

Corporate governance

Basic principles and introduction

This corporate governance report outlines the principles of management and control at the highest corporate level of Allreal Group. The following information complies with the Corporate Governance Directive (DCG) of SIX Exchange Regulation AG of 18 June 2021 (entry into force: 1 October 2021) and follows the structure used in the DCG.

The articles of association (in German only) applicable to Allreal Holding AG can be accessed on the Allreal website: allreal.ch/investoren-und-medien/corporate-governance/statuten/protokolle.

1. Group structure and shareholders

1.1 Group structure

Allreal Group operates solely in Switzerland. Its legal structure and participating interests as at 31 December 2021 are shown below.

Allreal Holding AG Baar						
Allreal Home AG Glattpark (Opfikon)	Allreal Office AG Glattpark (Opfikon)	Allreal Toni AG Glattpark (Opfikon)	Allreal Vulkan AG Glattpark (Opfikon)	Allreal West AG Glattpark (Opfikon)	Apalux AG Glattpark (Opfikon)	Allreal Finanz AG Baar
Creative Properties SA Meyrin	Immologic Properties SA Meyrin	SI Grand-Pré 57 SA Meyrin	Société Immobilière Avenir-Levant SA Meyrin	Société Anonyme Vermont-Parc Meyrin	Trebla SA lettre A Meyrin	Serenity OpCo Holding SA Meyrin
Allreal Generalunternehmung AG Glattpark (Opfikon)	Bülachguss AG Glattpark (Opfikon)	Elevate SA Meyrin	Immologic Sàrl Meyrin	Immologic Promotion Chavannes SA Chavannes-près-Renens	Immologic Promotions Sàrl Meyrin	Roof SA Meyrin

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Company	Registered office	Share capital in CHF million	% of shares held
Allreal Home AG	Opfikon	26.52	100.00
Allreal Office AG	Opfikon	150.00	100.00
Allreal Toni AG	Opfikon	90.00	100.00
Allreal Vulkan AG	Opfikon	50.00	100.00
Allreal West AG	Opfikon	20.00	100.00
Apalux AG	Opfikon	0.90	100.00
Allreal Finanz AG	Baar	100.50	100.00
Creactive Properties SA	Meyrin	0.10	100.00
Immologic Properties SA	Meyrin	0.10	100.00
SI Grand-Pré 57 SA	Meyrin	0.05	100.00
Société Immobilière Avenir-Levant SA	Meyrin	0.05	100.00
Société Anonyme Vermont-Parc	Meyrin	0.05	100.00
Trebla SA lettre A	Meyrin	0.05	100.00
Serenity OpCo Holding SA	Meyrin	0.10	100.00
Allreal Generalunternehmung AG	Opfikon	10.00	100.00
Bülachguss AG	Opfikon	0.10	100.00
Elevate SA	Meyrin	0.12	100.00
Immologic Sàrl	Meyrin	0.02	100.00
Immologic Promotion Chavannes SA	Chavannes-près-Renens	0.23	100.00
Immologic Promotions Sàrl	Meyrin	0.02	100.00
Roof SA	Meyrin	0.50	100.00

All shareholdings are unlisted companies which are fully consolidated in the Group's financial statements.

Following the acquisition of individual companies from Immosynergies Holding Sàrl, the scope of consolidation has increased by a total of twelve properties compared to the previous year. These companies with registered offices either in Chavannes-près-Renens VD or Meyrin GE are owned directly and fully by Allreal Holding AG. With the exception of Creactive Properties SA, Meyrin GE, which was added on 23 December 2021, the other eleven companies were taken over on 15 October 2021.

Operationally, the Group is structured into two divisions:

Real Estate division

Investments in residential and commercial properties, including properties with particular development potential and investment real estate under construction. Various real estate services (portfolio management, real estate and building management) are also provided for its own yield-producing properties.

Projects & Development division

Combination of development, realisation and other real estate services (residential property sales, real estate consultancy and contract administration).

Allreal Holding AG has its registered office in Baar, Switzerland, and is listed on SIX Swiss Exchange. On 31 December 2021, market capitalisation amounted to CHF 3337.5 million. The registered shares are traded on the main segment (security number 883756, ISIN CH0008837566, symbol ALLN).

1.2 Significant shareholders

As at 31 December, the following shareholders were entered in the share register of Allreal Holding AG as having a shareholding (direct and/or indirect) which exceeds a threshold of 3 percent or have informed the company accordingly by means of a disclosure notice ("Significant shareholders"):

	2021	2020
Credit Suisse Funds AG, Zurich	9.6%	>6%
Plan Olivier, Genève ¹	6.5%	–
UBS Fund Management (Switzerland) AG, Basel	3.5%	<3%
Spuhler Peter, Weiningen TG	3.4%	<3%
BlackRock Inc., USA – New York	>3%	>3%
Dimensional Holdings Inc., USA – Delaware	>3%	>3%
Helvetia Group St. Gallen ²	<3%	8.8%
Swiss Mobiliar Group, Bern ³	<3%	3.3%
Pension Fund of the Canton of Basel-Landschaft, Liestal	<3%	3.1%

1 Holding direct and via Immosynergies Holding Sàrl, Cointrin

2 Holding via wholly owned subsidiaries Helvetia Swiss Life Insurance Company Ltd, Basel; Helvetia Swiss Insurance Company Ltd, St. Gallen; Helvetia Insurance Pension Fund, St. Gallen; and Helvetia Insurance Supplementary Fund, St. Gallen

3 Holding via wholly owned subsidiaries Swiss Mobiliar Insurance Company Ltd, Bern; Swiss Mobiliar Life Insurance Company Ltd, Nyon; Protekta Legal Protection Insurance Ltd, Bern; and SC SwissCaution SA, Nyon

For further details of the composition of the shareholder base, see page 29 of the Annual Report.

In the financial year 2021, a total of nine disclosure notices which exceeded or fell below the reporting thresholds for holdings in Allreal Holding AG were filed by shareholders. These are shown in the table of significant shareholders.

Information about these shareholders can be found on the SIX Exchange Regulation website under "Significant shareholders" (ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#).

1.3 Cross-shareholdings

There are no cross-shareholdings.

2. Capital structure

2.1 Capital

As at 31 December, Allreal Holding AG had the following capital structure:

CHF million	2021	2020
Share capital issued	16.6	15.9
Authorised capital	0.4	1.0
Conditional capital	1.2	1.2

2.2 Authorised and conditional capital in particular

Authorised capital

The Board of Directors was authorised by the annual general meeting of 24 April 2020 to increase the share capital – restricting or excluding the subscription rights of shareholders as applicable – until 24 April 2022 to acquire businesses, business units, participating interests or real estate through an exchange of shares, for financing or refinancing the acquisition of businesses, business units,

participating interests, real estate or new investment projects, or for the purpose of an international placement of shares worth up to CHF 1.0 million by issuing up to 1,000,000 registered shares, each with a nominal value of CHF 1.00. On 15 October 2021, the authorised capital was reduced to CHF 0.35 million as a result of 650,000 new registered shares being issued, each with a nominal value of CHF 1.00 (authorised capital, Art. 3a of the articles of association).

Conditional capital

For the purpose of issuing convertible bonds, warrant bonds or other financial instruments, there exists – excluding the subscription rights of shareholders – conditional capital of up to CHF 1.0 million through the issue of up to 1,000,000 registered shares with a nominal value of CHF 1.00 each. Bearers of the convertible and/or warrant bonds are entitled to subscribe to the new shares (Art. 3c of the articles of association).

Further, Allreal Holding AG has conditional capital of CHF 0.2 million (200,000 registered shares at a nominal value of CHF 1.00 each) at its disposal for the purposes of issuing options to the members of the Board of Directors and management. This conditional capital had not been drawn on as at the balance sheet date (Art. 3b of the articles of association).

2.3 Changes in capital

In connection with the acquisition of individual companies from Immosynergies Holding Sàrl, the sellers were paid half of the purchase price in registered shares of Allreal Holding AG. Using the authorised share capital, ordinary share capital was increased on 15 October 2021 by 650,000 to 16,592,821 registered shares at a nominal value of CHF 1.00 each.

CHF	31.12.2021	31.12.2020	31.12.2019
Ordinary share capital	16 592 821	15 942 821	15 942 821
Authorised share capital	350 000	1 000 000	1 000 000
Conditional share capital	1 200 000	1 200 000	2 695 763

2.4 Shares and participation certificates

The share capital is divided into 16,592,821 fully paid-in registered shares with a par value of CHF 1.00 each. All outstanding shares are unitary shares; there are no preferred or voting right shares.

The registered shares are issued in the form of book-entry securities.

All shares are dividend-bearing. Exercise of the membership rights accorded to the shareholder is conditional on an entry in the share register. Each registered share carries one vote at the annual general meeting.

The voting rights attaching to treasury shares held by the company are suspended, and no dividends are paid on these shares.

The company has no participation certificate capital.

2.5 Dividend-right certificates

Allreal has not issued any dividend-right certificates.

2.6 Limitations on transferability and nominee registrations

Every shareholder is entitled to be entered in the share register. In accordance with Art 6 of the articles of association, the Board of Directors may reject an entry for the following two reasons, namely:

- if the number of registered shares held by the buyer, or by a group of shareholders acting jointly, exceeds 5 percent of the share capital, or
- insofar and as long as recognition of an acquisition made by a full shareholder could prevent the company from providing proof that it is Swiss-controlled as stipulated by Swiss law (Lex Koller), namely in the event that the sum of shares not entered in the share register and shares held by non-Swiss persons were to exceed the threshold of one third of share capital.

Subject to the restrictions referred to above, nominee registrations are admissible without any limitations on voting rights.

2.7 Convertible bonds and options

The company had issued neither convertible bonds or warrant bonds nor option plans on Allreal registered shares as at the balance sheet date.

3. Board of Directors

3.1 Members of the Board of Directors

Under the articles of association, the Board of Directors of Allreal Holding AG consists of one or more members. It currently has seven members and did not change in the period under review. For the composition of the Board and information on individual Board members, refer to pages 21 to 24 of the Annual Report. None of the Board members perform executive duties in the company and none have performed operational management functions within Allreal in the past.

The Helvetia Group, which held more than 3 percent of Allreal Holding AG's share capital until 2 December 2021, is represented on the Board of Directors of Allreal Holding AG by Philipp Gmür. Allreal works for Helvetia as a general contractor for the realisation of construction projects. These services are provided at arm's length. During the period under review, the volume of project work completed for the Helvetia Group amounted to CHF 7.6 million. In addition, insurance contracts are in place between the Helvetia Group and individual Allreal companies which have an annual premium volume of CHF 1.2 million (policies covering buildings, construction and personnel).

Allreal obtains legal consulting services from several law firms, including MLL Meyerlustenberger Lachenal Froriep AG, in which Andrea Sieber is a partner. In the 2021 financial year, Allreal was charged fees amounting to CHF 0.034 million.

MLL Meyerlustenberger Lachenal Froriep AG is a tenant of office space in the commercial properties at Schiffbaustrasse 2 and Hardstrasse 319 (Escher-Wyss site) in Zurich in line with the arm's-length principle and with an annual rental volume of CHF 1.53 million.

There are no other business relationships between Allreal and members of the Board of Directors.

3.2 Other activities and vested interests

For details of other work and functions performed by individual members of the Board of Directors outside Allreal see pages 21 to 24 of the Annual Report.

3.3 Articles of association provisions relating to the number of permissible activities

According to Article 28 of the articles of association, each member of the Board of Directors may hold a maximum of 15 remunerated mandates outside Allreal, not more than five of which may be with a publicly owned company.

3.4 Elections and terms of office

The members of the Board of Directors, the Chairman of the Board of Directors and the members of the Nomination and Compensation Committee are elected individually on an annual basis by the annual general meeting. Re-election is permitted. The age limit is 70.

Ralph-Thomas Honegger was first elected to the Board of Directors in 2012, Olivier Steimer and Peter Spuhler in 2013, Andrea Sieber and Thomas Stenz in 2016, and Philipp Gmür and Jürg Stöckli in 2019.

3.5 Internal organisation

The annual general meeting of 16 April 2021 elected Ralph-Thomas Honegger as Chairman of the Board of Directors. The Board of Directors constitutes itself and has appointed Andrea Sieber to serve as its Vice Chairwoman. The function of Board Delegate does not exist.

The Board of Directors has a quorum if at least half of its members are present. It passes its resolutions with the majority of the votes cast; the Chairman has a casting vote.

The Board of Directors carries out a self-evaluation at regular intervals, most recently in 2021. It covers the following areas: composition of membership, cooperation, working methods, division of responsibilities, selection of topics and organisation of meetings.

The Board of Directors held five meetings in the financial year 2021, each of which was attended by all members. The average length of the meetings was five hours. These meetings were also attended by members of Group Management for specific agenda items, and by the CEO for the full duration of the meeting. In addition, the Board of Directors passed six resolutions by circular letter or by telephone conference on a number of individual business transactions.

Owing to the strategic relevance and complexity and in connection with the acquisitions in western Switzerland, the Board of Directors also formed a working group which conducted two three-hour workshops together with Group Management.

The following key points were addressed at the Board meetings held in 2021:

- The strategic integration and assessment of the expansion of business activities in western Switzerland and the associated resolutions for the execution of transactions
- Consultation, discussion and approval of the ESG strategy together with the associated priorities and measures
- Analysis and assessment of the impact of the coronavirus crisis on business activity and the financial situation (liquidity)
- Discussion and approval of the financial statements for each quarter (including liquidity status, debt financing and pending legal disputes), of the variance analysis versus the 2021 budget and of the forecast calculation for 2021 as a whole
- Approval of the medium-term planning for 2022–2024 and the annual budget for 2022
- Assessment of opportunities and risks presented by major in-house projects (development real estate and investment real estate under construction)
- Discussion of the transaction and rental market, the vacancy situation at individual investment properties and the expiry of major leases
- Discussion of the direction of the Projects & Development division with its third-party business as well as the related capacity utilisation and the development of work in progress
- Deliberation on the risks and profitability of individual projects in the Projects & Development division
- Discussion and assessment of financing management (interest lock-in periods and credit facilities)
- Deliberation and resolution on issuing a bond and increasing the amount
- Monitoring of, and compliance with, the investment and financing guidelines
- Approval of the half-yearly external financial reporting including media releases
- Approval of the proposals of the Audit and Risk Committee and the Nomination and Compensation Committee
- Review and approval of a new reporting method for risk monitoring
- Creation of new and revision of existing regulations, in particular the organisational regulations
- Development of the share price and the shareholder structure in relation to compliance with “Lex Koller” requirements
- Discussion and approval of the agenda items to be proposed to the annual general meeting on 16 April 2021 and of the proposal to hold it virtually owing to the pandemic

The Board of Directors invited external advisers to its meetings for the purpose of exchanging information on individual agenda items.

The Chairman of the Board of Directors assumes special tasks in his capacity as the liaison with the CEO. The performance of these duties generally includes at least one meeting per month and frequent telephone contact (weekly).

3.6 Board committees

With a view to integrating the specialist expertise and experience of individual Board members into the decision-making process and enabling the Board to produce reports as part of its supervisory duties, the Board of Directors formed three committees as provided for in the organisational regulations. Each of these has its own regulations approved by the Board of Directors setting out its duties and powers. The Chairmen of the Committees inform the Board of Directors of the key findings of the Committee meetings and/or present the resulting proposals.

Audit and Risk Committee

The Audit and Risk Committee deals with all Board matters relating to financial reporting and the structuring of the accounting system, risk management, compliance and external and internal auditing.

Its duties therefore primarily consist of:

- Reviewing the structure of the accounting system (accounting regulations to be applied, internal financial reporting to the Board of Directors and external financial reporting)
- Monitoring the liquidity and financing guidelines
- Defining the risk management concept
- Monitoring corporate risk assessment
- Assessing the structure, effectiveness and efficiency of the internal control system
- Assessing the relevance of new legal requirements
- Monitoring compliance with stock market regulations
- Reviewing the performance and independence of the external auditors and making recommendations for elections to the Board of Directors and the annual general meeting
- Assessing and approving the audit plan and the focal points of the external and internal audits

The Audit and Risk Committee comments on matters over which the Board of Directors has the authority to make decisions. Under its own, final authority, the Audit and Risk Committee decides on the approval of the annual audit plan for the external and internal audits, the detailed consultation on the audit reports, the monitoring and implementation of recommendations from the auditors and the auditors' remuneration, including authorisation and remuneration of additional work.

The Audit and Risk Committee is made up of Thomas Stenz (Chairman) and Olivier Steimer (member). Meetings are attended by the CFO. The external and the internal auditors attend Audit and Risk Committee meetings for agenda items that are relevant to them.

Three meetings were held in 2021, lasting four hours altogether. The main focus was on reviewing the 2020 annual financial statements and the 2021 half-yearly financial statements and considering specific accounting questions in relation to the acquisition of companies in western Switzerland. In addition, cooperation with the external auditors and the operational management was assessed and specific results from the internal audit were discussed in detail. Meetings were attended

by all Audit and Risk Committee members for the full duration. One additional member of the Board of Directors and the CEO attended one meeting each.

Investment Committee

The Investment Committee deals with all Board matters relating to the purchase and sale of investment and development properties, the definition of lease conditions for yield-producing properties and tendering for third-party projects of Projects & Development.

Its duties therefore primarily consist of:

- Buying and selling investment and development properties
- Defining lease conditions for yield-producing properties
- Tender approval and actual costing for third-party projects of Projects & Development
- Inspecting properties
- Holding discussions with and preparing market forecasts in collaboration with the external property valuer
- Assessing the performance of the external property valuer
- Monitoring the portfolio strategy and portfolio management
- Monitoring compliance with the investment and financing guidelines

In addition, the Investment Committee comments on business and transactions that are directly assigned to the Board of Directors. Under its own authority, the Investment Committee makes final decisions on matters that are assigned to it according to the definition of the areas of responsibility. It is made up of Jürg Stöckli (Chairman), Ralph-Thomas Honegger (member) and Olivier Steimer (member). Meetings are attended by the CEO and, depending on the matter at hand, other members of Group Management.

Four meetings were held in 2021, lasting four hours altogether. The Committee analysed the half-yearly valuation results submitted by the external property valuer and dealt with several Group Management proposals. The meetings were attended by all Committee members for the full duration.

Nomination and Compensation Committee

The Nomination and Compensation Committee supports the Board of Directors with regard to the selection, compensation and training of the members of the Board of Directors and Group Management.

Its tasks include managing the selection process for members of the Board of Directors and Group Management and the resulting submission of proposals to the Board of Directors. In respect of Group Management, this also extends to the approval of the key conditions of contracts of employment.

Its other tasks include succession planning at the most senior level of management, monitoring management training and reviewing and approving the salary policy suggested by the CEO.

The annual general meeting of 16 April 2021 appointed Andrea Sieber (Chairwoman), Philipp Gmür (member) and Peter Spuhler (member) to the Nomination

and Compensation Committee. The CEO attends some of the meetings depending on what is on the agenda.

The Nomination and Compensation Committee held two ordinary meetings in 2021, lasting three hours altogether. One meeting was attended by all Committee members, whilst the other was attended by two Committee members. These meetings were essentially concerned with the consideration of suitable candidates for election to the Board of Directors, the wage policy for the entire company, the examination and discussion of the remuneration system and the remuneration components of the Board of Directors, the Board committees and Group Management, the examination and discussion of target achievement in relation to Group Management's variable remuneration, the preparation of remuneration proposals to the Board of Directors, and the medium-term planning for the composition of the Board of Directors and Group Management.

In 2021, the Chairwoman of the Nomination and Compensation Committee worked closely with the Chairman of the Board of Directors to hold multiple meetings, conversations and interviews in relation to the medium-term planning and the selection process for the Board of Directors, spending around 30 hours on this in total. External consultants were involved in this process.

3.7 Definition of areas of responsibility

The principles governing the most senior level of management and the delineation of powers and responsibilities are defined in the organisational regulations of 10 February 2021. While the Board of Directors performs the tasks of a supervisory and steering body, Group Management is in charge of the operational business.

At the same time, under the articles of association and the organisational regulations, the following powers and responsibilities in particular are vested in the Board of Directors:

- Ultimate direction of the Allreal Group and ultimate oversight of the persons entrusted with management (compliance)
- Defining the organisation and appointment of management and persons authorised to act as proxies
- Determining the organisation of and procedures for accounting, financial controlling and financial planning
- Producing the Annual Report and annual financial statements, preparing the annual general meeting and implementing its resolutions
- Defining business policy, in particular investment and financial policy
- Decisions on major transactions, in particular investments and divestments

All other tasks are delegated to Group Management, provided that the competency matrix does not allocate particular tasks to the Board of Directors' individual committees, in accordance with the organisational regulations. In particular, it also prepares the following for approval by the Board of Directors: medium-term planning over a period of three years, the annual budget and the quarterly financial statements.

3.8 Information and control instruments vis-à-vis Group Management

In particular, the Board of Directors has the following supervisory and control instruments at its disposal:

- Comparative calculation of the annual budget for medium-term planning and corresponding variance analysis (annually)
- Reporting on the functioning and effectiveness of the internal control system (ICS) for financial reporting (annually)
- Reports on compliance with the investment and financing guidelines based on instruments of simplified liability management (quarterly)
- Quarterly statements with presentation of the financial situation (incl. budget comparison, end-of-year forecast and corresponding variance analysis) and management reports (quarterly)
- Balanced score card relating to Allreal Group and its divisions (quarterly)
- Risk matrix and assessments at Group level and of specific major projects, divided into quantifiable and non-quantifiable risks (quarterly)
- Detailed reports from Group Management on the trend of business in the individual business areas through presentations at the ordinary meetings of the Board of Directors (quarterly)

Allreal has internal auditors, who report directly to the Audit and Risk Committee on a half-yearly basis.

4. Group Management

4.1 Members of Group Management

Group Management is appointed by the Board of Directors. On the balance sheet date, it consisted of five members. The contractual period of notice for all members of Group Management is six months, with the exception of the CEO, whose period of notice is twelve months. There are no agreements in place for severance payments or signing bonuses. For information on individual members of Group Management, refer to pages 25 to 27 of the Annual Report.

4.2 Other activities and vested interests

The members of Group Management have no other activities or vested interests.

4.3 Articles of association provisions relating to the number of permissible activities

According to Article 28 of the articles of association, each member of Group Management may hold a maximum of two remunerated mandates outside Allreal, not more than one of which may be with a publicly owned company.

4.4 Management contracts

Allreal has not outsourced any management activities to third parties.

5. Compensation, shareholdings and loans

Details of the remuneration and shareholdings of members of the Board of Directors and Group Management as well as loans granted to them can be found in the compensation report (pages 48 to 55). The compensation report also outlines the content and procedures for determining compensation, as well as the associated statutory rules.

6. Shareholders' participation rights

6.1 Voting right restrictions and representation

Only persons identified as being entered in the share register are entitled to exercise participation rights at the annual general meeting. In accordance with Art. 6 para. 3 of the articles of association, the Board of Directors may reject an entry for two reasons. The first reason may be that the number of registered shares held by the buyer, or by a group of shareholders acting jointly, exceeds 5 percent of the share capital. The second reason may be that entry means that Allreal Holding AG is no longer able to provide proof that the company is Swiss-controlled as stipulated by Swiss law (Lex Koller), namely, in the event that the sum of shares pending registration of transfer and shares held by non-Swiss persons were to exceed the threshold of one third of share capital. The registration restrictions may be lifted by a simple majority decision taken by the annual general meeting. There are no further restrictions beyond this.

In the 2021 financial year, the Board of Directors did not reject any share register entries.

Every shareholder has the option of representing their shares personally at the annual general meeting or of having themselves represented by a proxy, authorised in writing, who need not be a shareholder.

Moreover, every shareholder may have their shares represented by the independent proxy, who is elected annually by the annual general meeting. The independent proxy exercises the voting rights transferred to them in accordance with instructions. In cases where they have received no instructions, they will abstain from voting.

The articles of association do not contain any provisions regarding the issuance of instructions to the independent proxy or electronic participation in the annual general meeting.

The articles of association and the minutes of annual general meetings of Allreal Holding AG can be accessed on the Allreal website:

allreal.ch/investoren-und-medien/corporate-governance/statuten/protokolle

6.2 Statutory quorums

The articles of association do not specify any quorums over and above the statutory rules on the adoption of resolutions (Art. 703 and 704 of the Swiss Code of Obligations).

6.3 Convocation of annual general meetings

The convocation of the annual general meeting is governed by the statutory provisions (Art. 699 and 700 CO) and by Art. 10 and 11 of the articles of association.

6.4 Agenda

Until 20 days before the annual general meeting, shareholders individually or jointly representing at least 1 percent of the share capital may submit to the Board of Directors written proposals and requests for items to be added to the agenda.

The German-language list of agenda items will be sent to the shareholders along with the invitation to attend the annual general meeting.

If so decided by the annual general meeting, items to be discussed can be admitted for discussion without prior announcement. However, with the exception of the convening of an extraordinary general meeting or a special audit, a resolution may only be passed at the next annual general meeting.

No prior announcement is required to submit proposals to the annual general meeting in connection with items to be discussed.

6.5 Entries in the share register

The agenda for the annual general meeting is published in the Swiss Official Gazette of Commerce at least 20 days in advance. Shareholders entered in the share register by the last dispatch date are entitled to vote.

The qualifying date for the 23rd annual general meeting on 8 April 2022 is 18 March 2022.

7. Changes of control and defence measures

7.1 Obligation to make an offer

Allreal's articles of association do not contain any provisions for an opting-out or opting-up clause. Accordingly, the obligation to make an offer in accordance with the Financial Market Infrastructure Act shall apply under which a shareholder is required to make a public takeover offer if his holding has reached the threshold of 33 ¹/₃ percent.

7.2 Change-of-control clauses

In the event of a change in the majority control of the company, there are no agreements in place benefiting the members of the Board of Directors or Group Management or other members of senior management.

8. Statutory auditors

8.1 Duration of the mandate and term of office of the lead auditor

The annual general meeting of 16 April 2021 elected Ernst & Young AG as auditors of Allreal Holding AG and all subsidiaries included in the scope of consolidation for the 2021 financial year.

Ernst & Young AG was first chosen as the auditor by the annual general meeting in 2013. Tobias Meyer, Partner, took over the function of lead auditor from the 2020 financial year.

8.2 Audit fees

For 2021, audit fees of CHF 0.41 million were agreed, covering the remuneration for auditing the consolidated annual accounts and the statutory individual accounts of all subsidiaries as well as for issuing the audit confirmation for the compensation report. The capital increase report was also audited and additional auditing services were provided in relation to the acquisition of new companies added to the scope of consolidation.

8.3 Additional fees

For additional advisory services in the area of accounting and in connection with the acquisition of companies in western Switzerland, Ernst & Young AG invoiced CHF 0.052 million in 2021. This corresponds to 12.6 percent of the audit fee.

8.4 Information tools pertaining to an external audit

The Audit and Risk Committee maintains an exchange of information with the external auditors within the scope of the tasks described on page 40 of the Annual Report.

During the period under review, the auditors spent several weeks inspecting the half-year results, checking the existence of the internal control system (ICS) and auditing the annual results. The results and recommendations were discussed with the CEO and the CFO.

In addition to the statutory report to the annual general meeting, the auditors also prepare a comprehensive report to the Board of Directors which, together with further findings and proposals for improvement, is presented to a meeting of the Audit and Risk Committee and discussed in detail. To this end, the external auditors held two meetings with the Audit and Risk Committee in the 2021 financial year.

Specifically, the comprehensive report for the period under review contained key audit matters with material findings on the consolidated financial statements, on accounting, on the impact of estimation processes and on uncorrected audit differences, as well as comments on the internal control system (ICS). Another area on which the audit focused and commented in consultation with the Audit and Risk Committee was the fraud risk assessment. The auditors also presented their digital approach to the audit using data analysis and automation as well as disclosing additional findings from the year under review and other information in a comprehensive report. The Chairman of the Audit and Risk Committee conveyed the key findings of these discussions to the Board of Directors.

9. Information policy

Allreal provides information on its business performance and financial situation twice yearly by means of an annual and a half-year report. Financial reporting is in compliance with Swiss GAAP FER and the provisions of the SIX Exchange Regulation AG Listing Rules. Moreover, the consolidated financial statements and the annual financial statements as at 31 December are in accordance with Swiss legislation. The Sustainability Report is prepared in accordance with the Global Reporting Initiative (GRI) standard.

Shareholders entered in the company's share register receive a short report on business performance ("Value Update") together with the invitation to, and agenda for, the annual general meeting. Annual and half-year reports are no longer produced in printed form. The Annual Report and the Audit Report will be available for inspection at the company's head office no later than 20 days before the annual general meeting. All information published by Allreal Group, including the Annual Report, can be accessed in printable PDF format on the reporting platform reporting.allreal.ch/en.

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Analysts' and media conferences will be held half-yearly. Furthermore, Allreal is subject to the ad hoc publicity obligation according to Art. 53 of the Listing Rules. The ad hoc communications can be found on the Allreal website: <https://allreal.ch/en/investors-and-media/ad-hoc-publicity/2022>. Ad hoc communications will be e-mailed to interested parties on request. Ad hoc communications may be subscribed or unsubscribed to via the company website at: allreal.ch/en/investors-and-media/media/media-releases-ad-hoc-publicity/subscribe-to-media-releases.

The address of the company and the contact addresses are shown on page 134 of the Annual Report.

Below is a schedule of important dates:

Annual shareholders meeting 2022	8 April 2022
Half-year results 2022	24 August 2022
Annual results 2022	1 March 2023
Annual shareholders meeting 2023	21 April 2023
Half-year results 2023	23 August 2023

10. Blackout periods

All members of the Board of Directors and Group Management as well as managers and other employees of Allreal Group who have access to insider information are subject to special provisions contained in a separate internal regulation. This stipulates that trading in the securities of the company is not permitted during a 40-day blackout period before publication of Allreal's annual and half-year results. The blackout period ends on the day on which the results are published. Persons affected by this regulation will be notified in a separate e-mail at the beginning of the respective blackout period.