes itself. It appoints the Secretary, who does not have to be a member of the Board of Directors.

The Board of Directors can also order committees from among its members to carry out non-transferable and inalienable tasks and entrust them with the preparation and implementation of its decision, the monitoring of operations and related special tasks. The Articles of Incorporation and the Organisational Rules stipulate their framework for action.

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

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4.5 Composition, tasks and limits of competence of the Committees of the Board of Directors

The Compensation Committee, Audit Committee, Investment Committee and Finance Committee are standing committees with the following composition as at 31 December 2021:

Compensation Committee	Audit Committee	Investment Committee	Finance Committee
Salome Grisard Varnholt (President)	Dr. Felix Grisard (Chair)	Balz Halter (President)	Dr. Christian Wiesendanger (President)
Balz Halter	Balz Halter	Dr. Felix Grisard	Dr. Felix Grisard
		Salome Grisard Varnholt	
		Anja Meyer	

The Compensation Committee, Audit Committee and Finance Committee are each composed of at least two members of the Board of Directors, one of whom must be an independent non-executive. The Investment Committee consists of at least three members of the Board of Directors. The committees report regularly to the Board of Directors at every Board of Directors meeting and, in urgent cases, directly with regard to their activities concerning the company and the Group companies, and in particular about the current course of business and important business events. The committees of the Board of Directors submit necessary proposals to the Board of Directors.

4.6 Compensation Committee

The Compensation Committee is composed of at least two members of the Board of Directors who are elected individually at the General Meeting. The principles concerning the tasks and responsibilities of the Compensation Committee with regard to compensation are set forth in paragraph C (Arts. 27 and 28) of the Articles of Incorporation and are described in greater detail in the Compensation Report of this Annual Report on page 73.

4.7 Audit Committee

The Audit Committee supports the Board of Directors in fulfilling its tasks, particularly in the areas of finance control (supervision of internal and external audits, monitoring of financial reporting) and supervision of the persons entrusted with the management of the company (internal control system).

The Audit Committee has the following tasks and responsibilities:

Supervision of internal and external audits

- Determination of the multi-year review plan and the review scope of the internal and external audits;
- Discussion of the audit reports with the internal and external auditors and Executive Board and monitoring of their implementation;
- Evaluation of the performance of the internal and external auditors and their cooperation;
- Support of the Board of Directors with the nomination of the external auditor at the General Meeting;
- Evaluation of the fees of the external auditor and its independence, monitoring of the compatibility of the audit activity with any consulting mandates;
- Verification of the independence of the internal auditor for the Executive Board and the entities to be reviewed;
- Approval of the guidelines for the internal audit activity;

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- Proposal on appointment and dismissal of the Internal Audit Head.

Supervision of financial reporting

- Evaluation of the company's consolidated financial statements, financial statements and any status reports;
- Decision on whether any status report, consolidated financial statements and annual financial statements can be recommended to the Board of Directors for submission to the General Assembly.

Evaluation and further development of the internal control system

- Evaluation of the functionality of the internal control system, including risk management;
- Verification of compliance with the valid standards and guidelines, and further development of the internal control system.

Members of the Executive Board generally participate in the meetings of the Audit Committee. Other members of the Board of Directors or other internal or external experts may also be invited to participate in these meetings. Any granting of paid contracts to third parties requires the prior approval of the Board of Directors.

4.8 Investment Committee

The Investment Committee assists the Board of Directors in fulfilling its missions, particularly in terms of planning and evaluation of investments in the existing property and real estate portfolios, as well as buying and selling properties and real estate.

The Investment Committee has the following tasks and responsibilities:

Proposal of real estate investments

- Evaluation of investment proposals concerning real estate that fall within the decisional competence of the Board of Directors with suitable recommendations to the Board of Directors;
- Evaluation of investment proposals concerning real estate that fall within the decisional competence of the Investment Committee.
- Development of the medium and long-term real estate strategy for the attention of the Board of Directors.
- Performance of other tasks assigned to the Investment Committee by the Board of Directors.

The CEO and CFO always participate in Investment Committee meetings. Site developers whose projects are the subject of the meetings also participate. Other internal or external specialists can also be called to the sessions. Any granting of paid contracts to third parties requires the prior approval of the Board of Directors.

4.9 Finance Committee

The Finance Committee supports the Board of Directors and the Executive Board in ensuring the sustainable financing of the Group in accordance with its long-term business strategy.

The Finance Committee has the following tasks and responsibilities:

Translation of the strategy into a rolling business and finance plan from which results the long-term financial cornerstones.

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Financing of the net finance requirement through equity and debt capital, taking into account:

- sustainable balance sheet structure;
- suitable free float;
- reasonable staggering of new capital increases with regard to refinancing.

Support of all large financial transactions that involve equity or debt.

Performance of other tasks assigned to the Finance Committee by the Board of Directors.

As a rule, the CEO and CFO always participate in Finance Committee meetings. Other members of the Board of Directors or other internal or external experts may also be invited to participate in these meetings. Any granting of paid contracts to third parties requires the prior approval of the Board of Directors.

Due to the shareholder structure, the size of the company and the specific circumstances of HIAG Immobilien Holding AG, the Board of Directors does not have a Nomination Committee. Any such responsibilities are carried out by the Board of Directors as a whole.

Further information about the tasks of the Committees can be found in para. V of the Organisational Rules.

<https://www.hiag.com/media/zmOfxdx/organisationsreglement-2021.pdf>

4.10 Allocation of tasks and functioning of the Board of Directors

The Board of Directors exercises its authority pursuant to Arts. 16 and 17 of the Articles of Incorporation as an overall body. The Articles of Incorporation do not provide for a division of responsibilities within the Board of Directors. The procedural rules for meetings of the Board of Directors are set forth in HIAG Immobilien Holding AG's Organisational Rules (para. II, letter b).

The tasks and competencies of the President and Vice President of the Board of Directors are defined in the Organisational Rules (paras. III and IV). If the President of the Board of Directors is unavailable – or if there is a possible conflict of interests – the Vice President takes over the tasks and competencies of the President.

The Board of Directors is convened by the President, the Vice President, or if they are unavailable, by another member. Any member of the Board of Directors can request that a meeting be convened immediately by giving the reasons in writing.

The Board of Directors has a quorum if the majority of the members participate, whereby connection by telephone and/or video conference meet the attendance requirement. No minimum presence is required for decisions that require public certification. The decisions of the Board of Directors must be made by the majority of its members in order to be valid. If there is a tie, the vote of the President is decisive. Decisions of the Board of Directors can also be made by circular letter, unless a member requests oral deliberation.

Four ordinary meetings of the Board of Directors generally take place every year (one per quarter). In the interim, extraordinary meetings of the Board of Directors may be called and circular resolutions may be taken as needed. The minutes of the Board of Directors' meetings are kept by the secretary of the Board of Directors; the circular resolutions are included in the minutes of the subsequent meeting. Four meetings of the

Corporate Governance

Board of Directors took place during the reporting period, all in person, none by video conference and none by conference call.

The following table provides an overview of the meetings of the Board of Directors and the committees in 2021.

	Board of Directors	Compensation Committee	Audit Committee	Investment Committee	Finance Committee
Dr. Felix Grisard, President ¹	4		2	12	19
Balz Halter, Vice-President ²	4	1	2	12	
Dr. Walter Jakob ³	1	1			
Salome Grisard Varnholt	4	2		12	
Dr. Jvo Grundler	4				
Dr. Christian Wiesendanger ⁴	3				19
Anja Meyer ⁵	1				
Ø Session duration	3 hours	1.5 hours	1.5 hours	2 hours	1 hour

¹ President since the Ordinary General Meeting 2013

² Vice President since the Ordinary General Meeting 2021

³ Vice President until the Ordinary General Meeting 2021

⁴ Member since the Ordinary General Meeting 2021

⁵ Member since the Extraordinary General Meeting 2021

The CEO and CFO are invited to meetings of the Board of Directors. For discussion of specific subjects, the Board of Directors may call on other executives or external consultants as needed. During the period under review, no external consultants were called on to any significant extent.

4.11 Self-evaluation of the Board of Directors

HIAG follows the constant and rolling improvement approach. Potential for optimisation and insights from reflections are regularly discussed at Board of Directors' meetings and suitable measures initiated. In addition, the Board of Directors evaluates, analyses and discusses its working methods, quality (effectiveness) and composition annually, as part of a recurring self-evaluation. The personal performance evaluation and the performance of the committees and the Board of Directors as a whole are discussed.

The Board of Directors' tasks, responsibilities and working methods are set forth in Arts. 17 and 18 of the Articles of Incorporation and in the Organisational Rules.

4.12 Division of competencies between the Board of Directors and Executive Board

As per Art. 716a of the Swiss Code of Obligations and Arts. 17 and 18 of the Articles of Incorporation, the Board of Directors is responsible for the company's business and affairs. All Executive Board tasks that are not legally or expressly assigned to the Board of Directors or another body by law or by the Articles of Incorporation are carried out by the Executive Board. The CEO is the President of the Executive Board and has decisional authority over the other members. The members of the Executive Board manage the day-to-day business independently within the framework of the corporate strategy, the budget and company objectives decided by the Board of Directors. In addition to affairs that are reserved for it by law, the Board of Directors takes decisions regarding issues that are of considerable importance to HIAG. This includes sales or acquisitions of companies with a transaction value of more than CHF 0.1 million or investments that exceed a financing requirement of CHF 0.5 million.

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The tasks and limits of responsibilities of the Board of Directors and Executive Board are stipulated in HIAG Immobilien Holding AG's Organisational Rules.

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

4.13 Information and supervisory mechanisms concerning the Executive Board

The President of the Board of Directors is in regular contact with the CEO regarding all important company policy questions and the members of the Executive Board are generally present at every ordinary meeting to ensure direct contact between the Board of Directors and the Executive Committee and thus suitable control. The Board of Directors is informed on a quarterly basis of the operating and financial developments and important key figures of the group. The Executive Board also presents a comprehensive report on the development of business activities at the meetings of the Board of Directors.

The more comprehensive Half-Year Report also contains the expectations of the operational management concerning the development of results until the end of the financial year and information on personnel development, liquidity, investments made, the composition of the shareholder base and market expectations in terms of the company's development.

4.14 Risk management

The Board of Directors re-evaluates risks at least once a year and receives a report on the functionality and effectiveness of the internal control system from the Executive Board. HIAG Immobilien Holding AG has a standard risk management system. The Board of Directors carries out an assessment of the identified risks to determine the probability of their occurrence and their impact, which includes financial, operational and reputational repercussions. When necessary, the Board of Directors decides on measures intended to prevent or reduce identified risks or their consequences. Where this is not possible, these risks are shifted to third parties, e.g. insurance companies, as much as possible. There is currently no internal auditing department. Internal control and risk management are carried out by the finance department. The Board of Directors and its Audit Committee are in direct contact with the external auditor and can request that special audit activities be carried out as needed.

HIAG seeks to set ethical and professional standards as a sustainable real estate company. A corporate culture that promotes the careful handling of risks should support this objective. HIAG has implemented and communicated a Code of Conduct for employees and business partners and their subcontractors.

<https://www.hiag.com/en/investors/corporate-governance/further-information/>

HIAG has also implemented data protection regulations and notified all employees.

5 Executive Board

The Executive Board is responsible for the operational management of the HIAG Group. The tasks and competencies of the Executive Board are determined in HIAG Immobilien Holding AG's Organisational Rules (Paragraph VI).

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5.1 Members of the Executive Board

The Board of Directors has delegated the management of the HIAG Group to the CEO. The CEO is entitled to delegate his powers to subordinate bodies, in particular to members of the Executive Board. Members of the Executive Board are appointed by the Board of Directors. The following table shows the composition of the Executive Board as at 31 December 2021

Name	Nationality	Born	Position	Appointed
Dr. Felix Grisard	Switzerland	1972	CEO	January 2020
Salome Grisard Varnholt	Switzerland	1978	CFO	September 2021
Dr. Jvo Grundler	Switzerland	1966	General Counsel	May 2017

Change in the Executive Board

On 31 August 2021, Laurent Spindler resigned from the Executive Board.

On 1 September 2021, Rico Müller joined the Executive Board as CFO.

Education, professional activity and interests

The following table provides important information about the education, professional experience, mandates outside the HIAG Group and other important activities of Executive Board members (as at 31 December 2021).

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Marco Feusi
CEO

Education

Dipl. Architekt HTL, Brugg-Windisch, Master of Advanced Studies in Management, Technology and Economics

Professional background

2003 to 2019	Partner and co-owner Wüest Partner AG, including as a member of the Board of Directors 2003 to 2006 and 2013 to 2017 and as President of the Executive Board 2017 to 2019
2000 to 2003	Scientific Associate/Senior Consultant at Wüest & Partner AG
1999 to 2000	Escrow agent and broker at ITERA Immobilien AG
1998 to 1999	Independent architect

Previous activities for the HIAG Immobilien Group

2007 to 2008	Member of the HIAG Immobilien Schweiz AG Board of Directors
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Activities on executive or supervisory boards

Member and Assessor of the Royal Institution of Chartered Surveyors (MRICS), Switzerland
Member of the Board of Directors of Norline AG, Neuhausen am Rheinfall



Rico Müller
CFO

Education

Swiss Certified Accountant, The Swiss Institute of Accountants, Master in Business Administration, University of Zurich

Professional background:

2019 to 2021	Head of Corporate Services and Member of the Executive Board of Aebi Schmidt Group North America, Cleveland (USA)
2017 to 2019	Head of Corporate Controlling and Deputy CFO at Aebi Schmidt Holding AG, Frauenfeld
2008 to 2017	Management functions at BDO, Zurich, Horvath & Partners, Zurich and Deloitte, Zurich

Activities on executive or supervisory boards:

none

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Dr. Jvo Grundler
General Counsel

Education:

Dr. iur. HSG, University of St. Gallen, LL.M. University of Cambridge, UK

Professional background

2017 to today	General Counsel at HIAG Immobilien Holding AG
2017 to today	Of Counsel at a Zurich-based corporate law firm
2002 to 2017	Legal Counsel and Partner at Ernst & Young, inter alia Head of Legal Consulting and General Counsel
2000 to 2002	Legal Counsel at Andersen Legal
1993 to 2000	Zurich-based corporate law firm

Activities on executive or supervisory boards

Vice President of the Board of Directors of Datacolor AG, Rotkreuz, Member of the Board of Directors of SHL Business Areas AG, Lucerne, Member of the Board of Directors of Serto Holding AG, Frauenfeld, Vice President of the Board of Directors of Villiger Söhne Holding AG, Rickenbach, Member of the Board of Directors of Villiger Söhne AG, Rickenbach, President of the Foundation Board of HIAG Pensionskasse

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5.2 Statutory rules on other activities and interests

The members of the Executive Board may not exercise more than two additional mandates in the executive or supervisory bodies of listed companies and no more than 10 additional mandates in the executive or supervisory bodies of non-listed legal entities, which must be entered in the commercial register or any comparable register in another country, and which do not control and are not controlled by the company. They may not hold a total of more than 10 additional mandates. Not subject to these restrictions are mandates held in group subsidiaries or those exercised by a member of the Board of Directors or the Executive Board on behalf of the company (joint ventures, pension schemes of this legal entity, companies in which this legal entity holds a significant equity share, etc.). Also not subject to restriction are mandates held in legal entities that are not obliged to be entered into a commercial register or comparable register in another country, and honorary offices at charitable organisations as recognised under tax law. The details of the rules concerning external mandates, in particular the definition of the term “mandate”, are stipulated in Art. 25 of the Articles of Incorporation. No members of the Executive Board have exceeded the established thresholds for mandates. The Executive Board is made aware of the way in which interests should be handled during an annual in-house training session on stock exchange law.

5.3 Management agreements

As at 31 December 2021, there were no management agreements with companies outside the HIAG Group.

6 Compensation, participations and loans

All information on the compensation of the Board of Directors and the Executive Board of HIAG Immobilien Holding AG is given in the Compensation Report of this Annual Report on page 82.

7 Shareholders' participation rights

7.1 Restrictions on voting rights and proxies

Each registered share entitles the holder to a vote at the General Meeting. However, voting rights can be exercised only by shareholders registered in the shareholder register (Art. 10 of the Articles of Incorporation). Information on the registration of registered shares can be found on page of this Annual Report in section “Transferability of registered shares and nominee registrations” (Art. 5 Articles of Incorporation).

Shareholders can represent their shareholdings in person at the General Meeting or be represented by a third party who identifies him or herself in a written proxy and does not need to be a shareholder, or by the independent proxy holder. The President of the General Meeting decides whether a proxy is admissible (Art. 11 Articles of Incorporation). Mr. Oscar Battegay and his deputy Mr. Andreas Dürr (Battegay Dürr AG, Basel) have been elected as independent proxy holders until the end of the Ordinary General Meeting 2022.

The proxy can be granted in writing or electronically via the shareholders' portal, which is operated by Computershare Schweiz AG. Shareholders who have given their proxy can issue instructions on any item to be discussed and any unannounced agenda items and proposals and state whether they are voting for or against a proposal or whether they are abstaining from voting. The independent proxy holder is required to exercise the voting rights assigned to him by the shareholders as per their instructions. If he does not receive any instructions, he abstains from voting (Art. 14 Articles of Incorporation).

Corporate Governance

7.2 Statutory quora

The General Meeting takes decisions and carries out its elections with the absolute majority of votes cast by shareholders. Deviating provisions of the Articles of Incorporation or mandatory legal regulations remain reserved. If the election is not conclusive with the first ballot, a second ballot will be cast in which the relative majority decides. The Articles of Incorporation of HIAG Immobilien Holding AG do not provide for any quora that go beyond the stipulations of legal provisions relating to shares (Art. 13 Articles of Incorporation).

7.3 Calling the General Meeting and shareholders' right to request the inclusion of items on the agenda

The General Meeting is called by the Board of Directors at least 20 calendar days before the date of the meeting by announcement in the Swiss Official Gazette of Commerce (SHAB) (Art. 34 Articles of Incorporation). The convocation can also be sent by letter to all shareholders registered in the share register. The invitation must contain the agenda items and the proposals of the Board of Directors and shareholders who requested the convocation or the placement of specific items on the agenda.

Shareholders holding shares with a nominal value of at least TCHF 80 may request that an item be placed on the agenda. This must be done in writing at least 45 days before the General Meeting, and the agenda items and the proposals must be specified (Art. 8 Articles of Incorporation).

Furthermore, one or more shareholders who represent at least 10% of the share capital can request in writing that an Extraordinary General Meeting be called, stating the subject to be discussed and the proposal (Art. 699 para. 3 Swiss Code of Obligations).

7.4 Registration in the share register

All shareholders who are entered in the share register as shareholders with voting rights by the date of the Ordinary General Meeting are entitled to participate in the General Meeting (see also section "Transferability restrictions and nominee registrations" on page 53 of this Annual Report). The shareholder register is closed for about 14 days before the date of the General Meeting until payment of the dividend approximately one week after the date of the General Meeting. During this period, no entries in the shareholder register are made. The exact dates and deadlines are announced in the invitation to the General Meeting.

8 Change of control and defensive measures

8.1 Obligation to make an offer

The Articles of Incorporation of HIAG Immobilien Holding AG contain neither an opting-up nor an opting-out clause. Anyone who purchases one third (33.33%) of the voting rights of HIAG Immobilien Holding AG is required to submit a public bid for all the remaining shares as per the Swiss Financial Market Infrastructure Act (Art. 135 para. 1 FinfraG).

8.2 Change of control clause

There are no change of control clauses.

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9 Statutory auditor

9.1 Duration of the auditing mandate and term in office of the lead auditor

The auditor is chosen annually at the General Meeting at the request of the Board of Directors. Re-election is permitted. Ernst & Young AG, Basel, has been mandated since business year 2001.

Fabian Meier, the lead engagement partner responsible for the auditing mandate, has been in office since business year 2018; the term of this office is limited by law to seven years.

9.2 Auditing fee

The fees paid to Ernst & Young AG as auditor for business year 2021 amount to TCHF 244.5 (previous year: TCHF 246.0).

9.3 Additional fees

Ernst & Young AG's fees for additional audit-related services in the reporting year were TCHF 33 (previous year: TCHF 13); fees for other services were TCHF 110 (previous year: TCHF 25). The other services include consulting services in the area of taxes and sustainability.

9.4 Supervisory and control mechanisms pertaining to the audit

The Audit Committee assesses the performance, fees and independence of the auditor on a yearly basis and reports to the Board of Directors. The Board of Directors submits a motion for the election of the auditor to the General Meeting and ensures compliance with the rotation of the lead auditor. The external auditor submits a comprehensive report to the Board of Directors that is prepared after the Financial Statements and the Auditor's Report.

The Audit Committee, together with the Executive Board, reviews the extent of the external audit, and the terms and conditions of any additional contracts, and discusses the audit results with the external auditor on an annual basis.

10 Blackout periods

General blackout periods

As a rule, the general blackout period begins 35 to 40 days before and ends one business day after publication of the corresponding ad hoc announcement (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules) in connection with the Annual Report or the Half-Year Report.

The general blackout period applies to the following individuals:

- Members of the HIAG Immobilien Holding AG Board of Directors;
- Members of the HIAG Group Executive Board;
- Members of all management levels;
- Employees in the finance and control departments;
- Employees in the company communication department;
- HIAG employees involved in projects that contain price-sensitive information (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules);
- External consultants involved in projects that contain price-sensitive information (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules).

The General Counsel keeps an email list of all individuals concerned.

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Special blackout periods

Additional blackout periods can be determined at any time, during which the trading of shares by persons who are subject to this type of blackout is forbidden, regardless of whether said person is in possession of price-sensitive information (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules).

Decisions on the beginning and end of special blackouts are taken by the Executive Board. Blackouts can be decided at any time if the circumstances require this type of decision. Persons subject to a special blackout are informed by the Executive Board of this decision immediately. The General Counsel manages a list of individuals to whom a special blackout applies.

Effects of blackouts

During a general blackout period, affected persons, and during a special blackout period, all persons subject to the respective special blackout period, may not trade HIAG shares for the account of an investment fund or similar investment vehicle in which they have a personal financial interest or of which they are a director or manager, on their own account or on the account of a person associated with them (e.g. spouse, people living in the same household, relatives, etc.). This applies regardless of whether they are in the possession of price-sensitive information (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules). Furthermore, affected persons and all other persons who are subject to a special blackout or who are in possession of price-sensitive information (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules) may not exercise any options to purchase HIAG shares during the blackout. Affected individuals and persons subject to a special blackout period must treat price-sensitive information as strictly confidential (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules) and may not pass it on to third parties. In particular, during the blackout periods, they may not have any discussions with financial circles, the media or analysts in order to avoid passing on price-sensitive information (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules), until this information is published by the company in accordance with the applicable laws and provisions, and particularly the SIX Swiss Exchange Listing Rules (ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules).

11 Information policy

HIAG pursues an open and active information policy with regard to shareholders, the public and the capital markets. Announcements and notifications to shareholders are made in the Swiss Official Gazette of Commerce (SHAB) as per Art. 34 of the Articles of Incorporation. Financial reporting is done via the Half-Year Report and Annual Report with a Status Report, a Corporate Governance Report and a Compensation Report, as well as the Consolidated Annual Financial Statements and the Annual Financial Statements of HIAG Immobilien Holding AG. These are drawn up in accordance with Swiss GAAP FER and comply with Swiss law and the listing rules of SIX Swiss Exchange. HIAG also publishes an annual Sustainability Report prepared according to the GRI Standards (for the first time in March 2022). The Half-Year Report and the Annual Report with the Annual Financial Statements and Sustainability Report can be downloaded on HIAG's website under the "Investors" menu tab. Over the course of the year, HIAG meets regularly with investors, presents its financial results at analyst meetings and roadshows, participates in specific conferences for financial analysts and investors, and informs its shareholders and other interested parties about the course of business with media releases (including ad hoc publicity pursuant to Art. 53 SIX Swiss Exchange Listing Rules).

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Media releases and ad hoc announcements from HIAG are available on the website under “Investors”. Subscription to HIAG’s ad hoc announcements can be made at the following link:

<https://www.hiag.com/en/investors/subscription-service/>

The CEO, Marco Feusi, and the CFO, Rico Müller, are in charge of communication with shareholders, the capital markets and the public. Contact can be made via the following link: investor.relations@hiag.com.

Company calendar

28 April 2022	Annual General Meeting Fiscal 2021
26 August 2022	Publication Half-Year Financial Statement 2022
27 September 2022	HIAG Capital Day
14 March 2023	Publication Annual Report 2022
27 April 2023	Annual General Meeting Fiscal 2022

The detailed company schedule is published on HIAG’s website under “Investors” and is updated regularly.

<https://www.hiag.com/en/investors/company-calendar/>

Marco Feusi, CEO
Rico Müller, CFO

HIAG Immobilien Holding AG,
Aeschenplatz 7, 4052 Basel
investor.relations@hiag.com

Further information and all publications (in particular the Annual Report 2021) are available for download on the HIAG website:

<https://www.hiag.com>

The publications can also be sent by mail; simply send a request to the above Investor Relations address.