

# 3 Corporate Governance

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## Corporate Governance

As required by the SIX Swiss Exchange Ltd's Directive on Information relating to Corporate Governance of 20 March 2018, in force since 1 May 2018 (Directive Corporate Governance, DCG), this chapter describes the main structural and organisational principles of the Implenia Group, to the extent that they directly or indirectly concern the interests of the shareholders and other stakeholders. Unless specified otherwise, the information is provided as of the balance sheet date (31 December 2019).

The structure and numbering of the chapter correspond to those of the Annex to the Corporate Governance Guideline. The information about compensation, shareholdings and loans is summarised in the Compensation Report (see pages 90 et seq.). The principles and rules of Implenia's Corporate Governance are expressed in its organisational regulations. The Code of Conduct establishes the guidelines for the applicable business practices and proper conduct, which are binding on all Implenia Group employees.

The Articles of Association dated 27 March 2018 applicable as of the balance sheet date of the reporting year (hereinafter "Articles of Association"), and the Organisational and Management Regulations of 11 July 2019 applicable as of the balance sheet date of the

reporting year (hereinafter "Implenia OR"), as well as the Code of Conduct, are available on Implenia's website under the following links:

📄 <https://www.implenia.com/goto/corporategovernance/2019/en/Articles-of-Association-20180327.pdf>

📄 <http://www.implenia.com/goto/corporategovernance/2019/en/OR-Implenia-20190711.pdf>

📄 <http://www.implenia.com/goto/corporategovernance/2019/en/Code-of-Conduct-20181112.pdf>

## Corporate Governance

### 1 — GROUP STRUCTURE AND SHAREHOLDERS

#### 1.1 — Group structure

##### 1.1.1 — Operational group structure (since 1 March 2019)

On 1 March 2019, Implenia reorganized itself around four Divisions (Development, Buildings, Civil Engineering and Specialties), several global functions and one “Project Excellence & Services” competence center (see graph on the right). The global functions (Finance/Procurement, HR, Legal, Marketing / Communications, and IT) assist the divisions and ensure group-wide management in their areas. The competence center assists the Divisions with project implementation. To ensure proximity to the customers and solid local footholds, Implenia has established regional and national organisations representing Implenia’s interests across multiple sectors.

The Implenia Executive Committee (IEC), which has replaced the Group Executive Board, was likewise created on 1 March 2019 and consists of nine members. In addition to the CEO, these are the four Division Heads, the Head Country Management and three Function Heads (CFO, Chief Human Resources Officer, General Counsel).

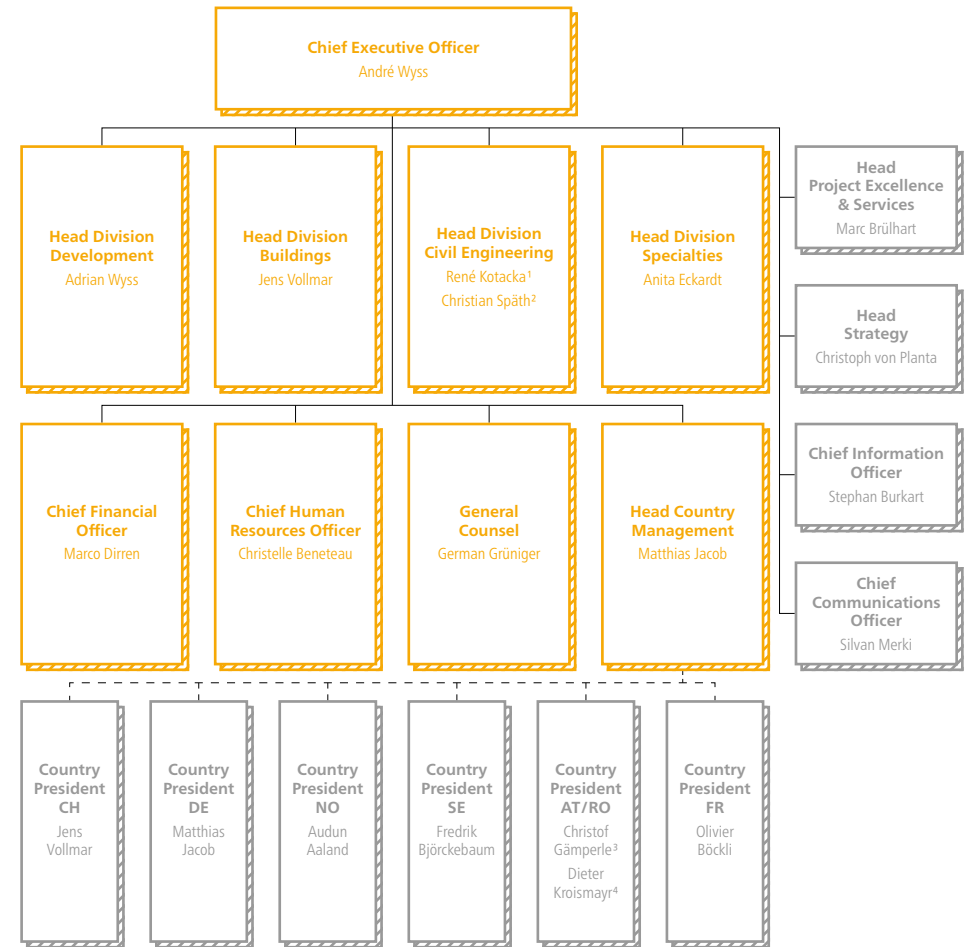
##### 1.1.2 — Consolidated listed entities

The Implenia Group has only one listed entity, Implenia Ltd, with its registered office in Dietlikon, in the Canton of Zurich. Implenia Ltd, which has been listed on SIX Swiss Exchange Ltd since 6 March 2006 (security number: 2 386 855, ISIN: CH0023868554, security symbol: IMPN), has no shareholdings in listed entities within its scope of consolidation. As of 31 December 2019, the market capitalisation of Implenia Ltd amounted to CHF 725 million.

##### 1.1.3 — Consolidated unlisted entities

Pages 165 et seqq. of the Notes to Implenia’s consolidated financial statements show a list of the main unlisted entities within the scope of consolidation, along with their company names, registered office, share capital and the Group’s equity interest in each.

#### Implenia Group



1 Until 31 December 2019

2 As of 1 January 2020

Implenia Executive Committee Member

3 Until 31 October 2019

4 As of 1 November 2019

## Corporate Governance

### 1.2 — Significant shareholders

Shareholders of an entity listed in Switzerland who, based on their interest in the share capital, reach, exceed or fall below certain threshold values of voting rights, have reporting and disclosure obligations according to the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA). According to the disclosure reports of SIX Swiss Exchange Ltd and the Share Register, the shareholders listed below held a share of more than 3% of the share capital and voting rights of Implenla Ltd on 31 December 2019.

#### Significant shareholders

Shareholder	Shareholdings
Parmino Holding AG / Max Rössler	16.51%
Rudolf Maag	5.40%
Credit Suisse Funds AG	5.05%
Norbert Ketterer	5.03%
Dimensional Holdings Inc.	3.01%

All reports concerning the disclosure of shareholdings under Art. 120 FMIA, which were published in the reporting year and since 1 January 2020, are available at the following link of the Disclosure Office of SIX Swiss Exchange Ltd:

<https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>

### 1.3 — Cross-shareholdings

There are no cross-shareholdings.

## 2 — CAPITAL STRUCTURE

### 2.1 — Capital

The share capital of Implenla Ltd as of 31 December 2019 amounted to CHF 18,841,440, divided into 18,472,000 registered shares with a par value of CHF 1.02 each. The shares are fully paid up. In addition, as of the balance sheet date, Implenla Ltd had conditional capital of CHF 3,768,288. Based on the conditional capital, the share capital can be increased by a total of CHF 3,768,288 according to the conditions established in Art. 3b of the Articles of Association.

### 2.2 — Conditional and authorised capital in particular

#### Conditional capital (Art. 3b of the Articles of Association)

The conditional capital can amount to a maximum of CHF 3,768,288, accounting for 20% of the existing share capital. The increase out of the conditional capital would be made by issuing no more than 3,694,400 registered shares to be fully paid up with a par value of CHF 1.02 each, by exercising conversion and / or option rights that will be granted in connection with bonds or other financial market instruments of Implenla Ltd or any of its Group companies. During any issue of bonds or other financial market instruments connected with conversion and / or option rights, the shareholders' sub-

scription rights shall be suspended. The existing holders of the respective conversion and / or option rights shall be entitled to subscribe for new shares. The terms and conditions of conversion and / or options shall be determined by the Board of Directors (Art. 3b (1) of the Articles of Association).

In the reporting year, no increase was performed out of the conditional capital, i.e., no conversion and / or option rights were exercised in connection with the convertible bond issued on 30 June 2015 (on that subject, see section 2.7 below). For further information about conversion and / or option rights and the applicable terms and conditions, see Art. 3b of the Articles of Association.

<https://www.implenla.com/goto/corporategovernance/2019/en/Articles-of-Association-20180327.pdf>

#### Authorised capital (Art. 3a of the Articles of Association)

The Company has no authorised capital.

## Corporate Governance

### 2.3 — Changes in share capital during the last three reporting years

The share capital remained unchanged from 2017 to 2019. The equity capital of Implenla Ltd developed as follows in that period:

#### Changes in capital over the last three years

in CHF t	31.12.2019	31.12.2018	31.12.2017
Share capital	18,841	18,841	18,841
Statutory capital reserves			
– Reserves from capital contributions	132	132	132
Statutory retained earnings	16,185	16,185	16,185
Retained earnings			
– Profit carried forward	364,969	310,147	284,556
– Profit for the year	93,274	64,025	62,210
Treasury shares	(540)	(4,468)	(14,090)
<b>Total equity</b>	<b>492,861</b>	<b>404,862</b>	<b>367,834</b>

For further information about changes in share capital in the reporting years 2017 and 2018, see the respective annual reports.

<https://annualreport.impenla.com/en/gb2018/home.html>

<https://annualreport.impenla.com/en/gb2017/home.html>

### 2.4 — Shares and participation certificates

The share capital as of 31 December 2019 is divided into 18,472,000 fully paid-up registered shares with a par value of CHF 1.02 each. Subject to the provisions of Article 7 of the Articles

of Association, each share gives the right to one vote. There are no voting right shares or other shares with preferential rights. All registered shares are entitled to dividends, except for the treasury shares held by Implenla Ltd.

<https://www.impenla.com/goto/corporategovernance/2019/en/Articles-of-Association-20180327.pdf>

Implenla Ltd has not issued any participation certificates.

### 2.5 — Dividend-right certificates

Implenla Ltd has not issued any dividend-right certificates

### 2.6 — Restrictions on transferability and nominee registrations

#### 2.6.1 — Restrictions on transferability

There is no percentage clause under the Articles of Association that would enable any limitations on transferability of shares of Implenla Ltd within the meaning of Art. 685d (1) of the Swiss Code of Obligations. According to Art. 7 (4) (a) and (b) of the Articles of Association, the Board of Directors can refuse to register a holder of registered shares as a shareholder with voting rights if (i) he fails to prove, at the request of Implenla Ltd, that he acquired and held the shares in his own name and for his own account (Art. 7 (4) (a) of the Articles of Association), or (ii) his recognition as a shareholder prevents or could prevent Implenla Ltd and / or its subsidiaries from supplying legally required proof of the composition of the set of shareholders and / or of the beneficial owners of the shares (Art. 7 (4) (b) of the Articles of Association). Since the Implenla Group is active in the project development and real estate business, Implenla Ltd must refuse to register persons abroad as defined by the Swiss Federal Act on the Acquisition of Real Estate by Persons Abroad (Koller Act) if doing so might jeopardise

being able to prove that the Company and / or its subsidiaries are under Swiss control.

The implementing provisions for Art. 7 (4) (b) of the Articles of Association are found in the Regulations on Registration of Registered Shares and Keeping of the Share Register of Implenla Ltd of 4 February 2013 (hereinafter "Registration Regulations").

<http://www.impenla.com/goto/corporategovernance/2019/en/Registration-Regulations-20130204.pdf>

<http://www.impenla.com/goto/corporategovernance/2019/en/Articles-of-Association-20180327.pdf>

## Corporate Governance

According to section 5 of the Registration Regulations, the Board of Directors shall register a foreign shareholder as a shareholder with voting rights in the Share Register if:

- i. the foreign shareholder meets the requirements applicable to all shareholders (sections 2 to 4 of the Registration Regulations);
- ii. the total number of the registered voting shares of foreign shareholders (including the shares of the foreign shareholder in question), does not exceed 20% of the total number of registered voting shares of all shareholders; and
- iii. the number of registered voting shares held by the foreign shareholder in question does not exceed 10% of the total number of registered voting shares of all shareholders.

Where these thresholds are exceeded, foreign shareholders shall be registered only where a ruling is issued by the authority responsible for such authorisations at the location of Implenia Ltd's registered office to the effect that Implenia Ltd and its subsidiaries will not be considered under foreign control even after registering the additional foreign shareholder. A foreign shareholder is considered to be any shareholder who is a person abroad within the meaning of Art. 5d in conjunction with Art. 6 of the Koller Act. Foreign shareholders within the meaning of that provision also include nominees (trustees) who have not disclosed the shareholders they represent.

### 2.6.2 — Granting of exceptions

No exceptions were granted in the reporting year.

### 2.6.3 — Admissibility of nominee registrations

According to section 4 of the Registration Regulations, any persons who do not expressly declare in their registration application that they hold the shares for their own account are considered to be nominees (trustees). According to Art. 7 (4) (a) of the Articles of Association, a nominee is entered in the Share Register as a shareholder with voting rights if the nominee declares in writing that he is willing to disclose the names, addresses and shareholdings of the persons for whom he holds the shares and/or will promptly disclose that information in writing on first demand. The exact wording of that rule can be found in the Articles of Association.

<https://www.implenia.com/goto/corporategovernance/2019/en/Articles-of-Association-20180327.pdf>

According to section 4 of the Registration Regulations, the Board of Directors shall register a nominee as a shareholder with voting rights, recognising a share of up to 1% of the registered share capital entered in the Commercial Register, if the nominee declares in writing that he is willing to disclose the names, addresses and shareholdings of the persons for whom he holds the shares and/or will promptly disclose

that information in writing on first demand. Nominees are required to have entered into an agreement with the Board of Directors regarding their status. Above the 1% limit, the Board of Directors shall enter the registered voting shares of a nominee on condition that the nominee discloses the names, addresses, place of residence or registered office and the shareholdings of those persons for whose account he holds 0.25% or more of the registered share capital entered in the Commercial Register.

For further information, see the Registration Regulations.

<http://www.implenia.com/goto/corporategovernance/2019/en/Registration-Regulations-20130204.pdf>

In order to be registered as a nominee, the nominee must submit a application in due form in accordance with the annex "Application for Registration as Nominee". That form can found on Implenia's website.

<http://www.implenia.com/goto/corporategovernance/2019/en/Application-for-Registration-Nominees.pdf>

### 2.6.4 — Procedures and requirements for suspension of preferential rights and restrictions on transferability under the Articles of Association

There are no preferential rights under the Articles of Association. A suspension of restrictions on transferability requires a General Meeting resolution passed by at least two thirds of the voting shares represented and the absolute majority of the par value of the shares represented (Art. 16 (1) (c) of the Articles of Association).

## 2.7 — Convertible bonds and options

On 30 June 2015, Implenia Ltd issued a subordinated convertible bond in the amount of CHF 175,000,000 (security symbol: IMP15, ISIN: CH0285509359). The convertible bond will be due for repayment on 30 June 2022 unless it is redeemed, converted, repurchased or cancelled earlier. The convertible bond has an annual coupon of 0.5%. The conversion price amounts to CHF 75.06. The convertible bond will be convertible into approximately 2.33 million shares of Implenia Ltd, corresponding to around 12.6% of the currently outstanding shares. The shares to be delivered at the time of conversion will be made available through a supply of new shares from the conditional capital. There are no further outstanding convertible bonds or options.

## Corporate Governance

### 3 — BOARD OF DIRECTORS

#### 3.1 — Members of the Board of Directors

The Board of Directors, which should have at least five members according to the Articles of Association, currently has seven members. In the reporting year, Barbara Lambert was newly elected to the Board of Directors. No member of the Board of Directors performs any operational management duties for Implenla Ltd or for any of its Group

companies. Nor has any member of the Board of Directors belonged to the Group Executive Board or Implenla Executive Committee of Implenla Ltd or any of the Group companies thereof during the last three financial years preceding the reporting period. No member of the Board of Directors maintains significant business relations with the Implenla Group. For this reason, the members of the Boards of Directors are independent. As of 31 December 2019, the Board of Directors was composed of the following members:

Name	Nationality	Position	In office since <sup>1</sup>
Hans Ulrich Meister	Switzerland	Chairman	2016
Kyrre Olaf Johansen	Norway	Vice Chairman	2016
Henner Mahlstedt	Germany	Member	2015
Ines Pöschel	Switzerland	Member	2016
Laurent Vulliet	Switzerland	Member	2016
Martin Fischer	Switzerland and USA	Member	2018
Barbara Lambert	Switzerland and Germany	Member	2019

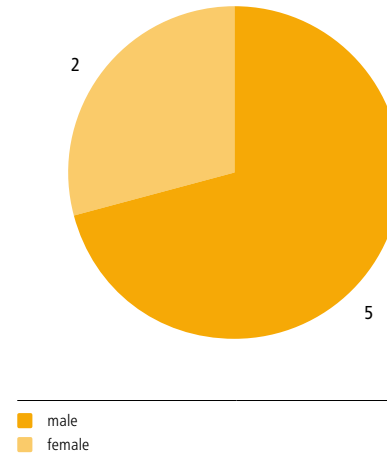
<sup>1</sup> Annual General Meeting in the designated year

The current composition of the Board of Directors covers a number of areas of competence. The members have many years of professional experience in a variety of industries. The graphs on the right illustrate the diversity of the Board of Directors.

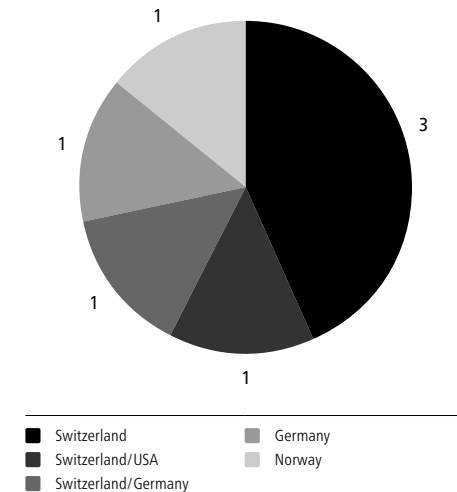
#### 3.2 — Education, activities and vested interests

The following summary provides essential information about the education and career path of each member of the Board of Directors. It also discloses the mandates held by each member of the Board of Directors outside the Group as well as any further significant activities and permanent positions in significant interest groups.

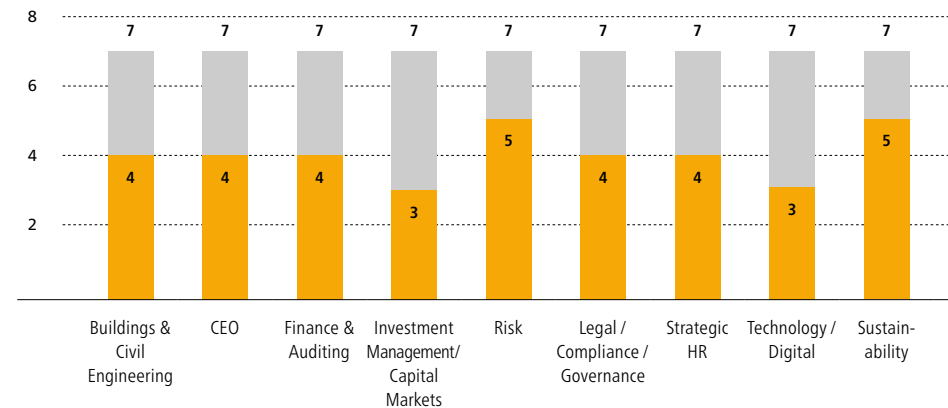
**Composition of the Board of Directors by gender (number)**



**Composition of the Board of Directors by nationality (number)**



**Composition of the Board of Directors By background, experience, know-how (number of members)**



## Board of Directors

### HANS ULRICH MEISTER

Member and Chairman of the Board of Directors<sup>1</sup>

Born 1959  
Swiss citizen

Non-executive / independant



#### Education

Advanced Management Program, Harvard Business School  
Advanced Management Program, Wharton School  
Business degree, Zurich University of Applied Sciences

#### Professional Experience

- 2008 – 2016** Member of Executive Board of Credit Suisse Group AG and Credit Suisse AG
- 2012 – 2016** Head of the Private Banking & Wealth Management Division, responsible for the Private Banking business in EMEA and Asia Pacific
- 2011 – 2012** CEO of the Private Banking Division
- 2008 – 2016** CEO of Credit Suisse Switzerland Region
- 2005 – 2007** Head of Private and Corporate Customers Switzerland at UBS
- 2004 – 2007** Member of the Managing Board of UBS Group
- 2003 – 2004** Head of Large Corporates & Multinationals at UBS
- 2002** Wealth Management of UBS, New York

#### Additional memberships on boards of directors

Alpiq Holding AG (member of the Board of Directors and Chairman of the Audit and Risk Committee)

<sup>1</sup> Since March 2016

### KYRRE OLAF JOHANSEN

Member and Vice-Chairman of the Board of Directors and Member of the Audit Committee<sup>2</sup>

Born 1962  
Norwegian citizen

Non-executive / independant



#### Education

Degree as Business Candidate, BI Norwegian Business School  
MSc Civil Engineer, NTNU Trondheim

#### Professional Experience

- SINCE 2013** CEO of Norsk Mineral AS
- 2008 – 2012** CEO of Entra Eiendom ASA
- 2003 – 2008** CEO of Mesta AS
- 2000 – 2003** CEO of the Road Construction Division of NCC Industri
- 1999 – 2003** Region Head of NCC in Norway
- 1991 – 1998** various leadership positions for construction work at ABB Power Generation AG
- 1986 – 1991** Engineering consultant

<sup>2</sup> Since March 2016

### HENNER MAHLSTEDT

Member of the Board of Directors and Chairman of the Audit Committee<sup>3</sup>

Born 1953  
German citizen

Non-executive / independent



#### Education

Civil engineering, Braunschweig Technical University

#### Professional Experience

- SINCE 2012** Managing shareholder of Mahlstedt Consultants GbR
- 2007 – 2012** Member of the Global Executive Committee of Hochtief AG
- 2010 – 2012** Chairman of the Executive Board of Hochtief Solutions AG
- 2007 – 2010** Chairman of the Executive Board of Hochtief Construction AG
- 2005 – 2007** Member of the Executive Board of Hochtief Construction AG
- 2003 – 2005** Division Head for the new German federal states at Hochtief Construction AG
- 2001 – 2003** Chairman of the Management of Pegel & Sohn GmbH
- 1997 – 2001** Member of the Executive Board of Strabag Hoch- und Ingenieurbau AG
- 1980 – 1997** various positions within Strabag Hoch- und Ingenieurbau AG

#### Additional functions and offices

Lecturer, Westphalian College at Gelsenkirchen  
Member of the Advisory Board of Huesker Synthetic GmbH  
Member of the Board of Trustees of Diakonie Kaiserswerth

<sup>3</sup> Since March 2015



## Board of Directors

### INES PÖSCHEL

Member of the Board of Directors and Chairman of the Nomination and Compensation Committee<sup>1</sup>

Born 1968  
Swiss citizen

Non-executive / independent



#### Education

Attorney-at-law  
Lic. iur., University of Zurich  
Stanford Executive Program (2018)

#### Professional Experience

**SINCE 2007** Partner at the Kellerhals Carrard law firm  
**2002 – 2007** Attorney-at-law at Bär & Karrer  
**1999 – 2002** Senior Manager at Andersen Legal

#### Additional memberships on boards of directors

Alcon AG (member) – listed  
Graubündner Kantonalbank (member) – listed  
Reichle Holding AG (member)  
Wirz Partner Holding AG (member)  
Bioengineering Holding AG (member)

#### Additional functions and offices

Vice-Chairmen of the Lotti Latrous Foundation  
Member of the Swiss Expert Commission for the Commercial Register  
Co-Chairmen of the Association Smiling Gecko

<sup>1</sup> Since March 2016

### LAURENT VULLIET

Member of the Board of Directors and Chairman of the Nomination and Compensation Committee<sup>2</sup>

Born 1958  
Swiss citizen

Non-executive / independent



#### Education

Advanced Management Program INSEAD, Fontainebleau  
Dr. sc. Tech. EPF Lausanne  
Diploma in Civil Engineering, ETH Zurich

#### Professional Experience

**SINCE 1994** Professor for Soil Mechanics and Risk Management at EPFL  
**SINCE 2018** Owner, Prof. Vulliet Consulting  
**2009 – 2013** Vice-President of the Swiss Society of Engineers and Architects (SIA)  
**2006 – 2013** Member, CEO and partner at BG Ingenieure und Berater AG  
**2001 – 2007** Dean of the ENAC Faculty at EPFL  
**1989 – 1993** Senior Engineer at Cérenville Géotechnique SA  
**1986 – 1989** Lecturer for Solid Mechanics at the University of Arizona

#### Additional functions and offices

Chairman of “Société du quartier nord de l’EPFL”  
Member of the Federal Geological Expert Commission

<sup>2</sup> Since March 2016

### MARTIN FISCHER

Member of the Board of Directors and Chairman of the Nomination and Compensation Committee<sup>3</sup>

Born 1960  
Swiss and American citizen

Non-executive / independent



#### Education

Ph.D. in Civil Engineering, Stanford University  
M.S. in Industrial Engineering, Stanford University  
Diploma in Civil Engineering, EPF Lausanne

#### Professional Experience

**SINCE 2006** Professor for Civil and Environmental Engineering at Stanford University  
**1999 – 2001** Associate Professor for Civil and Environmental Engineering at Stanford University  
**1992 – 1999** Assistant Professor for Civil and Environmental Engineering at Stanford University  
**1991 – 1992** Acting Assistant Professor for Civil and Environmental Engineering at Stanford University  
**1984 – 1991** Various positions in industry and academy in Switzerland, Germany, the USA, and Japan

#### Additional memberships on boards of directors

RIB Software SE (member) – listed  
sfirion AG (Chairman of the Supervisory Board)

<sup>3</sup> Since March 2018

## Board of Directors

### BARBARA LAMBERT

**Member of the Board of Directors and Member of the Audit Committee<sup>1</sup>**

Born 1962  
Swiss and German citizen

Non-executive / independent



#### Education

Degree in Economics, University of Geneva  
Certified Public Accountant  
Banker

#### Professional Experience

- 2008 – 2018** Member of the Management Committee and Group Chief Risk Officer at Banque Pictet & Cie S.A.
- 2002 – 2007** Partner at Ernst & Young, Head of Banking and Insurance Auditing
- 1987 – 2002** Partner at Arthur Andersen, Switzerland

#### Additional memberships on boards of directors

Banque Pictet & Cie S.A. (Member)  
Deutsche Börse AG (Member of the Supervisory Board, Chairman of the Audit Committee and Member of the Risk Committee) – listed

#### Additional functions and offices

Member of the Advisory Board of the Geneva School of Economics and Management

<sup>1</sup> Since March 2019

## Corporate Governance

### 3.3 — Rules of the Articles of Association regarding the number of permissible activities according to Art. 121)(1) of the Swiss Ordinance against Excessive Compensation at Stock Exchange Listed Companies (“OaEC”)

According to Art. 22e of the Articles of Association, each Board Member may hold no more than 14 mandates as a director or officer of legal entities outside the Implenia Group (no more than four of which may be held in exchange-listed companies), which are to be registered in the Swiss Commercial Register or a similar foreign register. Mandates held in different legal entities of one and the same corporate group or held on behalf of a corporate group or a legal entity shall count as a single mandate in each case. According to the above-cited provision of the Articles of Association, it is permissible to exceed the foregoing limits for short periods.

The Articles of Association with the exact wording of the above-cited provision can be viewed on Implenia’s website.

<https://www.implenia.com/goto/corporategovernance/2019/en/Articles-of-Association-20180327.pdf>

### 3.4 — Election and term of office

The members of the Board of Directors shall have a one year term of office, commencing with the election and ending after the close of the next Annual General Meeting, without prejudice to prior resignation or prior removal

from office (Art. 18 (3) of the Articles of Association). The members of the Board of Directors may be re-elected at any time (Art. 18 (4) of the Articles of Association) subject to an upper age limit of 70 years of age. The retirement occurs at the end of the Annual General Meeting following the 70th birthday (Art. 18 (5) of the Articles of Association). In compliance with the Swiss Ordinance against Excessive Compensation at Stock Exchange Listed Companies (“OaEC”), the members and Chairman of the Board of Directors and the members of the Nomination and Compensation Committee shall be elected individually by the General Meeting (Art. 9 (b) and Art. 18 (2) of the Articles of Association). Likewise in compliance with the OaEC, the independent proxy is elected by the General Meeting (Art. 9 (b) of the Articles of Association). Moreover, the Board of Directors generally chooses its own members and, in particular, appoints its Vice-Chairman and secretary of the Board of Directors.

In case of vacancy of the office of the Chairman of the Board of Directors or in case the Nomination and Compensation Committee is not completely filled or the Company lacks an independent proxy, the Articles of Association have no rules to eliminate such organisational problems that deviate from OaEC Art. 4 (4), Art. 7 (4) and Art. 8 (6).

## Corporate Governance

### 3.5 — Internal Organisation

#### 3.5.1 — Division of responsibilities on the Board of Directors

The Board of Directors is responsible for the strategic and financial management of Implenia and the supervision of its management. It adopts resolutions as the highest corporate body, except in matters for which the General Meeting is competent by law. The Chairman of the Board of Directors shall call the Board of Directors' meetings. If the Chairman is unable to call the meeting, the meeting shall be called by the Vice-Chairman or, if need be, by a member of the Board of Directors designated to that purpose by the Board of Directors. The CEO and CFO shall attend the Board of Directors meetings on a regular basis. The Chairman shall determine the agenda and prepare and direct the meetings. The Chairman shall also decide on a case-by-case basis whether to involve others in the deliberations of the Board of Directors. Board of Directors' meetings may be called by any board member by specifying the agenda item and giving a short justification for the call.

The duties, responsibilities and working procedures of the Board of Directors as well as its conduct in case of conflicts of interest are regulated by the Implenia OR and Table of Responsibilities of 11 July 2019 (hereinafter "Table of Responsibilities").

The Implenia OR (without the Table of Responsibilities) can be found on Implenia's website.

<http://www.implenia.com/goto/corporategovernance/2019/en/OR-Implenia-20190711.pdf>

#### 3.5.2 — Committees of the Board of Directors

The Board of Directors has formed two committees, the Audit Committee ("AC") and the Nomination and Compensation Committee ("NCC"), and elects a chairperson for each. The AC and NCC analyse the areas assigned to them by the Board of Directors and submit reports to the Board of Directors to assist with the preparation of its resolutions or the performance of its supervisory duties. The Chairman of the individual committees inform the Board of Directors of all the essential points and make recommendations on decisions to be made by the plenary Board of Directors. The committees' duties and responsibilities are defined in the Implenia OR, the Table of Responsibilities annexed hereto and the regulations issued by the Board of Directors.

The committees generally organise themselves. The Board of Directors shall enact appropriate regulations at request of the committees. The committees shall generally have an advisory function, with decision-making authority reserved for the plenary Board of Directors. The committees shall have decision-making authority only where so determined in the Table of Responsibilities or in a committee's regulation or by a special Board of Directors resolution.

The committees are authorised to conduct or have investigations conducted on all matters within their area of responsibility. They may call upon the services of independent experts. The

Board of Directors may appoint ad-hoc-committees for certain tasks and assign preparatory, supervisory and / or decision-making authority to such committees (sections 5.1.1 and 5.1.6 of

the Implenia OR). One ad-hoc-committee was formed in the reporting year.

The table below shows the committees existing in the reporting year and their members:

	Audit Committee (from 26 March 2019)	Nomination and Compensation Committee (from 26 March 2019)
Hans Ulrich Meister, Chairman	(standing guest)	(standing guest)
Kyrre Olaf Johansen	•	
Henner Mahlstedt	• (Chairman)	
Ines Pöschel		• (Chairman)
Laurent Vulliet		•
Martin Fischer		•
Barbara Lambert	•	

#### 3.5.2.1 — Audit committee

The AC shall consist of at least two members of the Board of Directors designated by the Board of Directors. The AC shall perform all of the Board of Directors' duties relating to accounting oversight and organisation, financial controlling (including the internal control system), financial planning and risk management. Risk management shall include reporting on (current or impending) legal actions. In addition, the AC shall monitor and report on the Compliance Management System to the Board of Directors. The AC shall coordinate and define the internal and external auditing tasks and be responsible for regular communications with the internal and external auditors

and formulate the internal and external audit engagements. It shall have the authority to order special audits (section 3.2 of the Implenia OR). For more information about the AC's tasks, also see the Implenia OR.

<http://www.implenia.com/goto/corporategovernance/2019/en/OR-Implenia-20190711.pdf>

## Corporate Governance

### 3.5.2.2 — Nomination and Compensation Committee

The NCC shall be composed of two to four members of the Board of Directors who are elected individually by the General Meeting. The general principles of the duties and responsibilities of the NCC concerning compensation have been established by the General Meeting in Art. 21a of the Articles of Association and described in greater detail in the Compensation Report (page 90).

For more information about the NCC's tasks, also see the Implenia OR:

<http://www.implenia.com/goto/corporategovernance/2019/en/OR-Implenia-20190711.pdf>

### 3.5.3 — Working procedure of the Board of Directors and its committees

The Board of Directors and its committees shall meet as often as required by business, at least six times (Board of Directors), three times (AC) and twice (NCC) per year. The meetings, each of them supplemented by an agenda and meeting documents, shall be held at the invitation of the chairperson of the relevant committee. Moreover, each member can call a meeting and request the inclusion of additional agenda items. The meetings of the Board of Directors and of the committees shall be presided over by their respect chairpersons. The presence of the majority of the members shall constitute a quorum. Members who participate in the meet-

ing via telephone or videoconference shall be deemed present, too.

The Board of Directors and its committees shall adopt resolutions and win elections by a majority of the votes of the members present. Abstentions are not permitted. In case of a tie vote, the Chairman shall have the casting vote. The results of the negotiations and resolutions shall be recorded in the minutes. The Chairman of the Board of Directors shall decide whether or not the CEO participates (section 3.3.6 of the Implenia OR). In case of need, further IEC members or other persons may be invited to the meetings. Moreover, the Division and Function Heads shall report once a year on their division or function; in addition, the Division Heads shall give semi-annual and annual reports at the meetings of the Board of Directors.

The Chairman of the Board of Directors shall participate in the meetings of the AC and of the NCC as a permanent guest. Further participants in the AC generally include the CEO, CFO and General Counsel and, if necessary, a representative of Internal Audit and one or more representatives of the external auditor and other persons designated by the chairperson. The CEO and Chief Human Resources Officer generally participate in the NCC meetings. Guests of the meetings of the Board of Directors and of the committees generally have no right to vote. In addition, the IEC members cannot attend meetings of the NCC or of the Board of Directors whenever their own performance or compensation is being discussed.

The tables below give an overview of the meetings and conference calls of the Board of Directors, AC and NCC in 2019:

#### Overview meetings of the Board of Directors

	Meetings <sup>1</sup>	Conference calls <sup>2</sup>
Total	8	9
Average duration (in hours)	6:45	0:40
<b>Participation</b>		
Hans Ulrich Meister, Chairman	8	9
Kyrre Olaf Johansen, Vice Chairman	5 <sup>3</sup>	6 <sup>3</sup>
Henner Mahlstedt, Member	8	7
Ines Pöschel, Member	8	9
Laurent Vulliet, Member	8	9
Martin Fischer, Member	8	9
Barbara Lambert, Member as of 26 March 2019 <sup>4</sup>	8	9

<sup>1</sup> The Implenia Executive Committee was usually present in the person of the CEO.

<sup>2</sup> In addition, various supplementary and preparatory meetings and telephone conferences, also involving third parties, and interviews with candidates took place.

<sup>3</sup> Due to illness, Kyrre Olaf Johansen was unable to attend certain meetings and telephone conferences.

<sup>4</sup> Before her election, Barbara Lambert attended the Board meetings in January and February 2019 as a guest.

## Corporate Governance

### Overview meetings of the Audit Committee

	Meetings <sup>1</sup>	Conference calls
Total	3	–
Average duration (in hours)	4:15	–
<b>Participation</b>		
Henner Mahlstedt, Chairman	3	–
Kyrre Olaf Johansen, Member	3	–
Barbara Lambert, Member <sup>2,3</sup>	3	–

<sup>1</sup> The Chairman of the Board of Directors, the CEO, the CFO, the General Counsel and the auditors attended all meetings.

<sup>2</sup> Appointed to the Audit Committee on 26 March 2019.

<sup>3</sup> Before her election, Barbara Lambert attended the first AC meeting in February 2019 as a guest.

### Overview meetings of the Nomination and Compensation Committee

	Meetings <sup>1</sup>	Conference calls <sup>2</sup>
Total	3	1
Average duration (in hours)	3:20	0:30
<b>Participation</b>		
Ines Pöschel, Chairman	3	1
Laurent Vulliet, Member	3	1
Martin Fischer, Member	3	1

<sup>1</sup> The Chairman of the Board of Directors, and the CEO attended all, the Chief Human Resources Officer and the Head Compensation & Benefits attended two meetings, since they only joined Implenia in the course of 2019.

<sup>2</sup> In addition, various supplementary and preparatory meetings as well as telephone conferences were held. These meetings included interviews with candidates or involved third parties as deemed necessary.

### 3.6 — Definition of areas of responsibilities

The overall management and supervision of the Group is assigned by law to the Board of Directors. In addition to the responsibilities reserved to the Board under Art. 716a of the Swiss Code of Obligations, the Board of Directors rules on the following major transactions in accordance with the Table of Responsibilities:

- the acquisition or sale of holdings with an Enterprise Value of CHF 25 million or more;
- the purchase and sale of land / buildings / areas (commercial properties) worth more than CHF 30 million;
- the determination of target markets and the resolution to enter a market;
- the determination of the principles of the financial policy (debt-to-equity ratio and financial indicators);
- determination of the financing plan;
- procurement of outside capital of CHF 50 million or more (credit lines, bonds, private investments and other capital market transactions, finance leasing, hire-purchase activities, etc.);
- Fundamental issues and guidelines relating to the investment of financial resources;
- the granting of any kind of loan of CHF 5 million or more to third parties;

- the granting of group guarantees and sureties, other guarantees, bid, performance and payment bonds etc., other security interests and entering into contingent liabilities outside of the ordinary course of business of CHF 5 million or more; and
- the use of financial derivatives when not used strictly for hedging purposes.

Moreover, the Board of Directors is in charge of determining the sustainability strategy.

The Board of Directors delegates the management of the Implenia Group to the CEO, unless provided otherwise by law, by the Articles of Association or the Implenia OR, and insofar as such powers have not been delegated to the IEC or to individual members of the IEC.

The CEO shall take care of the management and representation of the Implenia Group, unless delegated to other governing bodies by law, by the Articles of Association or by the Implenia OR. The CEO is responsible for the conduct of business and representation of the Group, in particular, for leadership of its operations and the implementation of corporate strategy. Insofar as such powers have not been reserved to the Board of Directors, the CEO is authorised to organise, perform and/or delegate to qualified subordinates the duties and powers assigned to him according to the Implenia OR, subject to providing such subordinates with proper instructions and supervision.

## Corporate Governance

The CEO shall be assisted with the conduct of business by members of the IEC and other Function Heads, who shall report directly to the CEO. The CEO is responsible for reporting to the Chairman of the Board of Directors or to the Board of Directors (section 6.2.3 of the

Implenia OR). For the details of the division of responsibilities among the Board of Directors, CEO and IEC, see the Implenia OR and Table of Responsibilities.

<http://www.implenia.com/goto/corporategovernance/2019/en/OR-Implenia-20190711.pdf>

The MIS (Management Information System) ensures monthly reporting on the course of business. The MIS reports provide information about the sales revenue, margins, costs and the operational result, supplemented with information about the order book, investments, invested capital, liquidity and the number of employees. The IEC and Board of Directors shall be sent the related documents, together with comments and an estimate, updated quarterly, for the whole financial year.

The IFRS Financial Reporting shall be delivered to the Board of Directors quarterly. The Half-Year Report is subject to approval by the Board of Directors and then released for publication.

As part of the budget planning for the following year, the indicators, like those of the MIS, are determined based on the expected economic trend and specified together with the corporate objectives for each Division. Such indicators are used as a basis for budgeting the balance sheet, income statement, cash flow statement and cash flow forecast. The annual planning for the next three calendar years (3-year plan) is performed like the budget planning.

The risk to which Implenia Group is exposed is assessed once a year by the IEC and the Board of Directors. In doing so, the key Group risks are defined and measured in terms of implications and probability. The implementation and impact of defined measures are monitored continuously by the IEC.

When assessing the operational risks, the current and impending legal actions are taken into account, as well as material claims from projects. The risk map, which gives an overview of the risks and opportunities on the Group and Division levels, is constantly updated by the persons in charge in cooperation with the Finance Department, in order to initiate measures and monitor their effectiveness. The risks and opportunities recorded are evaluated in quantitative terms as worst / real / best cases. Twice a year, the risk maps, by Division and consolidated for the Implenia Group, are commented on and explained to the AC.

In the reporting year, a new Value Assurance Process was introduced for projects of the Divisions and for the selection of JV partners, under the direction of the Value Assurance Committee (VAC). The VAC has been set up on four levels: Group (class 1), Global Division (class 2); Country Unit (class 3) and Regional Unit (class 4). In the VAC reports, VAC class 1 shall give the AC reports, at least every six months, on the outcome of its assignments and the appropriateness and effectiveness of the project management.

### 3.7 — Information and control instruments vis-à-vis the Implenia Executive Committee

In order to monitor how the CEO and members of the IEC perform their assigned responsibilities, the following information and control instruments are available to the Board of Directors, among others:

#### Information and control tools

	Annual	Semiannual	Quarterly	Monthly
<b>MIS</b> (Management Information System, by division and consolidated)				•
<b>Financial report</b> (balance sheet, income statement and cash flow statement)			•	
<b>Budget</b> (by division and consolidated)	•			
<b>Three-year plan</b> (by division and consolidated)	•			
<b>VAC Reporting</b>	•			
<b>Group risk situation</b>	•			
<b>Risk Map for operational risks</b> (by division and consolidated)		•		
<b>Litigation Reporting</b>		•		
<b>Compliance Reporting</b>		•		



## Corporate Governance

Litigation reports on the (current or impending) legal actions are given in each ordinary AC meeting.

As part of the compliance reporting, a report is given in each ordinary AC meeting on the Compliance Management System in general and, in particular, on compliance cases, the state of progress in the investigations and the measures taken.

The Internal Control System is audited by the external auditor as required by law, and the resulting report is given to the Board of Directors (Art. 728a (1) (3) and 728b (1) of the Swiss Code of Obligations). The reports on the individual information instruments are prepared and consolidated by the Finance Department. They are then delivered simultaneously to the Board of Directors and to the IEC. At the meetings of the IEC and AC, the reports are presented by the CFO and commented on.

The CEO and CFO each provide detailed information about the course of business, comment on it and answer the questions of the AC members.

The Board of Directors has engaged a recognised audit firm to conduct the internal audit. The AC determines the focal points of the internal audit based on a multi-year audit plan. The focal points in the reporting year were the topics "Project Controlling", "Launch of the ICS", project audits in Norway and Sweden and a follow-up on past audits. The Internal Audit's audit plan is implemented in coordination with the CFO. Internal Audit prepared reports in

line with the audit plan and submitted these to the AC together with necessary comments and recommendations. Internal Audit reports directly to the AC. The reports of Internal Audit are transmitted to the external auditor without limitation. A regular exchange of information takes place between Internal and External audit.

### 4 — IMPLENIA EXECUTIVE COMMITTEE

#### 4.1 — Implenia Executive Committee members

The IEC consists of the CEO, the CFO and other members designated by the Board of Directors.

In the reporting year, the Group Executive Board that existed up to 28 February 2019 was replaced by the Implenia Executive Committee. Instead of five members, as previously, the IEC now has nine members. The newly appointed members of the IEC are Jens Vollmar, Head Division Buildings, Adrian Wyss, Head Division Development, German Grüniger, General Counsel and Matthias Jacob, Head Country Management since 1 March 2019; Marco Dirren, CFO, and Christelle Beneteau, Chief Human Resources Officer since 1 May 2019 and, finally, Anita Eckardt, Head Division Specialties since 1 September 2019. Beat Fellmann, André Métral and Christof Gämperle left the Group Executive Board on 1 March 2019.

The table below shows the composition of the IEC as of 31 December 2019:

Name	Nationality	Position	Member of IEC <sup>1</sup> since
André Wyss	Switzerland	CEO	2018
Marco Dirren	Switzerland	CFO	2019
Adrian Wyss	Switzerland	Head Division Development	2019
René Kotacka <sup>2</sup>	Switzerland	Head Division Civil Engineering	2015
Jens Vollmar	Germany	Head Division Buildings	2019
Anita Eckardt	Denmark	Head Division Specialties	2019
German Grüniger	Switzerland	General Counsel	2019
Christelle Beneteau	France	Chief Human Resources Officer	2019
Matthias Jacob	Germany	Head Country Management	2019

<sup>1</sup> Formerly of the Group Executive Board.

<sup>2</sup> Since 1 January 2020 Christian Späth.

#### 4.2 — Education, activities and vested interests

The following overview provides essential information about the education and career path of each member of the IEC. It also discloses the mandates held by each member outside the Group as well as any further significant activities and permanent positions in significant interest groups.

## Implenia Executive Committee

### ANDRÉ WYSS

#### Chief Executive Officer

Born 1967  
Swiss citizen



#### Education

Various Executive Education Modules in Leadership Development at Harvard Business School

Study of economics at the University of Applied Sciences in Business Administration (HWV)

Apprenticeship as chemical worker at Sandoz (today Novartis)

#### Professional Experience

**SINCE 2018** CEO Implenia Group

**2016 – 2018** President of Novartis Operations (global) and Country President of Novartis Switzerland (responsible for, among other things, the entire production process, central group services such as real estate and infrastructure, IT, procurement, personnel, and accounting, as well as corporate affairs)

**2014 – 2018** Member of the Executive Committee of Novartis

**EARLIER** Various roles within Novartis, including Head of Finance Research & Development, Head of Pharmaceutical Production in Europe and Executive for Country and Regional Companies, including the USA, Greece, and Asia Pacific, Middle East & Africa

### ADRIAN WYSS

#### Head Division Development

Born 1975  
Swiss citizen

Member of the Implenia Executive Committee



#### Education

Architect, University of Applied Sciences

Postgraduate Diploma in Business Administration, Bern University of Applied Sciences

#### Professional Experience

**SINCE 2019** Head Division Development

**2015 – 2019** Business Unit Head Modernization & Development

**2013 – 2015** Head Modernization

**2006 – 2013** Various functions within Implenia

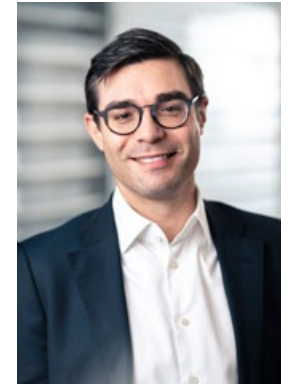
**2000 – 2006** Architect at Pfister Schiess Tropeano Architekten, Zurich

### JENS VOLLMAR

#### Head Division Buildings Country President Switzerland

Born 1984  
German citizen

Member of the Implenia Executive Committee



#### Education

Degree in business economics from the University of St. Gall (Dr. oec. HSG)

#### Professional Experience

**SINCE 2019** Head Division Buildings and Country President Switzerland

**2015 – 2018** Business Unit Head Buildings, Implenia

**2014 – 2015** Head Business Development Buildings, Implenia

**2013 – 2014** Head CEO Support, Implenia

**2011 – 2013** Senior Consultant at the Institute for Finance, Financial Law, and Law & Economics, University of St. Gall (HSG)

#### Additional functions and offices

Lecturer in the areas of Controlling, Financial Accounting, and M&A, University of St. Gall (HSG)

Member of Executive Board Development Switzerland



## Implenia Executive Committee

### RENÉ KOTACKA

**Head Division Civil Engineering<sup>1</sup>**

Born 1962  
Swiss citizen

Member of the Implenia Executive Committee<sup>1</sup>



#### Education

Civil Engineer, ETH Zurich

#### Professional Experience

- 2019 – 2019** Head Division Civil Engineering
- 2015 – 2019** Head Business Unit Infrastructure
- 2014 – 2015** Head Business Unit Tunneling & Civil Engineering
- 2011 – 2014** Head Acquisition Area Tunneling and Member of the Management of Implenia Tunneling & Civil Engineering
- 2006 – 2011** Head Production Foreign and Reorganization

#### Memberships on Boards of Directors

Versuchsstollen Hagerbach AG (Member)

#### Additional functions and offices

Member of the SCOUT (Swiss Center of Applied Underground Technologies) Supporting Association

### ANITA ECKARDT

**Head Division Specialties**

Born 1973  
Danish citizen

Member of the Implenia Executive Committee



#### Education

Master of International Business, Munich Business School  
Executive Coach, Coaching Institute Copenhagen

#### Professional Experience

- SINCE 2019** Head Division Specialties
- 2019 – 2019** CEO of Habitects AG
- 2017 – 2018** Chief Operating Officer at CRH Swiss Distribution
- 2008 – 2016** CMO Saint-Gobain Distribution Denmark & Sales Director Vetrotech Saint-Gobain International
- 2005 – 2008** Global Key Account & Marketing Manager at Bang & Olufsen
- 2001 – 2005** Global Brand Manager at Grundfos

### MARCO DIRREN

**Chief Financial Officer**

Born 1973  
Swiss citizen

Member of the Implenia Executive Committee



#### Education

MSc in Finance and Financial Law, University of London  
Executive MBA in International Management, FH Bern / University of Pejing / Babson College Boston  
Study of economics at the University of Applied Sciences in Business Administration (HWV)

#### Professional Experience

- SINCE 2019** CFO Implenia Group
- 2014 – 2019** CFO of the Infrastructure Division at SBB
- 2010 – 2014** CFO of the Aviation Division at RUAG
- 2006 – 2010** Commercial Finance Director of Compass Group in London

<sup>1</sup> Until 31 December 2019

## Implenia Executive Committee

### CHRISTELLE BENETEAU

#### Chief Human Resources Officer

Born 1973  
French citizen

Member of the Implenia Executive Committee



#### Education

Master's in Organic Chemistry from Heriott-Watt University in Edinburgh (UK)  
Ingénieur Chimiste in Organic Chemistry from École Nationale Supérieure de Chimie de Lille (FR)

#### Professional Experience

- SINCE 2019** Chief Human Resources Officer Implenia Group
- 2017 – 2019** Global Head of HR Business Partnering and Corporate HR Head at LafargeHolcim
- 2015 – 2017** Global Head of HR Services at Clariant
- 2013 – 2014** European HR Head of Commercial Operations at ebay
- 2005 – 2013** Various HR positions within Novartis

### GERMAN GRÜNIGER

#### General Counsel

Born 1969  
Swiss citizen

Member of the Implenia Executive Committee



#### Education

Lic. iur., University of Freiburg  
Dr. iur, University of Basel  
LL.M, New York University  
Attorney at Law  
Stanford Executive Program (SEP), 2019

#### Professional Experience

- SINCE 2014** General Counsel Implenia Group
- 2007 – 2014** Partner at Baur Hürlimann law firm
- 1996 – 2006** Intern / Associate at Baur Hürlimann
- 1995 – 1996** Law clerk at court

#### Memberships on Boards of Directors

MediData AG (Member)  
Bürgenstock Hotels AG (Member)  
Bergbahnen Beckenried-Emmetten AG (Member)

#### Additional functions and offices

Board of Trustees of the Felsenweg am Bürgenstock Foundation (Member)

### MATTHIAS JACOB

#### Head Country Management

Born 1961  
German citizen

Member of the Implenia Executive Committee



#### Education

Civil Engineering, Dipl.-Ing., 1987, TU Dortmund  
Completed Dissertation, 1995, TU Dortmund

#### Professional Experience

- SINCE 2019** Head Country Management Implenia Group
- SINCE 2018** Business Unit Head Implenia Buildings Germany
- 2011 – 2017** Technical Managing Director of Wolff & Müller Holding GmbH & Co. KG
- 2007 – 2010** Chairman of the Management of Bilfinger Hochbau GmbH
- 2005 – 2010** Member of management of Bilfinger Hochbau GmbH

#### Additional functions and offices

Vice-President of Technology of the Federation of the German Construction Industry  
Chairman of the Executive Board, German Concrete and Construction Engineering Association  
Deputy Chairman of the Supervisory Board of the Initiative "planen-bauen 4.0"  
Lectureship at the University of Wuppertal

## Corporate Governance

### 4.3 — Rules of the Articles of Association regarding the number of permissible activities according to Art. 12(1)(1) of the Swiss Ordinance against Excessive Compensation at Stock Exchange Listed Companies (“OaEC”)

According to Art. 22e of the Articles of Association, each member of the IEC may hold no more than nine mandates as a director or officer of legal entities outside the Implenla Group (no more than four of which may be held in exchange-listed companies), which are to be registered in the Swiss Commercial Register or a similar foreign register, providing that they are approved on a case-by-case basis by the NCC. If mandates are held in different legal entities of one and the same corporate group or are held on behalf of a corporate group or a legal entity, then these will be counted in their entirety as one mandate in each case. It is permissible to exceed the foregoing limits for short periods. The Articles of Association with the exact wording of the above-cited provision can be viewed on Implenla’s website.

<https://www.implenla.com/goto/corporategovernance/2019/en/Articles-of-Association-20180327.pdf>

### 4.4 — Management contracts

There are no management contracts with third parties.

## 5 — COMPENSATION, SHAREHOLDINGS AND LOANS

### 5.1 — Content and procedure to determine compensation and the shareholding programmes

Please see pages 90–111 et seqq. of the separate Compensation Report for further information about the content and procedure to determine compensation and the grant of shareholdings and loans to members of the Board of Directors and of the IEC.

### 5.2 — Rules under the Articles of Association

#### 5.2.1 — Rules under the Articles of Association concerning the principles of compensation

Please also see Art. 15a, 22a and 22b of the Articles of Association on the pages 92–93 of the separate Compensation Report for further information about the rules governing the principles of compensation.

<https://www.implenla.com/goto/corporategovernance/2019/en/Articles-of-Association-20180327.pdf>

#### 5.2.2 — Rules under the Articles of Association concerning loans, credit and pension benefits

Please also see Art. 22c of the Articles of Association page 99 and 110 of the separate Compensation Report for further information about the rules governing the principles of loans, credit facilities and pension benefits.

<https://www.implenla.com/goto/corporategovernance/2019/en/Articles-of-Association-20180327.pdf>

#### 5.2.3 — Rules under the Articles of Association concerning the vote by the General Meeting on compensation

Please also see Art. 15a of the Articles of Association and pages 94–95 of the separate Compensation Report for further information about the rules concerning the vote by the General Meeting on compensation.

<https://www.implenla.com/goto/corporategovernance/2019/en/Articles-of-Association-20180327.pdf>

## 6 — SHAREHOLDERS’ PARTICIPATION RIGHTS

### 6.1 — Limitation of voting rights and representation

All shareholders who are registered in the Share Register as shareholders with voting rights by the relevant cut-off date are entitled to participate and vote in the Annual General Meeting. The Articles of Association do not provide any limitation of voting rights for shareholders, subject to restrictions on the transferability of shares (see section 2.6.1 of this report). Each share carries one vote. Moreover, as mentioned above, the Board of Directors is authorised to enter into agreements with the nominees on their reporting obligation (see section 2.6 of this report and the Registration Regulations).

<http://www.implenla.com/goto/corporategovernance/2019/en/Registration-Regulations-20130204.pdf>

No exceptions were granted in the reporting year. The limitations on registration and voting rights described in section 2.6.1 can be suspended by amendment to the Articles of Association, which requires a General Meeting resolution passed by at least two thirds of the voting shares represented and the absolute majority of the par value of the shares represented (Art. 16 (1) (c) of the Articles of Association).

## Corporate Governance

The shareholders' rights to participate in the General Meeting are governed by the relevant statutory provisions and the Articles of Association. Each shareholder can vote by participating personally in the General Meeting or have himself represented by an independent proxy or by another shareholder with voting rights with a written proxy form issued by the shareholder. Representation by a governing officer or custodian under Art. 689c and 689d, respectively, of the Swiss Code of Obligations, is not permitted (OaEC Art. 11). The general policy that both motions disclosed in the letter of invitation and motions not so disclosed should be put to vote as motions of the Board of Directors is held to be the applicable voting policy.

In addition, partnerships and legal persons can have themselves represented by authorised signatories or other authorised representatives, minors or wards by their legal representatives, and married persons by their spouse, even if the representatives are not shareholders. The Chairperson of the General Meeting decides on the admissibility of a form of representation (Art. 13 (5) of the Articles of Association).

The shareholders may grant the independent proxy instructions and powers of attorney electronically, as well, in which case the Board of Directors shall determine the requirements for such powers of attorney and instructions (Art. 13 (1) of the Articles of Association).

The Articles of Association have no further rules on issuing instructions to the independent proxy or on electronic participation in the

General Meeting. The applicable rules are described in the relevant letter of invitation.

### 6.2 — Quorums under the Articles of Association

The General Meeting shall adopt resolutions by the majorities prescribed by law. The Articles of Association do not provide for any different majorities, except for resolutions to suspend or ease the limitations of transferability thereunder, which require a majority vote of two thirds of the voting shares represented and an absolute majority of the par value of the shares represented (Art. 16 (1) of the Articles of Association). Resolutions on mergers, de-mergers and conversion are subject to the rules set out in the Swiss Merger Act.

### 6.3 — Convening of the General Meeting

General meetings shall be convened by the Board of Directors; the invitation, indicating the agenda items and motions, shall be published in the Swiss Official Gazette of Commerce at least 20 days before the meeting. In addition, registered shareholders may also be informed in writing (Art. 10(1) and Art. 11(1) of the Articles of Association). The decision to determine the location of the General Meeting shall be made by the Board of Directors. The minutes of the General Meetings shall be published on Implenias website.

<https://implenia.com/en/investor-relations/general-meeting/>

### 6.4 — Adding items to the agenda

The Board of Directors shall be responsible for adding items to the agenda. Any shareholders representing at least 1% of the issued share capital can move to add an item to the agenda (Art. 11 (2) of the Articles of Association). Such a request, specifying the agenda item and motions, shall be submitted in writing to the Board of Directors at least 45 days before the General Meeting.

### 6.5 — Registrations in the Share Register

The invitation to the General Meeting shall be sent to the shareholders registered as shareholders with voting rights in the Share Register as of the cut-off date. The cut-off date for eligibility to vote in the General Meeting shall be set by the Board of Directors each year based on Art. 13 (2) of the Articles of Association. The data concerned shall be mentioned in the relevant invitation.

The Articles of Association with the exact wording of the above-cited provision can be viewed on Implenias website.

<https://www.implenia.com/goto/corporategovernance/2019/en/Articles-of-Association-20180327.pdf>

## 7 — CHANGE OF CONTROL AND DEFENSIVE MEASURES

### 7.1 — Duty to make an offer

The Articles of Association contain no opting-out or opting-up clause. FMIA Art. 135 is therefore applicable, according to which a shareholder who acquires equity securities from Implenias directly or indirectly or by arrangement with third parties and, together with the securities that he already possesses, thereby exceeds the threshold of 33 1/3 % of the companys voting rights, must submit an offer for all of the companys listed equity securities.

### 7.2 — Change-of-control clause

There are no agreements concerning change of control, whether with the members of the Board of Directors and of the IEC or with other members of Management. In the event of change of control, the LTIP will automatically terminate and the number of PSUs granted will be adjusted pro-rata.

## Corporate Governance

### 8 — AUDITOR

#### 8.1 — Duration of the mandate and term of office of the Head Auditor

The auditor has been PricewaterhouseCoopers Ltd (Zurich) since financial year 2006. The duration of the mandate assigned to PricewaterhouseCoopers Ltd is one financial year in each case (Art. 22 of the Articles of Association). The current mandate commenced on 1 January 2019. Michael Abresch took over the position as lead auditor from Christian Kessler. According to Art. 730a of the Swiss Code of Obligations, the person who manages the audit may generally exercise his mandate for seven years at the most.

#### 8.2 — Audit fee

In the reporting year, the fee invoiced by the auditor amounted to a total of CHF 1,574,000 (2018: CHF 1,543,000).

#### 8.3 — Additional fees

The total amount of the additional fees for the reporting year amounts to CHF 176,000 (2018: CHF 84,000). The additional fees were approved in advance by the AC and mainly concerned tax consulting assignments.

#### 8.4 — Information instruments of the External Audit

In particular, the AC is tasked with effective and regular monitoring of the auditor's reports in order to ensure their quality, integrity and transparency. The auditor's representatives participated in all three AC meetings during the financial year. The audit plan, including the fees, is presented to the members of the AC and discussed with them. In the meetings, the auditor reports the main findings to the AC together with the related recommendations.

### 9 — INFORMATION POLICY

Implenia maintains open and transparent communication on a regular basis with the shareholders, the capital market and the public. As contacts, the CEO, CFO and Head Investor Relations are available to shareholders, and the Chief of Communications is available for the media. The most important information is communicated periodically as follows:

- Annual results (February / March): Publication of the Annual Report, conferences for the press and analysts
- Half-year results (August / September): Publication of the Half-Year Report, conference for the press and analysts
- General meeting (March / April)

Over the course of the year, Implenia provides information about important events in the business trend through press releases and letters to shareholders. As a company listed on SIX Swiss Exchange Ltd, Implenia has an ad hoc public disclosure obligation, i.e., the obligation to disclose information that may potentially affect share prices. In addition, Implenia maintains a dialogue with investors and media at special events and roadshows.

The website [www.implenia.com](http://www.implenia.com) is constantly available to shareholders, the capital market and public as an up-to-date news platform. It contains the main facts and figures regarding Implenia, financial publications, presentations on important developments and the dates of all the relevant events (General Meetings, press conferences, etc.). Interested parties can sign up for the free e-mail news service.

All media releases are simultaneously released on the website and in the media. In addition, all the publications since the year 2006 are retrievable there.

<https://implenia.com/en/investor-relations/shares/>

<https://implenia.com/en/investor-relations/publications/financial-publications/>

<https://implenia.com/en/media/media-releases/>

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