

Corporate Governance and Remuneration Report 2021

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Peach Property Group conducts its business in accordance with the principles of sound corporate governance. We regard these principles as a core elements of responsible business management, and transparency toward our investors, tenants, and employees.

The Corporate Governance and Remuneration Report is based on the structure in the Directive on Information relating to Corporate Governance (RLCG) of the SIX Exchange Regulation and complies with the requirements of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (VegüV).

Section 1 - Corporate Governance

1

Corporate structure and shareholders

1.1. Corporate structure

We are a real estate investor with an investment focus on and portfolio management of residential real estate in Germany. Our Group consists of the parent company, Peach Property Group AG, Zurich (the "Company"), and several direct and indirect subsidiaries ("Group companies").

The Board of Directors of the Company comprises Reto Garzetti (Chairman), Peter Bodmer, Dr. Christian De Prati, and Kurt Hardt and Klaus Schmitz. The Executive Management comprises Dr. Thomas Wolfensberger (Chief Executive Officer), Thorsten Arsan (Chief Financial Officer from June 1, 2021), and Dr. Andreas Steinbauer (Head of Letting and Sales). Dr. Marcel Kucher held the position of Chief Financial Officer and Chief Operating Officer until May 31, 2021).

The Company is listed on the SIX Swiss Exchange in Zurich since November 12, 2010.

Company name and registered office	Peach Property Group AG, Zurich
Business ID (UID)	CHE-101.066.456
Listing	SIX Swiss Exchange, Zurich
Trading currency	Swiss franc (CHF)
Market capitalization as of December 31, 2021	CHF 1 069 852 (closing share price of CHF 63.40 per share)
Ticker symbol	PEAN
Security number	11 853 036
ISIN	CH0118530366

Group companies are not listed on the stock exchange. A list of our Group companies is disclosed in note 19 to the consolidated financial statements. A diagrammatic

overview of the Peach Group is available on our website <https://www.peachproperty.com/en/>, at <https://www.peachproperty.com/en/about-us/organisation-struktur/>.

1.2. Significant shareholders

The following shareholders held 3 percent, or more than 16 882 373 of the issued shares of the Company, as of December 31, 2021:

Shareholders		Number of share	Percentage of all share
Ares Management Corporation, USA, through: Peak Investment S.à.r.l, Luxembourg ¹		4 410 694	26.13
Franciscus Zweegers, Monaco, through: Arqus Capital N.V., Belgium, and LFH Corporation S.A., Luxembourg, the Netherlands		1 279 675	7.58
Kreissparkasse Biberach, Deutschland, through: LBBW Asset Management Investmentgesellschaft mbH ² , Germany	426 627	738 160	4.37
BayernInvest Kapitalverwaltungsgesellschaft mbH ³ , Germany	331 533		
Dr. Thomas Wolfensberger, Switzerland		733 321	4.34
Gerd Schepers, Switzerland, through: Val Global Inc., Marshall Islands		619 754	3.67
Marius Barnett, London, through: Victoria Park Peaky S.à.r.l, Luxembourg		526 481	3.12
Other		8 574 288	50.79
Total shares issued		16 882 373	100.00

¹ Ares European Real Estate Fund V (managed by Ares Management UK Ltd), held through Peak Investment S.à.r.l.

² The investment is held in the two special funds LBBW AM-WWH and LBBW AM-WSG. The management, and independent exercise of voting rights (if exercisable), are both carried out by the capital management company LBBW Asset Management Investmentgesellschaft mbH. The 426 627 shares are entered in the share register with voting rights.

³ The investment is held in BayernInvest HIG-Fonds, a special AIF. The management and independent exercise of voting rights are both carried out by BayernInvest Kapitalverwaltungsgesellschaft mbH. Of the 331 533 shares, 175 013 shares are entered in the share register with voting rights. 136 520 shares are not entered in the share register.

No lock-up arrangements are in place as of December 31, 2021.

Under the applicable capital market regulations, shareholdings in companies domiciled in Switzerland, where the company's shares are at least partially listed on the SIX Swiss Exchange, must be reported to that company, as well as to the Disclosure Office of the SIX Swiss Exchange, when limits of 3 %; 5 %; 10 %; 15 %; 20 %; 25 %; 33 $\frac{1}{3}$ %; 50 %; or 66 $\frac{2}{3}$ % of the voting rights are exceeded; fallen below, or reached.

The holdings to be reported, in accordance with Article 14(2) of the FINMA Financial Market Infrastructure Ordinance (FinfraV-FINMA), is calculated based on the total

number of voting rights according to the entry in the Commercial Register (as of December 31, 2021: 14 852 314 registered shares at CHF 1.00 each). Upon receipt of such a notification, the company publishes the change in shareholding base via the SIX Exchange Regulation publication platform.

Including 2 notifications published in January 2022 in relation to the financial year 2021, we have published a total of 28 notification in accordance with Articles 120 ff. FinfraG. for the financial year 2021. These and other notifications from previous financial years can be viewed on the SIX Exchange Regulation website at <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issuedBy=PEACHP#/>.

As of December 31, 2021, the following shareholders held 3 percent or more of the Company's voting rights, as entered in the Commercial Register. These shareholders are considered significant shareholders in accordance with applicable capital market regulations:

		Number of voting rights that are exercisable and non-exercisable	Voting rights as percentage of Commercial Register entry
Total according to Commercial Register ¹		14 852 314	100.00
Thereof held by significant shareholders			
Ares Management Corporation, USA, through: Peak Investment S.à.r.l, Luxembourg ²		4 410 694	29.70
Franciscus Zweegers, Monaco, through: Arquus Capital N.V., Belgium, and LFH Corporation S.A., Luxembourg, the Netherlands		1 279 675	8.62
Kreissparkasse Biberach, Deutschland, through: LBBW Asset Management Investmentgesellschaft mbH, Germany	426 627	738 160	4.97
BayernInvest Kapitalverwaltungsgesellschaft mbH, Germany	331 533		
Dr. Thomas Wolfensberger: Switzerland		733 321	4.94
Gerd Schepers, Switzerland, through: Val Global Inc., Marshall Islands		619 754	4.17
Marius Barnett, London, through: Victoria Park Peaky S.à.r.l, Luxembourg		526 481	3.54
BlackRock Inc., USA		439 013	3.05

¹ The number of voting rights entered in the commercial register reflects the capital increases from conditional capital through July 31, 2021.

² Ares European Real Estate Fund V (managed by Ares Management UK Ltd), held through Peak Investment S.à.r.l.

Capital increases from the conditional capital entered into the commercial register from August 2021 through February 2022 reduces the proportional voting right of signifi-

cant shareholders relevant for disclosure, while the number of voting rights remains the same. This may result in a disclosure obligation for individual significant shareholders.

1.3. Cross-shareholdings

There are no cross-shareholdings.

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Capital structure

2.1. Capital

Capital as of December 31, 2021	in CHF	in number of registered shares	Nominal value per share in CHF
Share capital	16 882 373	16 882 373	1.00
Authorized capital	0	0	n.a.
Conditional capital	1 947 410	1 947 410	1.00

2.2. Authorized and conditional capital

Authorized capital

Our Company had no authorized capital at its disposal as of December 31, 2021.

Conditional capital

As of December 31, 2021, Peach Property Group AG had conditional capital of CHF 1 947 410 at its disposal. In accordance with Article 3a of the Articles of Association, as amended by the declaratory Board of Directors resolution on August 19, 2021, the conditional capital may be used a) up to an amount of CHF 195 566 for the exercise of conversion and/or option rights granted to employees of the Peach Group; and b) up to an amount of CHF 3 781 903 for the exercise of conversion and/or option rights in connection with convertible bonds, warrant bonds, and similar bonds.

The conditional capital in a) was reduced by CHF 16 000 to CHF 179 566 following the exercise of conversion rights in connection with the PSU program 2018-2020, in September 2021.

The conditional capital in b) was reduced by CHF 2 014 059 to CHF 1 767 844 following the exercise of conversion rights in connection with the subordinated 2.5 % mandatory convertible bond (PEA21, ISIN CH1119120751), issued in June 2021 and listed on the SIX Swiss Exchange AG.

The acquisition of registered shares through the exercising of options or conversion rights, and the further transfer of the registered shares, are subject to the transfer restrictions in accordance with Article 5 of our Articles of Association.

We enter conditional capital in the commercial register, and the Articles of Association annually, by March 31 at the latest (Articles 653g and 653h OR). In the current financial year, conditional capital was entered twice, once in March, effective per February 28, 2021 (following the declaratory Board of Directors resolution of March 17, 2021), and again in August, effective July 31, 2021 (following the declaratory Board of Directors resolution of August 19, 2021).

2.3. Capital changes

Capital and changes in capital	in CHF	in number of registered shares	Nominal value per share in CHF
Share capital as of December 31, 2018	5 487 627	5 487 627	1.00
Capital increases in 2019 financial year ¹	1 113 847	1 113 847	1.00
Share capital as of December 31, 2019	6 601 474	6 601 474	1.00
Capital increases in 2020 financial year ²	5 893 277	5 893 277	1.00
Share capital as of December 31, 2020	12 494 751	12 494 751	1.00
Capital increases in 2021 financial year ³	4 387 622	4 387 622	1.00
Share capital as of December 31, 2021	16 882 373	16 882 373	1.00

¹ Of which 973 747 exercises of conversion and option rights from bonds, and 112 000 exercises from the 2016-2018 PSU program.

² Of which 2 494 775 exercises of conversion and option rights from bonds, 3 300 000 shares from the authorized capital, and 71 000 exercises from the 2017-2019 PSU program.

³ Of which 4 252 188 exercises of conversion and option rights from bonds, and 73 000 exercises from the 2018-2019 PSU program.

Further information on equity is given in note 6 to the consolidated financial statements.

2.4. Shares and participation certificates

The share capital of Peach Property Group AG amounts to CHF 16 882 373 and consists of 16 882 373 fully paid-up registered shares with a nominal value of CHF 1.00 each. The shares carry equal rights. Each share carries an entitlement to one vote at the General Meeting.

As of December 31, 2021, we held 7 741 treasury shares (previous year: 5 682). Treasury shares are subject to voting and dividend rights restriction.

We have not issued any participation certificates.

2.5. Dividend rights certificates

We have not issued any dividend rights certificates.

2.6. Restriction on transferability and nominee registrations

The restriction on transferability, or registrations in the share register is regulated by Article 5 of the Articles of Association.

Further information, in particular regarding registration restrictions, is provided in Section 6 "Shareholders' participation rights".

The Articles of Association are available, in full, on our website at <https://www.peachproperty.com/en/investoren/corporate-governance/>.

2.7. Convertible bonds and options

Convertible bonds

In October 2017, we issued a convertible hybrid bond (PEA22, ISIN CH0381952255) of originally CHF 59 million, with a conversion price of CHF 29.50. The conversion period closed on December 31, 2020. The unconverted bond at the beginning of the financial year, after the conversion period had closed, was CHF 1 607 thousand. Through a notification dated June 30, 2021, we used a clean-up call (as more than 85 % of the total issue volume was converted), and prepaid the entire outstanding amount as of July 30, 2021, at 100 % nominal plus accrued interest.

In June 2021, we placed a subordinated 2.5 % mandatory convertible bond (PEA21, ISIN CH1119120751) listed on the SIX Swiss Exchange AG with an issue amount of CHF 180 million. The bond bore interest at 2.5 % p.a. from June 23, 2021, through December 23, 2021. The coupon was paid on December 23, 2021. The bonds were converted into Peach Property Group AG (PEAN, ISIN CH0118530366) shares at the conversion price of CHF 55.00 in two early conversion windows, with the remaining amount mandatorily converted as of December 23, 2021.

In October 2020, we issued a subordinated 2.5 % mandatory convertible bond (PEA20, ISIN CH0570347390) with an original issue amount of CHF 230 million. The bond had a term through June 30, 2021, and was mandatorily converted into Peach Property Group AG (PEAN, ISIN CH0118530366) shares during two early conversion windows in 2020, with the remaining amount mandatorily converted as of June 30, 2021.

Further information in relation to the convertible hybrid bond PEA22, and the mandatory convertible bonds PEA20 and PEA21 is provided in note 6 of the consolidated financial statements, or on page 43 under "Investor information".

Options

As of December 31, 2021, we had one hybrid warrant bond (PEA23, ISIN CH0417376024), with an original listed amount of CHF 60 million, and an outstanding amount of CHF 58.57 million. Each bond with a nominal value of CHF 1 000, entitled the bondholder to four warrants to purchase Peach Property Group AG shares. Each warrant entitles the holder to subscribe to one share, at a price of CHF 25 per share. The exercise period closed on June 25, 2021, and options not exercised by this time expired without compensation.

Further information in relation to the hybrid warrant bond is provided in note 6 of the consolidated financial statements, or on page 44 under "Investor information".

We also have an employee option plan and other employee participation plans. Further information in relation to the option plan and the participation plans is provided in note 13 to the consolidated financial statements, and in the Remuneration Report in Section 3.4.

3






Board of Directors

3.1. Members of the Board of Directors

The Board of Directors of Peach Property Group AG, including the Chairman, consists of a minimum of three and a maximum of five members (Article 13 of the Articles of Association). At the 2021 Ordinary General Meeting held

on May 27, 2021, the shareholders confirmed the existing members in office. The Board of Directors is made up of the following five members:

First name, last name	Position	On the Board of Directors since	Elected until
Reto Garzetti	Chairman	2015	2022 General Meeting
Peter Bodmer	Member	2009	2022 General Meeting
Dr. Christian De Prati	Member	2011	2022 General Meeting
Kurt Hardt	Member	2018	2022 General Meeting
Klaus Schmitz	Member	2020	2022 General Meeting

Reto Garzetti (Chairman)	Peter Bodmer	Dr. Christian De Prati	Kurt Hardt	Klaus Schmitz
Born in 1960 Swiss and Italian citizen	Born in 1964 Swiss citizen	Born in 1970 Swiss citizen	Born in 1966 German citizen	Born in 1982 German citizen
				

Education

Business Administration at the University of Zurich, Master's Degree in Business Administration (lic. oec. publ.), and MBA	Business Administration at the University of Zurich and MBA from IMD Lausanne, Master's Degree in Business Administration (lic. oec. publ.), and MBA	Economics at the University of Zurich, Doctorate in Economics (Dr. oec. publ.)	Banking apprenticeship at Kreissparkasse Biberach, Verwaltungs- und Wirtschaftsakademie (VWA), Business Administration (VWA)	Economics and philosophy at the London School of Economics (LSE) and an MBA from Harvard Business School
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Professional history

Reto Garzetti has over 30 years of experience in the financial sector, specializing in reorganizations, mergers, M&A, analyses, and investment banking.	Peter Bodmer has extensive national and international experience with various companies in the engineering, automotive supply, construction, and real estate industries.	Dr. Christian De Prati has had a lengthy career in investment banking.	Kurt Hardt has worked for Kreissparkasse Biberach since 1989.	Klaus Schmitz has a long career in investment banking and private equity with, a main focus on real estate.
Since 1999 Partner at the Zurich investment advisory firm SE Swiss Equities AG.	Since 2011 Director of Beka-Küsnacht AG, which specializes in real estate services and business development.	Since 2017 Member of the Advisory Committee of SSVL (Monaco) SAM.	2017 Bank Board Member responsible for corporate customers and capital market business.	Since 2016 at Ares Management as Managing Director responsible for real estate investments and management in Germany, Austria and Switzerland (DACH region).
	Until end of 2012 Senior Advisor for Implenja.	2009 to 2011 Country Head Switzerland at Bank of America Merrill Lynch.	Previously Appointed Substitute for the Chairman of the Board (2015) and Deputy Board Member (2008).	Previously with Starwood Capital Group and Rothschild, London.
	Until end of 2011 Member of the Group Executive Management and Director of Implenja Industrial Construction.	1998 to 2008 CEO Merrill Lynch Capital Markets AG.	1998 to 2008 Director of Capital Markets.	

Mandates outside Peach Group

Reto Garzetti	Peter Bodmer	Dr. Christian De Prati	Kurt Hardt	Klaus Schmitz
<p>Chairman of the Board of Directors</p> <ul style="list-style-type: none"> › AGI AG für Isolierungen, Dällikon, Switzerland › Pioria SA, Zug, Switzerland › Verlag Garzetti & Staiger AG, Zollikon, Switzerland <p>Member of the Board of Directors</p> <ul style="list-style-type: none"> › Chairos AG, Zumikon, Switzerland › Lescan Immobilien AG, Zug, Switzerland › MiniNaviDent AG, Liestal, Switzerland › Neugass Kino AG, Zurich, Switzerland › RH Immobau AG, Baden, Switzerland › SE Swiss Equities AG, Zurich, Switzerland › Siegfried Holding AG, Zofingen, Switzerland › Silver Reel Pictures AG, Wollerau, Switzerland › Südpack Medica AG, Baar, Switzerland ¹ <p>Deputy Chairman of the Supervisory Board</p> <ul style="list-style-type: none"> › MS Industrie AG, Munich, Germany <p>Member of the Advisory Board</p> <ul style="list-style-type: none"> › Südpack Verpackungen & Co. KG, Ochsenhausen, Germany ¹ <p>Reto Garzetti also has mandates outside Europe.</p>	<p>Chairman of the Board of Directors</p> <ul style="list-style-type: none"> › Beka-Küsnacht AG, Küsnacht, Switzerland <p>Vice-Chairman of the Board of Directors</p> <ul style="list-style-type: none"> › Helvetica Property Investors AG, Zurich, Switzerland <p>Member of the Board of Directors</p> <ul style="list-style-type: none"> › Arbonia AG, Arbon, Switzerland › Arealentwicklung IPZ AG, Dübendorf, Switzerland ² › Brütsch/Rüegger Holding AG, Urdorf, Switzerland › Inovetica Holding AG, Baar, Switzerland › Klinik Schloss Mammern AG, Mammern, Switzerland › Kuratle Group AG, Leibstadt, Switzerland › Nüssli (Schweiz) AG, Hüttwilen, Switzerland <p>President of the Board of Trustees</p> <ul style="list-style-type: none"> › Profond Anlagestiftung, Zurich, Switzerland ³ › Profond Vorsorgeeinrichtung, Zurich, Switzerland ³ › Stiftung Innovationspark Zürich, Zurich, Switzerland ² <p>Member of the Board of Trustees</p> <ul style="list-style-type: none"> › Wilhelm Schulthess - Stiftung, Zurich, Switzerland › UZH Foundation, Zurich, Switzerland <p>Chairman of the Board</p> <ul style="list-style-type: none"> › Profond Vereinigung, Zurich, Switzerland ³ <p>CEO a.i.</p> <ul style="list-style-type: none"> › RUAG MRO Holding AG, Bern, Switzerland <p>Managing Director</p> <ul style="list-style-type: none"> › BB's Pure GmbH, Küsnacht, Switzerland <p>Member</p> <ul style="list-style-type: none"> › Board of the University of Zurich, Zurich, Switzerland 	<p>Member of the Board of Directors</p> <ul style="list-style-type: none"> › Cornèr Banca SA, Lugano, Switzerland › Rothschild & Co. Bank AG, Zurich, Switzerland <p>Managing Director</p> <ul style="list-style-type: none"> › dP Capital GmbH, Freienbach, Switzerland <p>Member of the Advisory Committee</p> <ul style="list-style-type: none"> › SSVL (Monaco) SAM, Monaco 	<p>Member of the Board</p> <ul style="list-style-type: none"> › Kreissparkasse Biberach, Biberach an der Riss, Germany <p>Member of the Supervisory Board</p> <ul style="list-style-type: none"> › Genossenschaft für Wohnungsbau Oberschwaben eG (GWO), Laupheim, Germany <p>Managing Director</p> <ul style="list-style-type: none"> › Chancenkapital Beteiligungs-GmbH, Biberach an der Riss, Germany › Chancenkapitalfonds der Kreissparkasse Biberach GmbH, Biberach an der Riss, Germany 	<p>Managing Director</p> <ul style="list-style-type: none"> › Ares Real Estate Group of Ares Management Corporation, Los Angeles, USA (head office)

1 - 3 Considered as one mandate according to the provisions of the Articles of Association (affiliated companies, Article 20(3) of the Articles of Association).

None of the members of the Board of Directors is a member of the Executive Management of Peach Property Group AG or any Group company. Reto Garzetti, Peter

Bodmer, and Dr. Christian De Prati form the Supervisory Board of Peach Property Group (Deutschland) AG, based in Cologne, Germany. Reto Garzetti is the Chairman.

3.2. Additional activities and interests

Except for the positions mentioned in Section 3.1 “Members of the Board of Directors”, the members of the Board of Directors do not perform any activities in management and supervisory bodies, or permanent management and advisory roles for key interest groups.

Members of the Board of Directors are obliged to abstain from voting when business matters arise, which may affect their interest, or the interest of people close to them. The Board of Directors decides whether a conflict of interest is

identified. The affected member of the Board of Directors, or Executive Board does not take part in the discussion, or in the decision concerning the relevant matter. The affected member however has the right to make a personal statement before the discussion (see also Section 7.2 of the Organizational Regulations). The current organizational regulations were published on October 12, 2020, and can be found on our website at <https://www.peach-property.com/en/investoren/corporate-governance/>.

3.3. Number of activities permitted under Article 12(1)(1) VegüV

Pursuant to Article 20 of the Articles of Association, each member of the Board of Directors may hold a total of no more than 15 mandates outside the Group in the highest management, or administrative bodies of non-charitable legal entities which are required to be registered in a commercial register, of which no more than five manda-

tes may be held in legal entities whose equity securities are listed on a stock exchange. The number of additional mandates in legal entities not registered in a commercial register is limited to 15. Mandates in affiliated companies are regarded as one mandate.

3.4. Election and term of office

The members of the Board of Directors, and the Chairman of the Board of Directors are elected individually by the General Meeting for a term of office of one year. Re-election is possible. According to paragraph 3 of Article 13 of the Articles of Association, shareholders or groups of shareholders with a shareholding of more than 15 percent have a binding right to propose a representative to the Board of Directors, also known as a shareholder representative. Furthermore, pursuant to Section 2.6 of the Organizational Regulations, such shareholders or groups of shareholders have the right to appoint, in addition to or instead of the shareholder representative, a person to attend the meetings of the Board of Directors and committees as an observer with no voting rights.

If a member of the Board of Directors is replaced before his or her term of office ends, his or her successor will be appointed for the remainder of this term. If the office of Chairman of the Board of Directors is vacant, the Board of Directors will appoint a new Chairman from among its members for the remaining term of office.

In addition, the General Meeting elects the members of the Compensation Committee individually for a period of one year.

Re-election is also possible. This Committee consists of at least two members of the Board of Directors. The Chair-

man of the Compensation Committee is appointed by the Board of Directors.

In addition, the General Meeting elects the independent proxy annually. The proxy may be an individual or a legal entity or partnership. Re-election is possible. The independent proxy is obliged to exercise the voting rights assigned to him or her by the shareholders in accordance with their instructions. If the independent proxy has not received any instructions, he or she abstains from voting. If the Company does not have an independent proxy, or if the proxy is unavailable due to a lack of independence or for other reasons, the Board of Directors will appoint one ad interim for the period up to and including the next General Meeting; powers of attorney and instructions already given will remain valid for the new independent proxy, unless the shareholder has expressly instructed otherwise.

According to Section 2.2 of the Company's Organizational Regulations, an upper age limit of 70 years applies to members of the Board of Directors. The Board of Directors shall not propose to the General Meeting for election or re-election any person who has reached the age of seventy. The Board of Directors may resolve to make an exception for the Chairman of the Board of Directors. Otherwise, there are no restrictions on the term of office for the Board of Directors.

3.5. Internal organization

With the exception of the Chairman and members of the Compensation Committee, the Board of Directors organizes itself. Pursuant to Section 4.1 of the Organizational Regulations, the shareholder representative is entitled to sit on all existing and future committees or, with regard to the Compensation Committee, to be proposed for election at the General Meeting. The Board of Directors appoints its own secretary, who need not be a member of the Board.

Reto Garzetti was re-elected as Chairman by the Ordinary General Meeting on May 27, 2021. In this position, he is responsible, among other things, for convening and preparing the meetings of the Board of Directors and the General Meeting, as well as for chairing the meetings. The Board of Directors is convened as often as business requires, but at least three times a year. In addition, any

member of the Board of Directors and the Chief Executive Officer of the Executive Management may request that a meeting be convened, stating the reasons.

The Board of Directors has a quorum as long as at least two thirds of its members are present (Article 18 of the Articles of Association). To be adopted, resolutions require a majority of the participating members of the Board of Directors, subject to the prevailing Organizational Regulations. In the event that the votes are tied, the person chairing the meeting casts the deciding vote. Circular resolutions are permissible unless a member requests oral deliberation. No quorum is required for resolutions relating to a capital increase report or for decisions amending and confirming resolutions in connection with capital increases.

The following resolutions also require the approval of the shareholder representative or, if there are more than two shareholder representatives, of the shareholder representative representing the shareholder or shareholder group with the largest shareholding in the Company:

1. To approve or amend the annual budget and business planning
2. To exceed the loan-to-value ratio of the existing portfolio by more than 60 percent
3. To apply for the delisting of the shares
4. To change the number of members of the Board of Directors in Article 13 paragraph 1 of the Articles of Association
5. To dispose of assets from the portfolio in excess of CHF 250 million
6. To execute transactions with related natural persons or legal entities and with significant shareholders (shareholders with shareholding of 3 percent or more)
7. To amend the current Organizational Regulations with regard to the above list of resolutions requiring the approval of the shareholders' representative

The following major resolutions require the approval of two-thirds of the members participating in the meeting or conference call:

1. To amend the dividend policy
2. To perform significant equity or equity-related financings and re-financings
3. To enter into strategic partnerships
4. To perform investments and divestments of more than 5 percent of consolidated shareholders' equity
5. To apply for the delisting of the shares
6. To propose the election or re-election of the members of the Board of Directors, with the exception of the shareholder representative
7. To appoint the members of the Executive Management
8. To dispose of assets from the portfolio in excess of CHF 5 million up to and including CHF 250 million
9. To dismiss or terminate members of the Executive Management and other key employees of the wider management team
10. To amend the current Organizational Regulations with regard to the above list of resolutions requiring two-thirds approval

The Company has Organizational Regulations, which were last amended on October 12, 2020. The regulations can be viewed at <https://www.peachproperty.com/en/investoren/corporate-governance/>. The Organizational Regulations govern the duties and powers of the bodies entrusted with the management of the Company.

The Board of Directors may entrust its individual members with the supervision and monitoring of certain specialist areas in a committee. These committees consist exclusively of members of the Board of Directors. Provided he or she is professionally qualified, the shareholder representative is entitled to sit on all existing and future committees. The Board of Directors had three committees in the financial year:

› The **Audit and Risk Committee (ARC)** is composed of at least two members of the Board of Directors. It supports the Board of Directors with supervision of the accounting and financial reporting processes, the internal control system (ICS), and the audit firm (external auditors) as well as with monitoring compliance with legal requirements, as described in detail in the description of duties in the Organizational Regulations. The Audit and Risk Committee meets at least three times a year, including once to discuss the annual financial statements with the auditors.

› The **Compensation Committee (CC)** is composed of at least two members of the Board of Directors. It supports the Board of Directors with determining and implementing the remuneration policy and system as well as in human resources, as described in detail in Article 22 of the Articles of Association and in the description of duties in the Organizational Regulations. The Compensation Committee meets at least twice a year. The Chairman of the Board of Directors and the Chief Executive Officer attend the meetings ex officio in an advisory capacity.

› The **Investment Committee (IC)** is composed of at least two members of the Board of Directors. It supports the Board of Directors with all investment matters and with assessing the associated risks, as described in detail in the description of duties and powers in the Organizational Regulations. The Investment Committee has decision-making authority primarily for investments and divestments of between CHF 1 million and CHF 5 million in equity capital. It meets as often as business requires. The Chief Executive Officer attends the meetings ex officio in an advisory capacity.

Committee meetings can be integrated into the meetings of the Board of Directors.

The committees had the following members in the current financial year:

Audit and Risk Committee, ARC

Peter Bodmer (Chairman)
Reto A. Garzetti
Klaus Schmitz

Compensation Committee, CC

Dr. Christian De Prati (Chairman)
Kurt Hardt
Klaus Schmitz

Investment Committee, IC

Kurt Hardt (Chairman)
Reto A. Garzetti
Peter Bodmer
Dr. Christian De Prati
Klaus Schmitz

Calendar of meetings of the Board of Directors and committees, with details of duration and attendance

Meeting title	Nature	BoD	ARC	CC	IC	Duration in min.	Attendance
ARC 01	Meeting		X			65	Full attendance
BoD 01 / CC 01	Meeting ¹	X		X		205	Full attendance
BoD 02	Circular resolution	X				n.a.	Full attendance
BoD 03	Circular resolution	X				n.a.	Full attendance
BoD 04 / ARC 02 / CC 02	Meeting ¹	X	X	X		345	Full attendance
BoD 05 and IC	Meeting ¹	X			X	65	P. Bodmer excused
BoD 06 / CC 03	Meeting ¹	X		X		190	Full attendance
BoD 07	Conference call	X				55 ²	Full attendance
related to BoD 07	Circular resolution	X				n.a.	Full attendance
without designation	Circular resolution	X				n.a.	Full attendance
BoD 08 / ARC 03 / CC 04	Meeting ¹	X	X	X		380	Full attendance
BoD 09	Meeting	X				80	Full attendance
BoD 10 / ARC 04 / CC 04	Meeting ¹	X	X	X		105	Full attendance
Total number of meetings, conference calls, and circular resolutions		12	4	5	1	1.490	
Average duration (excl. circular resolutions)						166	

1 Session with telephone dial-in.

2 Estimated duration.

The meetings were attended, without voting rights, by Dr. Thomas Wolfensberger (Chief Executive Officer), Dr. Marcel Kucher (Chief Financial and Operating Officer until May 31, 2021), Thorsten Arsan (Chief Financial Officer from June 1, 2021), and, as Secretary to the Board of Directors, Peter Slongo (General Counsel). Dr. Andreas Steinbauer

(Head of Letting and Sales), Nicole Grau (Head of Group Accounting), and representatives of the external auditors and the property appraiser also attended, as required. A representative of our anchor shareholder also attended several meetings as an observer, within the meaning of Section 2.6 of the Organizational Regulations.

3.6. Powers

The Board of Directors is the highest management body of the Company. In accordance with the Organizational Regulations, it may delegate some or all of its duties and powers to its individual members or to third parties, unless otherwise provided by law (in particular Article 716a of the Swiss Code of Obligations) or the Articles of Association.

The current Articles of Association and Organizational Regulations can be found on our website [peachproperty.com](https://www.peachproperty.com/en/investoren/corporate-governance/) at <https://www.peachproperty.com/en/investoren/corporate-governance/>.

The Board of Directors has delegated the operational management of the Company and the related management duties to the Executive Management within the limits of the law, the Articles of Association, and the Organizational

Regulations, as described in detail in the description of duties and powers in the Organizational Regulations. Within this framework, the day-to-day business is managed by the Executive Management. The Executive Management also manages the Group companies. The Executive Management elected by the Board of Directors consists of at least a Chief Executive Officer (CEO) and a Chief Financial Officer (CFO). However, other persons may also be elected to the Executive Management.

The Board of Directors may at any time, on a case-by-case basis or within the framework of a general reservation of powers, intervene in the duties and powers of the Executive Management and take charge of business.

3.7. Information and monitoring instruments vis-à-vis the Executive Management

The Chairman of the Board of Directors meets regularly with the CEO and the CFO. Additional members of the Board of Directors or the Executive Management participate as required. In addition, the Executive Management informs the Board of Directors about developments with the investment properties by means of a periodic portfolio report. The Board of Directors is also informed at least quarterly, via a Management Information System (MIS),

about the following in particular: liquidity trends, progress with the investment properties, sales performance, and budget achievement. The Chief Executive Officer and the Chief Financial Officer attend the meetings of the Board of Directors and provide comprehensive information on the performance of the business and any events, report on matters on the agenda, and are available to answer questions and provide information.

4

Executive Management

4.1. Members of the Executive Management

On May 31, 2021, Dr. Marcel Kucher (CFO and COO) resigned from the Peach Group. Thorsten Arsan was appointed as CFO of Peach Property Group AG from June 1, 2021, from which point onwards the Executive Management of Peach Property Group AG was as follows:

First name, last name	Position	With Peach since
Dr. Thomas Wolfensberger	Chief Executive Officer	2006
Thorsten Arsan	Chief Financial Officer	since June 1, 2021
Dr. Andreas Steinbauer	Head of Letting and Sales	2009

Dr. Thomas Wolfensberger
 (Chief Executive Officer)

Born in 1972
 Swiss citizen


Thorsten Arsan
 (Chief Financial Officer)

Born in 1974
 German citizen


Dr. Andreas Steinbauer
 (Head of Letting and Sales)

Born in 1975
 Swiss and German citizen



Education

Economics at the University of Zurich /
 Doctorate in Economics (Dr. oec. publ.)

Degree in business administration with
 a focus on real estate and construction
 from the Biberach University of Applied
 Sciences / MBA program International
 Real Estate Management at the South
 Bank University in London

Degree in Business Administration
 from Georg-Simon-Ohm University in
 Nuremberg / Master's Degree in Real
 Estate and Doctorate in International
 Real Estate Markets from University of
 Kingston

Professional history

With the Peach Group since 2006, as
 CEO since 2007.

2000 to 2006 Founder and CEO of
 Swisrisk, a financial software provider,
 and active in due diligence appraisals
 for real estate funds.

He was previously employed by com-
 panies including Accenture and IBM.

From June 1, 2021, the CFO of the
 Peach Group.

Previously he was Head of Corporate
 Finance/Deputy Head of Finance &
 Treasury at Vonovia SE (2013 – 2020)
 and the former Senior Vice President
 for Finance, Controlling, Investor
 Relations and M&A at Adler Group SA.
 (2020 – 2021).

With the Peach Group since 2009,
 as Head of Sales and Marketing since
 2013, as Head of Letting and Sales from
 Q4/2018.

Until 2009 he was responsible for the
 portfolio of luxury project develop-
 ments of the Orco Property Group in
 Berlin.

Mandates outside Peach Group

None

None

None

4.2. Additional activities and interests

As of December 31, 2021, the members of the Executive Management did not perform any activities in management and supervisory bodies or permanent management and advisory roles for key interest groups.

4.3. Number of activities permitted under Article 12(1)(1) VegüV

Pursuant to Article 24 of the Articles of Association, each member of the Executive Management may hold outside the Group a total of no more than three mandates in the highest management or administrative bodies of non-charitable legal entities which must be registered in a commercial register, of which no more than one man-

date may be held in legal entities whose equity securities are listed on a stock exchange. The number of additional mandates in legal entities not registered in a commercial register is limited to ten. Mandates in affiliated companies are regarded as one mandate.

4.4. Management contracts

We have not concluded any management contracts with third parties.

5

Remuneration, shareholdings, and loans

All information and explanations relating to the remuneration and shareholdings of the members of the Board of Directors and Executive Management can be found in the

separate Remuneration Report, the second section of this Corporate Governance and Remuneration Report.

6

Shareholders' participation rights

The applicable Articles of Association can be found on our website at <https://www.peachproperty.com/en/investoren/corporate-governance/>.

6.1. Proxy voting and voting restrictions

In relation to the Company, only the person or entity entered in the share register is recognized as the shareholder or usufructuary. Each share entitles the holder to one vote, and only those who are entered in the share register with voting rights can also exercise their voting rights at the General Meeting. Shareholders registered with voting rights may be represented at the General Meeting by ano-

ther shareholder, a third party, or the independent proxy under a written power of attorney. Shareholders can also issue powers of attorney and voting instructions to the independent proxy electronically. Powers of attorney and instructions may only be issued for the upcoming General Meeting.

Article 5 of the Articles of Association sets out restrictions on transfer and registration. For example, no entries are generally made in the share register from the 15th day before the General Meeting up to and including the day of the General Meeting. The voting rights of acquirers and related rights remain suspended during this period.

In accordance with Article 5 of the Articles of Association, the Board of Directors may only refuse to approve the

transfer of shares to an acquirer or usufructuary and/or to register the new acquirer if the acquirer, despite a request from the Company, does not expressly declare that he or she has acquired the shares in his or her own name and for his or her own account or, in the case of an application for registration as a nominee, does not expressly declare his or her willingness to disclose the names, addresses, and shareholdings of the persons for whose account he or she holds the shares (beneficial owners).

6.2. Quorums prescribed by the Articles of Association

Our Articles of Association do not provide for any special quorums beyond the legal requirements for passing resolutions (Articles 703 and 704 of the Swiss Code of Obligations).

6.3. Convocation of the General Meeting

The Ordinary General Meeting of our Company is held annually within six months of the close of the financial year. Extraordinary General Meetings can be convened at any time as required. A General Meeting may be convened by the Board of Directors, auditors, or liquidators. The Board of Directors also convenes a General Meeting if shareholders who together represent at least 10 percent of all shares request it, stating the items on the agenda and the motions (Article 7 of the Articles of Association).

General Meetings are convened at least 20 days prior to the date of the General Meeting, stating the agenda and the motions submitted, by means of a single publication

in the Swiss Official Gazette of Commerce and in writing to all shareholders entered in the share register (Article 8(1) of the Articles of Association).

In the current year, the Ordinary General Meeting of our Company was held in Zurich on May 27, 2021. Due to the coronavirus situation, shareholders and shareholder representatives could not physically attend the General Meeting, as in the previous year. Based on Article 27 of Ordinance 3 on Measures to Combat the Coronavirus (COVID-19), the Board of Directors has decided that shareholders may exercise their rights at the General Meeting exclusively through the independent proxy.

6.4. Putting items on the agenda

Shareholders who together represent at least 3 percent of all shares may request that items be included on the agenda. The request for inclusion on the agenda must

reach the Company at least 45 days before the General Meeting (Article 8(2) of the Articles of Association).

6.5. Entries in the share register

See Section 6.1. "Proxy voting and voting restrictions".

7

Change of control and defensive measures

7.1. Obligation to make an offer

According to the applicable financial market regulations, a person who directly, indirectly, and/or together with third parties acquires shares in a company listed in Switzerland and thereby exceeds the limit of $33\frac{1}{3}\%$ of the voting rights of the company must submit a takeover bid for the acquisition of all shares.

Our Articles of Association do not provide for any relaxation of or exceptions to the obligation to make an offer (no opting-up or opting-out clause).

7.2. Change of control clauses

In the event of a change of majority control over our Company, there are no agreements that confer preferential treatment on the members of the Board of Directors and the Executive Management.

8

Auditors

8.1. Duration of mandate and period of office of the lead auditor

The auditors are elected annually by the General Meeting. Since the 2006 financial year, PricewaterhouseCoopers AG, Zurich, has acted as the statutory and Group auditor of Peach Property Group AG. The lead auditor from the 2021 financial year is Mr. Patrick Balkanyi.

The Audit and Risk Committee assesses the performance and independence of the auditors annually and periodically invites tenders for the mandate. In doing so, the Audit

and Risk Committee is guided by statutory requirements, current corporate governance recommendations and European practice. The most recent invitation to tender was issued in financial year 2013 with three leading providers. PricewaterhouseCoopers AG, Zurich, won the tender due to its tailor-made audit approach. There is also a legal obligation that the lead auditor must be replaced after seven years.

8.2. Auditor's fee

For the current financial year, we expect audit fees of CHF 917 thousand (previous year: CHF 917 thousand). These consist of the examination and review of annual, group and semi-annual reports, as well as audit services

in connection with capital market transactions (corporate bonds/mandatory convertible bonds). All referenced amounts are excluding value-added taxes.

8.3. Additional fees

In the current financial year, additional fees were incurred towards PricewaterhouseCoopers AG for consulting services of CHF 781 thousand (previous year: CHF 874 thousand). The fees relate to ongoing tax advice (e.g. tax returns) and tax advice in connection with acquisition activities (tax due diligence).

Fees totaling CHF 775 thousand (previous year: CHF 1 343 thousand) were incurred in 2021 towards the independent real estate appraiser Wüest Partner AG, Zurich, and W&P Immobilienberatung GmbH, Frankfurt.

All referenced amounts are excluding value-added taxes.

8.4. Information tools pertaining to the external audit

The Audit and Risk Committee's responsibilities include regular and effective monitoring of the effectiveness, activity, and reporting of the external auditors. It assesses the scope of the external audit by the auditors and the relevant procedures, and discusses the audit results with the external auditors. Representatives of the external auditors attend meetings of the Audit and Risk Committee at least once a year, in particular to discuss the annual financial

statements, explain their activities, and are available to answer questions.

The Audit and Risk Committee annually assesses the performance, remuneration, and independence of the external auditors. Based on its recommendation, the Board of Directors submits a proposal to the General Meeting for the election of the external auditors.

9

Information policy

We provide our shareholders and the capital market with open, timely, and transparent information. Financial reporting takes the form of annual and semi-annual reports. We prepare these in accordance with the International Financial Reporting Standards (IFRS). They comply with Swiss law and the regulations of the SIX Swiss Exchange.

[investoren/investor-news/](https://www.peachproperty.com/en/newsletter-registration/). This section contains further continuously updated information about our Company and the Group. Ad hoc announcements and other press releases are also sent to interested parties by email on request. To register, visit our website at <https://www.peachproperty.com/en/newsletter-registration/>.

We publish facts relevant to the share price in fulfillment of the obligation to provide ad hoc publicity in accordance with the provisions of the Listing Rules and the Directive on Ad Hoc Publicity (RLAHP). Our press releases can be viewed at any time on our website under the heading "Investors" or at <https://www.peachproperty.com/en/>

All communications from the company to shareholders are sent in writing by ordinary letter to the last address of the shareholder, or of the person authorized to receive documents, as entered in the share register. The Swiss Official Gazette of Commerce is the Company's official publication medium (Article 38 of the Articles of Association).

10

Blocking periods for trading

During trading blocking periods, members of the Board of Directors, management and employees are prohibited from trading in Peach Group securities. A normal trading blocking period begins five trading days prior to the end of the Company's reporting period and ends with the public announcement of the financial results. No exceptions are

made to normal trading blocking periods. The General Counsel notifies of trading blocking periods. In addition, the Chairman of the Board of Directors may, together with the CEO or CFO, instate extraordinary blocking periods for certain connected persons. Persons subject to such extraordinary blocking periods are notified by email.

Contacts

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Dr Thomas Wolfensberger, Chief Executive Officer and Thorsten Arsan, Chief Financial Officer
Telephone +41 44 485 50 00 | investors@peachproperty.com

Important dates

- › General Meeting 2021: Friday, May 20, 2022, in Zurich, likely without shareholders and shareholder representatives physically attending due to the COVID-19 restrictions
- › Publication of 2022 half-year results: Tuesday, August 30, 2022

Section 2 - Remuneration Report

1

Introduction

The remuneration policy is part of corporate governance. Both the Board of Directors, and Executive Management are committed to sound corporate governance to facilitate the sustainable development of the Group. This includes a balanced and fair performance- and success-orientated remuneration policy.

This Remuneration Report contains an overview of the content and procedures in determining the remuneration and the shareholding programs of the Board of Directors, and Executive Management, as well as statements on the remuneration for the financial year in comparison with the previous year.

The Remuneration Report complies with the provisions of the Ordinance against Excessive Remuneration in Listed

Companies Limited by Shares (VegüV), and the Directive on Information Relating to Corporate Governance (DCG) of the SIX Exchange Regulation AG, and is based in particular on the provisions of Articles 26 to 35 of the Articles of Association.

The Articles of Association can be viewed on our website at <https://www.peachproperty.com/en/investoren/corporate-governance/>.

2

Responsibilities and determination procedures

In collaboration with the Chief Executive Officer, the Compensation Committee prepares a proposal for the remuneration of the Board of Directors, and Executive Management. Based on the proposal, the Board of Directors resolves on the total remuneration for its members, and the members of the Executive Management, upon which a motion is put to the General Meeting.

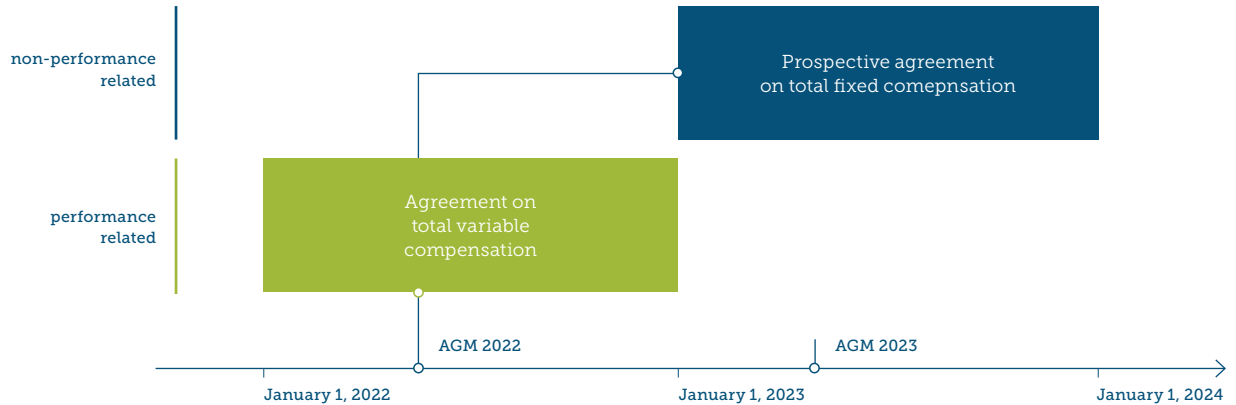
The General Meeting in turn votes annually to approve the total remuneration to members of the Board of Directors and Executive Management. The General Meeting approves, in accordance with Article 26(1) of the Articles of Association, the maximum total amounts of:

- › remuneration of the Board of Directors for the period up to the next Ordinary General Meeting, and;
- › non-performance-related remuneration of the Executive Management for the next financial year, as well as;
- › performance-related remuneration of the Executive Management for the financial year in which the General Meeting is held.

Remuneration of the Board of Directors



Remuneration of the Executive Management



If the General Meeting rejects a motion by the Board of Directors, the Board of Directors may, pursuant to Article 26(5) of the Articles of Association:

- > either submit a new motion to the same General Meeting, or;
- > convene an Extraordinary General Meeting within three months, and submit a new motion, or;
- > determine a maximum total amount or several maximum partial amounts, considering all relevant factors, and submit this, or these, to the next Ordinary General Meeting for approval.

Based on the proposal by the Chief Executive Officer, and the motion by the Compensation Committee, the Board of Directors draws up the Remuneration Report on the remuneration paid and submits this to the General Meeting for consultative approval (Article 26(3) of the Articles of Association).

For details of the scope of the duties of the Compensation Committee and the allocation of powers, see also the Organizational Regulations at <https://www.peachproperty.com/en/investoren/corporate-governance/>.

3

Remuneration system

3.1. General principles

The remuneration system within our Group is intended to deliver a competitive and performance-oriented remuneration policy. Our aim with this is to promote long-term management of the Group and sustainable business success. The remuneration of the Board of Directors and the Executive Management should be in line with the market, commensurate with the effort and responsibility in-

involved, and appropriate to the size of the Group. The Board of Directors, and management should duly share in the success of our Company. The Compensation Committee continuously monitors the development of salaries in comparable companies, and reports on this to the Board of Directors.

3.2. Remuneration of the Board of Directors

In accordance with Article 28 of the Articles of Association, the remuneration of the members of the Board of Directors is made up of:

- a) modular remuneration based on position on the Board of Directors and membership of committees, and;
- b) variable remuneration dependent on the achievement of Company targets

plus the Company's social security contributions.

As in the previous years, the basic remuneration for the Chairman of the Board of Directors is CHF 160 000, and CHF 50 000 for a member of the Board of Directors. The remuneration for chairing a committee remains unchanged at CHF 30 000, and the remuneration for committee membership remains unchanged at CHF 20 000. All amounts are per year of office, and exclude social security contributions.

Members of the Board of Directors receive a portion of their remuneration described in a) in shares of the Company, blocked for one year. For the 2021 financial year, the Board of Directors resolved on a share component of 50 percent (previous year: 50 percent). The number of shares is determined based on the average share price of the last ten trading days in the financial year and the first ten trading days in the new financial year ("allotment price"). For the calculation of the amount of the remuneration

according to VegüV, the number of shares determined by means of the allotment price is multiplied by the closing price of the allotment according to the allotment decision of the Board of Directors ("price at allotment"). The relevant prices for the 2021 compensation are: allotment price CHF 62.61, and price at allotment CHF 58.60.

In the current financial year, as in previous years, the members of the Board of Directors were also allotted Performance Stock Units ("PSUs"). PSUs are entitlements to shares and represent variable remuneration dependent on the achievement of Group targets. Information on the PSU programs can be found in Section 3.4 and in note 13 to the consolidated financial statements.

Klaus Schmitz, who acts as a shareholder representative within the meaning of Article 13(3) of the Articles of Association, does not receive any remuneration or PSUs.

3.3. Remuneration of the Executive Management

In accordance with Article 31 of the Articles of Association, the remuneration of the members of the Executive Management is composed of a non-performance-based basic remuneration, and a performance-based remuneration plus the Company's contributions to social security and occupational pension schemes, as well as other fringe benefits provided by the Company (in particular, company cars).

The fixed, non-performance-related portion of the remuneration corresponds to the basic salary agreed in the employment contract or the annual remuneration notification. The basic salary considers the aspects of position, powers, degree of responsibility, and individual experience, as well as the market and internal wage structure.

The variable, performance-based remuneration paid to the members of the Executive Management depends on the achievement of both Group, and individual targets. These are based on the qualitative and quantitative goals and parameters set by the Board of Directors. Group targets (corporate KPIs of the group) are based on the respective budgets and are set annually by the Board of Directors for the entire Group. Group targets in the current financial year were set for the share price, net income and FFO I, all three with an equal weighting. At the request of the Compensation Committee of the Board of Directors, individual goals or targets for Executive Management are agreed annually, and in line with the Group's strategic goals. In principle, no more than five individual goals are agreed, the majority of which should be quantitatively measurable.

The variable remuneration is limited to no more than 150 percent of the fixed remuneration in total. In justified cases, the Board of Directors may also decide on a higher proportion for the variable remuneration. For Dr. Andreas Steinbauer, Head of Letting and Sales, a special rule applies with a lower fixed salary and commissions dependent on sales success, which can be more than one and a half times the fixed salary. The commission model is based primarily on a share of one month's rent for newly rented apartments, where the percentage varies depending on whether the rental is a fluctuation rental (rental of a previously rented apartment after the tenants have left) or a rental to reduce vacancy (rental of an apartment not previously rented). Furthermore, Dr. Andreas Steinbauer receives a bonus for the reduction of lost income due to collection risk. Added to this are sales commissions for apartments sold. In Dr. Steinbauer's case, the bonus that is dictated by the success of the Group and the continued achievement of individual targets is in turn relatively low.

According to the bonus policy of the Group, up to 60 percent, and up to 50 percent of the bonus of the Chief Executive Officer, and other members of Executive Management, respectively, may be paid in the form of shares in the Company - blocked for one year.

The Board of Directors resolved to uniformly settle 50 percent of the 2021 bonuses in shares for all members of Executive Management active at the end of the financial year. The portion of bonus settled through shares to the Head of Letting and Sales, Dr. Andreas Steinbauer,

amounts to 35 percent. As with the Board of Directors, the number of shares is determined using the allotment price, and the number of shares thus determined is multiplied by the price at the time of allotment to calculate the amount of the remuneration in accordance with VegÜV. The previous Chief Financial and Operating Officer until May 31, 2021, Dr. Marcel Kucher, received a bonus pro rata temporis in cash, without shares.

The members of the Executive Management can then participate in option and participation plans. In the financial year, members of the Executive Management were allotted PSUs under a further PSU program. Further information is provided in Section 3.4, and in note 13 to the consolidated financial statements.

3.4. Option plans and other employee participation plans

Option plans

In 2014, the Board of Directors adopted an option plan for three members of the Executive Management. The allotment was performed free of charge. In early 2021, the last remaining 40 000 options from this plan were exercised. No more options from the 2014 option plan remained at the end of the financial year. A new option plan was not launched.

The targets to be achieved under the PSU programs are all Group targets. Through the PSU program 2020 – 2022, two sub-targets are to be achieved, each with a weighting of 50 %, namely the capital market and the consolidated earnings sub-target. From the PSU program 2021 – 2023 the average interest rate on external borrowings is added as a further sub-target to the existing sub-targets, with all three carrying an equal weight of 33 ⅓ %.

Performance Stock Unit programs

In the year under review, the Board of Directors approved a further framework plan for share-based payment compensation: the “2021 – 2023 PSU program”.

The capital market sub-target measures the share price three days after publication of the provisional annual results of the last financial year of the performance period (not counting the day of publication). As price target (capital market sub-target), an annual TSR (Total Shareholder Return, i.e. share price development plus any dividends or other benefits paid) of 11 percent p.a. over the performance period was set. The consolidated earnings sub-target measures the cumulative consolidated result after tax compared to the budget and business plan over the entire performance period. The average interest rate on external borrowings for the Group in the 2023 financial year is relevant with respect to the new sub-target included in the PSU program 2021 – 2023.

Under the new program, as with the earlier PSU programs, entitlements were allotted to program participants in the form of PSUs (Performance Stock Units). These PSU programs, designed as long-term incentive programs, allow us to attract the best talent to Peach, and motivate and keep them focused on the Group's long-term success. The maximum number of PSUs that are allotted to program participants is determined by the Board of Directors. The PSUs are entitlements to up to two shares per PSU, depending on the achievement of corporate objectives over the three-year vesting performance period, provided that the beneficiary is still employed by the Peach Group at the time of vesting.

Under the 2021 – 2023 PSU program, 43 500 PSUs were allocated. The allocation was made on April 1, 2021. Under this program 1 500 entitlements were forfeited as of December 31, 2021.

Vesting for the PSU program 2018 – 2020 took place in the current financial year with the approval of the annual financial statements 2020 by the General Meeting 2021. Vesting for the other programs will take place for the PSU program 2019 – 2021 with the General Meeting 2022, for the PSU program 2020 – 2022 with the General Meeting 2023, and for the PSU program 2021 – 2023 with the General Meeting 2024. The share allocation will be made no later than six months after the respective vesting.

In the previous year, under the 2020 – 2022 PSU program, 42 000 PSUs were allotted as of June 2, 2020, of which 500 entitlements expired at the end of the previous year, and a further 7 000 PSUs in the current financial year.

Under the 2018 – 2020 PSU program, 36 500 PSUs vested at the General Meeting on May 27, 2021. In June and September 2021, a total of 73 000 registered shares in Peach Property Group AG were allocated to the beneficiaries.

The Group has no legal or constructive obligation whatsoever to repurchase or settle the entitlements in cash.

Further information on the PSU program can be found in note 13 to the consolidated financial statements.

3.5. Fringe benefits

Fringe benefits include, in particular, company cars which may also be used privately. All members of the Executive Management are entitled to a company car.

3.6. Pension benefits

The occupational pension benefits to which the members of the Executive Management are entitled are based on the internal pension regulations applicable to all management employees. The Company as employer makes the usual equal contribution in the area of compulsory contributions. For voluntary retirement savings, the employer's contribution made by the Company to the savings contributions is 60 %. The risk contributions as well as the contributions for the other costs are funded entirely by the Company.

In the case of the members of the Board of Directors, who settle accounts in person, the Company pays the usual employer's contributions to the social security schemes. Director Peter Bodmer settles his Board of Directors' fee through a company, which is why his fee is not subject to social security contributions. Director Kurt Hardt, who is resident in Germany, does not have to pay any social security contributions in Switzerland. Director Klaus Schmitz does not receive a fee and therefore no social security contributions arise.

3.7. Notice period for employment contracts involving the Executive Management / severance payments

The notice period for members of the Executive Management is three months.

There are no agreements relating to severance pay for the members of either the Executive Management or the Board of Directors.

4

Remuneration in the 2021 financial year

4.1. Remuneration paid to the Board of Directors

The remuneration paid to the members of the Board of Directors for the year under review, including social security contributions and a valuation of the share component at the price upon allotment (closing price on February 7,

2022, the third day of trading after publication of the provisional annual results, day of publication not counted) as well as a valuation of the allotted PSUs, totals CHF 942 thousand and breaks down as follows:

Name, position in CHF	2021 remuneration					2020 remuneration				
	Fee in cash	Fee in shares ²	PSUs at fair value ³	Social sec. ⁴	Total	Fee in cash	Fee in shares	PSUs at fair value	Social sec. ⁴	Total
Reto Garzetti, Chairman	100 000	93 584	139 860	24 053	357 497	100 000	98 982	80 370	20 324	299 676
Peter Bodmer, Member	50 000	46 821	93 240	0 ⁵	190 061	50 000	49 491	53 580	0 ⁵	153 071
Dr. Christian De Prati, Member	50 000	46 821	93 240	13 913	203 974	50 000	49 491	53 580	11 394	164 465
Kurt Hardt, Member	50 000	46 821	93 240	0 ⁶	190 061	50 000	49 491	53 580	0 ⁶	153 071
Klaus Schmitz, Member ¹	0	0	0	0	0	n.a.	0	0	0	0
					941 593					770 283

¹ As of the Extraordinary General Meeting of October 12, 2020. Klaus Schmitz does not receive a fee.

² Valuation at closing price on February 7, 2022, of CHF 58.60 per share, share component 50 %.

³ Valuation at allotment on April 1, 2021, of CHF 46.62 per PSU.

⁴ Contributions by the Company.

⁵ Settlement via a company / no social security contribution.

⁶ No social security contributions are incurred in Switzerland.

The total remuneration of the Board of Directors increased compared to the previous year due to an increase in the fair value of the PSUs. The increase in the fair value of PSUs is driven in part by the increase in the Peach share price. The fair value of the PSUs is determined by a specialized external office, using the Monte Carlo method, and increased from CHF 26.79 (previous year) to CHF 46.62 in the current financial year. The number of PSUs granted remained unchanged at 3 000 PSUs for the Chairman, and 2 000 PSUs for a Member of the Board of Directors.

One member of the Board of Directors received compensation at arm's length in the amount of CHF 222 thousand for services rendered in connection with the placement of the mandatory convertible bond PEA21.

No other non-arm's length remuneration was paid to members of the Board of Directors and/or to persons closely linked to them.

4.2. Remuneration paid to members of the Executive Management.

The remuneration paid to the members of the Executive Management for the year under review, including fringe benefits (company cars), commissions, social security contributions, and a valuation of the share component of the bonus at the price upon allotment (closing price on

February 7, 2022, the third day of trading after publication of the provisional annual results, day of publication not counted) as well as a valuation of the allotted PSUs, totals CHF 3 397 thousand and is broken down as follows:

Name, position in CHF	2021 remuneration								Total
	Fixed remuneration in cash	Variable remuneration in cash	of which commissions	Variable remuneration in shares ²	of which commissions	PSUs Fair value ³	Fringe benefits ⁴	Social sec. and occ. pension ⁵	
Dr. Thomas Wolfensberger, CEO	400 000	275 000		257 371		349 650	13 183	156 636	1 451 840
Dr. Marcel Kucher, CFO und COO (until May 31, 2021)¹	125 000	145 833		0		0	3 305	46 834	320 972
Thorsten Arsan, CFO (from June 1, 2021)¹	160 417	64 167		60 065		213 270	3 359	72 638	573 916
Dr. Andreas Steinbauer, Head of Letting and Sales	180 000	391 401	387 551	198 888	195 314	139 860	8 513	131 557	1 050 219
									3 396 947

1 Fixed and variable remuneration pro rata temporis

2 Valuation at closing price of February 7, 2022 of CHF 58.60 per share, shareholding 50 % of the bonus for Dr. Thomas Wolfensberger and Thorsten Arsan, and 50 % of the bonus and 35 % of the commissions for Dr. Andreas Steinbauer.

3 Valuation at allotment on April 1, 2021 of CHF 46.62 per PSU.

For Thorsten Arsan, CFO, another 1 000 PSUs from the 2020 - 2022 program is added, with a valuation of CHF 26.79 per PSU, as of June 2, 2020.

4 Company cars.

5 Contributions by the Company.

The highest individual remuneration in the current financial year, in the amount of CHF 1 452 thousand, was earned by Chief Executive Officer, Dr. Thomas Wolfensberger (previous year: Chief Executive Officer Dr. Thomas Wolfensberger, CHF 1 220 thousand).

In the previous year, the remuneration paid to the members of the Executive Management totalled CHF 2 957 thousand and is broken down as follows:

Name, position in CHF	2020 remuneration								Total
	Fixed remuneration in cash	Variable remuneration in cash	of which commissions	Variable remuneration in shares ¹	of which commissions	PSUs Fair value ²	Fringe benefits ³	Social sec. and occ. pension ⁴	
Dr. Thomas Wolfensberger, CEO	400 000	235 000		232 607		200 925	10 733	140 710	1 219 975
Dr. Marcel Kucher, CFO und COO	300 000	135 000		133 625		160 740	8 024	116 836	854 225
Dr. Andreas Steinbauer, Head of Letting and Sales	180 000	320 898	317 098	172 768	169 006	80 370	9 165	119 511	882 712
									2 956 912

1 Valuation at closing price on February 12, 2021, of CHF 45.20 per share, share component 50 % of the bonus for Dr. Thomas Wolfensberger, and Dr. Marcel Kucher, and 50 % of the bonus and 35 % of the commissions for Dr. Andreas Steinbauer.

2 Valuation at allotment on June 2, 2020, of CHF 26.79 per PSU.

3 Company cars.

4 Contributions by the Company.

The total remuneration of the Executive Management increased compared with the previous year, partly due to a higher fair value of the PSUs of CHF 45.62 (previous year: CHF 26.79), and partly due to higher commissions for the Head of Letting and Sales, which is also reflects the sales and letting success.

No other remuneration was paid to members of the Executive Management and/or to persons closely linked to them.

4.3. Loans and credits to the Board of Directors and Executive Management

We have not granted any loans, credits, or similar instruments to any member of the Board of Directors or the Executive Management or to persons closely linked to them.

4.4. Comparison of remuneration paid with remuneration approved by the General Meetings

A comparison of the remuneration paid in the reporting year with the one approved by the General Meeting it requires a pro rata calculation, for the Board of Directors, of the share of the year of office from January 1, 2021, through the 2020 Annual General Meeting, and from the

2021 Annual General Meeting through December 31, 2021. No such conversion is required for the remuneration paid to the Executive Management, as here the Annual General Meeting approves the remuneration per financial year.

in CHF	Remuneration paid in the 2021 financial year	Remuneration approved for the 2021 financial year
Remuneration of the Board of Directors	941 593	959 726
Remuneration of the Executive Management		
Non-performance-related remuneration (fixed pay)	1 157 311	1 400 000
Performance-related remuneration (variable pay)	2 239 636	2 600 000
Total remuneration of the Executive Management	3 396 947	3 800 000

All of the remuneration paid to the Board of Directors and the Executive Management in the 2021 financial year is below the approved maximum amounts (Board of Directors – 2 percent, fixed Executive Management remuneration – 17 percent, and variable Executive Management remuneration – 14 percent).

4.5. Remuneration paid to the Advisory Board

The Company does not have any advisory boards within the meaning of the VegüV.

5

Shareholdings of the Board of Directors and Executive Management

5.1. Rights to option plans and other participation plans

As of December 31, 2021, the members of the Board of Directors and Executive Management were entitled to the following under option plans and other participation plans:

Name, position	Number of PSUs ¹
Reto Garzetti, Chairman of the Board of Directors	9 000
Peter Bodmer, Member of the Board of Directors	6 000
Dr. Christian De Prati, Member of the Board of Directors	6 000
Kurt Hardt, Member of the Board of Directors	6 000
Klaus Schmitz, Member of the Board of Directors	0
Dr. Thomas Wolfensberger, Chief Executive Officer	22 500
Thorsten Arsan, Chief Financial Officer	5 000
Dr. Andreas Steinbauer, Head of Letting and Sales	9 000
Total	63 500

¹ After vesting of the 2018 – 2020 PSU program, PSUs under the 2019 – 2021, 2020 – 2022, and 2021 – 2023 PSU programs.

5.2. Share ownership

The members of the Board of Directors and the Executive Management directly and indirectly held the following number of shares in the Company as of December 31, 2021:

Name, position	Number of shares	As a % of all shares
Reto Garzetti, Chairman of the Board of Directors	143 415 ¹	0.85
Peter Bodmer, Member of the Board of Directors	28 607 ²	0.17
Dr. Christian De Prati, Member of the Board of Directors	37 308	0.22
Kurt Hardt, Member of the Board of Directors	10 796	0.06
Klaus Schmitz, Member of the Board of Directors	0	0.00
Dr. Thomas Wolfensberger, Chief Executive Officer	733 321	4.34
Thorsten Arsan, Chief Financial Officer	0	0.00
Dr. Andreas Steinbauer, Head of Letting and Sales	9 768	0.06
Total	963 215	5.70

¹ Shareholding of a closely linked person totalling 108 357 shares.

² Shareholding of a closely linked person totalling 21 792 shares.

Report of the statutory auditor

to the General Meeting of Peach Property Group AG

Zurich

We have audited the remuneration report of Peach Property Group AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) in paragraph 4 on pages 70 to 73 of the remuneration report.

Board of Directors' responsibility

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the remuneration report of Peach Property Group AG for the year ended 31 December 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Patrick Balkanyi
Audit expert
Auditor in charge

Philipp Gnädinger
Audit expert

Zurich, 25 March 2022

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