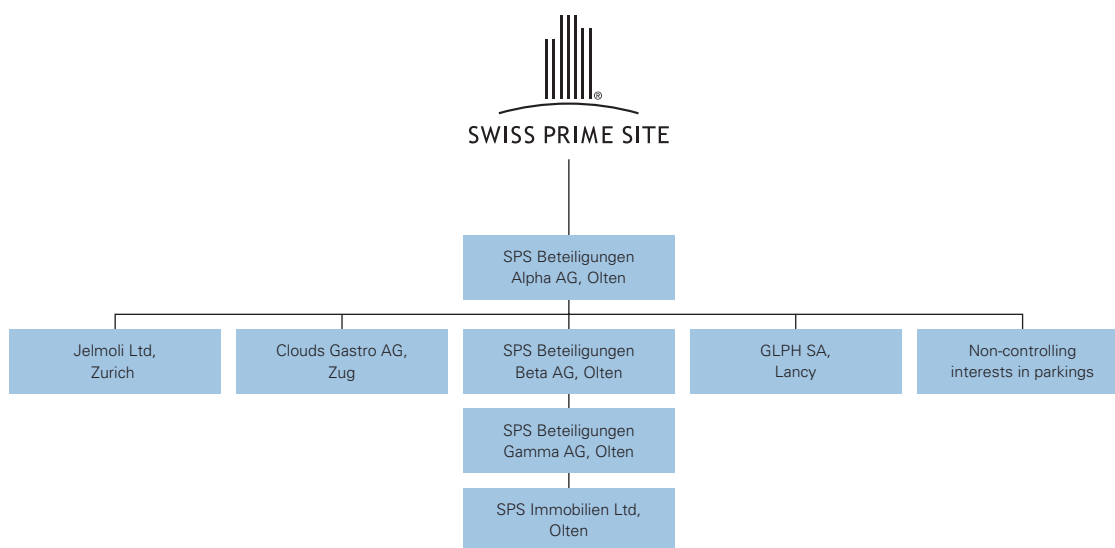




Corporate governance

GROUP STRUCTURE



During the reporting year, the Group implemented the following structural changes:

- retrospective merger of Jelmoli EKZ AG, SPS Immobilien AG and Tivona 009 AG real estate companies into Jelmoli Immobilien Ltd as at 01.01.2011, renaming of Jelmoli Immobilien Ltd to SPS Immobilien Ltd
- foundation of Clouds Gastro AG, Zug
- liquidation of Jelmoli International B.V., Amsterdam, NL

INVESTMENTS IN SUBSIDIARIES

Subsidiaries	Purpose	31.12.2011 Share capital in CHF 1 000	31.12.2010 Share capital in CHF 1 000
Fully consolidated investments in subsidiaries with a shareholding interest (directly or indirectly) of 100%			
Clouds Gastro AG, Zug, CH	Restaurant business	500	–
GLPH SA, Lancy, CH	Hotel business	100	100
Jelmoli Ltd, Zurich, CH	Retail company	6 600	6 600
Jelmoli International B.V., Amsterdam, NL, liquidated*	Investment company	–	90
SPS Beteiligungen Alpha AG, Olten, CH	Investment company	650 000	650 000
SPS Beteiligungen Beta AG, Olten, CH	Investment company	450 000	450 000
SPS Beteiligungen Gamma AG, Olten, CH	Investment company	300 000	300 000
SPS Immobilien Ltd, Olten, CH**	Real estate company	50 000	50 000
The following companies were merged with retroactive effect as at 01.01.2011 with Jelmoli Immobilien Ltd**, which was renamed SPS Immobilien Ltd			
Jelmoli EKZ AG, Olten, CH	Real estate company	–	487
SPS Immobilien AG, Olten, CH (old)	Real estate company	–	225 000
Tivona 009 AG, Olten, CH	Real estate company	–	100

* liquidated in 2011

** The former Jelmoli Immobilien Ltd was renamed SPS Immobilien Ltd following the merger with SPS Immobilien AG.

All investments in subsidiaries are unlisted companies. These companies are consolidated on the basis of their shareholding interest. The registered shares of the Holding Company itself, Swiss Prime Site AG located in Olten, Switzerland, are listed on the SIX Swiss Exchange under the securities number 803 838 and the ISIN number CH 000 803 838 9. Market capitalisation of Swiss Prime Site AG was CHF 3 835.7 million as at 31.12.2011 [CHF 3 792.2 million].

Investments in associates	Purpose	31.12.2011 Share capital in CHF 1 000	31.12.2010 Share capital in CHF 1 000
Investments in associates valued according to the equity method			
Ensemble artisanal et commercial de Riantbosson S.A., Frauenfeld, CH, investment of 31.0%	Real estate company	1 000	1 000
Parkgest Holding SA, Geneva, CH, investment of 38.8%	Parking	4 750	4 750
Parking Riponne S.A., Lausanne, CH, investment of 27.1%	Parking	5 160	5 160

SHAREHOLDER STRUCTURE

As at 31.12.2011

Breakdown by number of shares	Registered shareholders		Registered shares	
	Number	%	Number	%*
1 to 5 000	6 652	93.5	4 244 426	7.8
5 001 to 50 000	348	4.9	5 169 607	9.5
50 001 to 500 000	106	1.5	15 251 411	28.1
500 001 to 1 631 061	10	0.1	9 000 457	16.6
1 631 062 and above	3	–	7 301 552	13.4
Total registered shareholders/shares	7 119	100.0	40 967 453	75.4
Unrecorded shares			13 401 261	24.6
Total shares issued			54 368 714	100.0

* as % of shares issued

Breakdown by countries/regions	Registered shareholders		Registered shares	
	Number	%	Number	%
Switzerland	6 751	94.8	32 809 642	80.1
Europe (excluding Switzerland)	300	4.2	6 586 231	16.1
Other countries	68	1.0	1 571 580	3.8
Total registered shareholders/shares	7 119	100.0	40 967 453	100.0

Breakdown by shareholder categories	Registered shareholders		Registered shares	
	Number	%	Number	%
Natural persons	6 184	86.9	9 559 978	23.3
Legal entities	373	5.2	11 897 297	29.0
Pension funds	225	3.2	9 340 466	22.8
Insurance companies	30	0.4	1 466 928	3.6
Funds	108	1.5	5 783 906	14.1
Other	199	2.8	2 918 878	7.2
Total registered shareholders/shares	7 119	100.0	40 967 453	100.0

As at the balance sheet date, the Company was aware of the following major shareholders:

	31.12.2011	31.12.2010
Major shareholders (shareholding interest > 3.0%)	Shareholding interest* in %	Shareholding interest* in %
Credit Suisse Funds AG, Zurich**	5.0	5.0
Wecken Klaus R., Bürgenstock	4.3	4.7
Fust Walter, Freienbach	4.3	4.7

* according to entry in the register of shareholders or the notifications received by the Company

** former Credit Suisse Asset Management Funds AG, Zurich

CROSS-INVESTMENTS

As at the balance sheet date, there were no cross-investments.

CAPITAL STRUCTURE ON 31.12.2011

Capital	Number of registered shares	Nominal per share in CHF	Total in CHF 1 000
Share capital	54 368 714	15.30	831 841
Authorised capital	10 000 000	15.30	153 000
Conditional capital	8 000 000	15.30	122 400

All outstanding shares are voting and dividend-entitled shares. There are no preferential rights.

Authorised capital

The Board of Directors is authorised to increase the share capital within the aforementioned limits at any time until 19.04.2013. The subscription right of the shareholders is safeguarded. The precise wording can be found in the Company's articles of association.

Conditional capital

The conditional capital is divided into an amount of up to CHF 99.297 million [CHF 99.297 million] (6 490 000 [6 490 000] shares) for exercising options and/or conversion rights granted with bond or similar issues, and into an amount of up to CHF 23.103 million [CHF 23.103 million] (1 510 000 [1 510 000] shares) for option rights granted to shareholders. The precise wording can be found in the Company's articles of association.

SHARE CAPITAL CHANGES OVER THE LAST THREE YEARS

Changes	Number of registered shares	Nominal per share in CHF	Nominal value in CHF 1 000
Share capital as at 31.12.2008	25 653 598	22.20	569 510
Nominal value reduction on 09.07.2009	–	(3.40)	(87 222)
Capital increase on 10.07.2009	4 480 000	18.80	84 224
Capital increase on 29.10.2009	24 235 116	18.80	455 620
Share capital as at 31.12.2009	54 368 714	18.80	1 022 132
Nominal value reduction on 12.07.2010	–	(3.50)	(190 290)
Share capital as at 31.12.2010	54 368 714	15.30	831 841
Share capital as at 31.12.2011	54 368 714	15.30	831 841

More details on the changes to the share capital can be found in Note 28 «Shareholders' equity». Swiss Prime Site AG has only registered shares outstanding.

RESTRICTIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

Pursuant to Article 5 of the articles of association, every shareholder and usufructuary may request to be registered in the share register. Only those persons whose names appear in the share register and who have acquired shares in their own name and on their own account are registered as shareholders or usufructuaries by the Company. The Company recognises only one beneficiary per share.

Each share is entitled to a vote at the General Meeting. The Board of Directors is authorised to reject foreign purchasers of registered shares as shareholders with voting rights insofar as and as long as their recognition can prevent the Company from providing the verification governing the composition of its shareholders that is required by federal law. Otherwise, there are no restrictions on registration or voting rights.

CONVERTIBLE BONDS AND OPTIONS

On 20.01.2010, Swiss Prime Site AG issued a convertible bond with the following key data:

Volume	CHF 300.000 million
Interest rate	1.875% p.a., payable annually on 20.01., starting on 20.01.2011
Maturity	5 years (20.01.2010–20.01.2015)
Conversion price	CHF 71.89
Listing	SIX Swiss Exchange
Securities number	10 877 415 (SPS10)

Each individual bond with a nominal value of CHF 5 000 can be converted into registered shares of the Company at any time. The new shares to be issued are secured by conditional capital.

On 21.06.2011, Swiss Prime Site AG issued a convertible bond with the following key data:

Volume	CHF 190.350 million
Interest rate	1.875% p.a., payable annually on 21.06., starting on 21.06.2012
Maturity	5 years (21.06.2011–21.06.2016)
Conversion price	CHF 83.97
Listing	SIX Swiss Exchange
Securities number	13 119 623 (SPS11)

Each individual bond with a nominal value of CHF 5 000 can be converted into registered shares of the Company at any time. The new shares to be issued are secured by conditional capital.

BOARD OF DIRECTORS

Hans Peter Wehrli (1952), Zurich

Prof. Dr. oec. publ.

Chairman of the Board of Directors

Non-executive member of the Board of Directors

Member since: 29.04.2002

Elected until: GM 2014

Education: graduated in 1977 in business management studies from the University of Zurich, received a PhD (Dr. oec. publ.) in 1980, various study visits to American universities

Professional activity: Hans Peter Wehrli has been professor of business management studies and has held the chair for marketing at the University of Zurich since 1993.

As at 31.12.2011, Hans Peter Wehrli had in addition to his mandate as Chairman of the Board of Directors of Swiss Prime Site AG the following mandates as member of the board of directors: Belimo Holding AG, Hinwil (chairman), and Datacolor Ltd, Lucerne.

Thomas Wetzel (1956), Küsnacht

Dr. iur. solicitor

Vice-Chairman of the Board of Directors

Non-executive member of the Board of Directors

Member since: 11.05.1999

Elected until: GM 2014

Education: graduated in law from the University of Zurich in 1981, dissertation at the University of Basel in 1983, admitted to the bar of the Canton of Schaffhausen in 1985

Professional activity: Thomas Wetzel has been a partner at the law office Wenger Plattner, Basel, Zurich and Berne, since 2003. Prior to that, he worked as a legal consultant and solicitor for several law offices and served as secretary to the Court of Appeal of the Canton of Schaffhausen. From 1988 to 1997 he was a member of the management board, and in the last years, deputy chairman of the management board of Intershop Holding Ltd, Zurich. Thomas Wetzel lectures at CUREM (Center for Urban & Real Estate Management) at the University of Zurich, Zurich.

As at 31.12.2011, Thomas Wetzel had in addition to his mandate as Vice-Chairman of Swiss Prime Site AG the following mandates as member of the board of directors: Brandenberger + Ruosch Ltd, Dietlikon (chairman), CCC Credit Card Center AG, Glattbrugg (chairman), EBV Immobilien AG, Urdorf (chairman), Reinvest Select Ltd, Glattbrugg (chairman), Wenger Plattner AG, Basel (chairman), Caretta + Weidmann Baumanagement AG, Zurich, Erdgas Zurich AG, Zurich, Geschäftshaus City AG Dübendorf, Dübendorf, Hertsch & Cie AG, Zurich, Polyterra Liegenschaften AG, Küsnacht, and Tanverco AG, Zurich. Further mandates: AFIAA Swiss foundation for International Real Estate Investments, Zurich (chairman of the investment committee), and Swiss Foundation for Anesthesia Research, Zurich (member of the board of trustees).

Christopher M. Chambers (1961), London

Non-executive member of the Board of Directors

Member since: 22.10.2009

Elected until: GM 2012

Professional activity: Christopher M. Chambers has been a senior adviser at Lone Star Europe (Real Estate), London since June 2011. He worked as a policy adviser for the Charities Office of Clarence House, HRH The Prince of Wales, London, from 2005 to 2008. He is a member of the board of managing directors of Kensington Preparatory School, London. From 2002 to 2005, he was CEO of Man Investments and executive member of group management (main board director) of Man Group Plc (leading global provider of alternative investments). From 1997 to 2002 he was managing director and head of European Equity Capital Markets at Credit Suisse First Boston, and from 1990 to 1997 he was a Director at Barclays de Zoete Wedd.

As at 31.12.2011, in addition to his mandate at Swiss Prime Site AG Christopher M. Chambers had, among others, the following mandates: Evolution Group Plc, London (member of the board of directors), GE Money Bank AG, Zurich (member of the board of directors), and Royal Society of Arts, Manufacturing and Commerce (fellow). From December 2007 to June 2010 he was non-executive chairman of the board of directors of Jelmoli Holding Ltd, Zurich, and member of the committee.

Bernhard M. Hammer (1950), Kammersrohr

Dr. iur. attorney-at-law and notary

Non-executive member of the Board of Directors

Member since: 29.04.2002

Elected until: GM 2013

Education: PhD in law (Dr. iur.) in 1978 from the University of Zurich, and qualified as an attorney and notary in 1979

Professional activity: From 1987 to 1997 Bernard M. Hammer was CEO of Stuag Holding, Berne, and from 1997 to 1999 member of the board of directors and steering committee of Batigroup AG, Basel. In addition, he was chairman of the board of directors of Comet Holding Ltd, Wünnewil-Flamatt, from 1990 to 2007.

As at 31.12.2011, in addition to his mandate at Swiss Prime Site AG Bernhard M. Hammer had, among others, the following mandates as member of the board of directors: BASo Holding SA, Fribourg, Centaur Scientific AG, Kammersrohr, DDI Direct Digital Imaging Ltd, Lucerne, Flumroc Ltd, Flums, PeterS AG, Zurich, Sasolim Holding AG, Solothurn, Sofisa Financial Corporation Ltd, Fribourg, and VINCI Energies Switzerland Ltd, Zurich. Further mandate: Bill de Vigier Stiftung, Solothurn (chairman of the board of trustees).

Rudolf Huber (1955), Pfäffikon SZ

Dr. oec. publ.

Non-executive member of the Board of Directors

Member since: 29.04.2002

Elected until: GM 2012

Education: PhD in business management studies in 1982 and doctorate in business management studies in 1985 from the University of Zurich

Professional activity: Rudolf Huber worked in the financial department of various industrial companies, including from 1992 to 2004 as member of the executive board and CFO of the Geberit group, Rapperswil-Jona. He currently works as an independent business consultant and guest lecturer at the School of Business at the Lucerne University of Applied Sciences and Arts and has a teaching position at the University of St. Gallen. Since 2006, he has been chairman of the CFO Forum Switzerland – CFOs.

As at 31.12.2011, in addition to his mandate at Swiss Prime Site AG, Rudolf Huber had, among others, the following mandates as member of the board of directors: Looser Holding AG, Arbon (chairman), Georg Fischer Ltd, Schaffhausen (member of the board of directors and chairman of the audit committee), Hoerbiger Holding AG, Zug, Wicor Holding AG, Rapperswil-Jona, and member of the board of directors of several private companies.

Mario F. Seris (1955), Zurich

lic. phil. I

Non-executive member of the Board of Directors

Member since: 27.04.2005

Elected until: GM 2013

Education: graduated in English and Education from the University of Zurich in 1981

Professional activity: From 1981 to 1997, Mario F. Seris managed various human resources departments at Credit Suisse AG. From 1997 he was Global Head of Human Resources at Credit Suisse Asset Management and from 2002 Chief Operating Officer of Credit Suisse Asset Management, Switzerland. From late 2002 to 2005 he was also Co-Chief Operating Officer, Europe, and directed Credit Suisse Asset Management Switzerland as CEO. From 2005 to 2010 he was global head of Real Estate Asset Management at Credit Suisse AG. Since 2011 he has represented Credit Suisse AG as senior adviser on various boards of directors and investment committees in the real estate and fund sectors.

As at 31.12.2011, Mario F. Seris had in addition to his mandate at Swiss Prime Site AG the following mandates as member of the board of directors: Credit Suisse Real Estate Fund International Holding Ltd, Zug (chairman), CS REFI Chile Fund Holding Ltd, Zug (chairman), REF Global Holding Ltd, Zug (chairman), and Credit Suisse Funds AG, Zurich. Further mandates: Credit Suisse Asset Management Immobilien Kapitalanlagegesellschaft mbH, Frankfurt am Main (chairman of the supervisory board), and Credit Suisse Realwerte (Deutschland) GmbH, Frankfurt am Main (chairman of the supervisory board).

Klaus R. Wecken (1951), Bürgenstock

Non-executive member of the Board of Directors

Member since: 22.10.2009

Elected until: GM 2012

Education: graduated in Economics from the University of Freiburg in Breisgau

Professional activity: From 1974 to 1997, Klaus R. Wecken was co-founder, partner and chairman of various companies in Germany and in Switzerland. From 1984, he was co-founder and chairman of KHK Software AG, Frankfurt am Main, which he sold to SAGE Group in 1997. From 1999 to 2009, he was co-founder and principal shareholder of Tivona AG, Basel, which was integrated into Jelmoli Holding Ltd, Zurich, in 2009; the latter was shortly thereafter merged with SPS Beteiligungen Alpha AG. From 2001 to 2002, he was member of the board of directors of Jelmoli Holding Ltd, Zurich. Since 2007, Klaus R. Wecken has established more than 30 participations focused on the areas of internet, software and medical technology through his family office.

As at 31.12.2011, Klaus R. Wecken had in addition to his mandate at Swiss Prime Site AG the following mandates: Care4 Ltd, Basel (chairman of the board of directors), FAIRRANK SE, Köln, (chairman of the supervisory board), Jodex AG, Freiburg i.Br. (chairman of the supervisory board) as well as member of the supervisory board/board of directors/ advisory board of many of his investment holding companies.

Peter Wullschleger (1965), Oftringen
Secretary to the Board of Directors
(not member of the Board of Directors)

In this function since: 11.05.1999

Education: Swiss certified accountant since 1992

Professional activity: Peter Wullschleger is CFO of Swiss Prime Site and head of Finance & Controlling of Real Estate Asset Management, Credit Suisse AG, Zurich (managing director). He began his career with Credit Suisse AG in the finance and controlling department in 1986. Prior to that, he was head accountant at Devo AG, Olten. He successfully completed his commercial training at Ritex AG, Zofingen.

As at 31.12.2011, Peter Wullschleger had mandates as member of the board of directors of the following companies of Swiss Prime Site Group: Clouds Gastro AG, Zug, Ensemble artisanal et commercial de Riantbosson S.A. (EACR), Frauenfeld, GLPH SA, Lancy, Jelmoli Ltd, Zurich, SPS Beteiligungen Alpha AG, Olten, SPS Beteiligungen Beta AG, Olten, SPS Beteiligungen Gamma AG, Olten, and SPS Immobilien Ltd, Olten. Further mandates: City Markt Aarau AG, Aarau (member of the board of directors), Supplementary Fund Foundation of Arthur Frey AG, Olten (representative of the board of trustees), pension fund of Jelmoli, Zurich (member of the board of trustees), Pension Fund Foundation of Arthur Frey AG, Olten (member of the board of trustees), and Charitable Foundation of Jelmoli S.A., Zurich (member of the board of trustees).

All members of the Board of Directors were Swiss nationals, except for Klaus R. Wecken (German national). The Board of Directors consisted entirely of non-executive members who had not served on the Management Board of Swiss Prime Site AG or another Group Company within the past three years. With the exception of business relationships (see management contract and Note 31 «Transactions with related parties»), the Company has no other significant business relations with Credit Suisse Group.

Retirements during the reporting period

None

Elections and period of office

After expiry of the individual term of office (maximum three years), the member must be re-elected by the Annual General Meeting. The aim is to progressively re-elect the members of the Board of Directors.

Members of the Board of Directors shall submit their resignation at the ordinary Annual General Meeting in the year in which they reach the age of 65.

Regulation of the powers and duties of the Board of Directors

The Board of Directors is responsible for the general management of the Company and the supervision and monitoring of the Management Board. The Board of Directors makes the fundamental decisions that determine the activity of the Company. Within the framework of its activities, the Board of Directors ensures a profit-focused and competent management of the Company by its Management Board according to the provisions of the articles of association, the regulations and the applicable legislation.

The Board of Directors acts as a joint body. If needed, it can form committees from among its members and allocate powers to these committees in separate sets of regulations or by amending the existing organisational regulations.

The Board of Directors acts as a collective body. Unless otherwise provided in the resolutions of the Board of Directors and the organisational regulations, its members shall have no personal authority over the Company, and for this reason cannot issue any instructions of their own accord.

The Board of Directors is responsible for the general management, the supervision and monitoring of the Company's Management Board. It issues directives on the business and investment policy and keeps itself regularly informed of the course of business.

The Board of Directors delegates all executive management activities to the Management Board unless otherwise provided by law, the articles of association or the organisational regulations.

The Board of Directors can delegate the preparation and implementation of all resolutions or the monitoring of activities to one or more committees, individual members or the Management Board. It shall ensure appropriate reporting to its members.

The Board of Directors can entrust executive management tasks to third parties on a contractual basis.

During the reporting year, five meetings and two conference calls of the Board of Directors took place.

On the basis of the organisational regulations, the Board of Directors currently has three committees (Audit Committee, Compensation Committee and Investment Committee) that are described in detail in the following sections.

AUDIT COMMITTEE

The functions, duties and powers of the Audit Committee are set out in separate rules and essentially comprise the following areas:

The Audit Committee monitors the Management Board of Swiss Prime Site AG with respect to financial reporting, compliance with legislation, requirements, internal rules and guidelines, as well as with respect to risk management and monitoring external corporate activities.

The Audit Committee monitors and assesses the independence, the work, the auditing costs, the scope of audit and the findings of the external auditors, the quality, implementation and disclosure of the accounting principles and the adequacy of the financial control mechanisms.

The Audit Committee monitors and assesses the independence and the work of the valuation experts and the valuation principles.

During the reporting year, three meetings and two conference calls of the Audit Committee took place.

Every year, at least one meeting with the external auditors is held. On the basis of this meeting, the Audit Committee forms an in-depth picture of the activities of the auditors and informs the Board of Directors about its findings.

The Audit Committee acts as a joint and collective body. Its members have no personal authority over the Company, and for this reason cannot issue instructions of their own accord. The Audit Committee has a right of proposal to the Board of Directors.

The Audit Committee reports regularly to the Board of Directors about its activities and submits the necessary proposals.

The Audit Committee comprised the following members:

Rudolf Huber, chairman
Christopher M. Chambers, member
Bernhard M. Hammer, member
Mario F. Seris, member

COMPENSATION COMMITTEE

The functions, duties and powers of the Compensation Committee are set out in separate rules and essentially comprise the following areas:

The Compensation Committee prepares the guidelines and proposals for the compensation payable to the Board of Directors and its committees, the Management Board, the real estate asset manager, the property/facility managers, related persons and the external valuation experts.

The Compensation Committee monitors compliance with the compensation principles determined by the Board of Directors, the Committee itself and the Management Board.

The Compensation Committee acts as a joint and collective body. Its members have no personal authority over the Company, and for this reason cannot issue instructions of their own accord. The Compensation Committee has the right to submit proposals to the full Board of Directors.

During the reporting year, three meetings of the Compensation Committee took place.

The Compensation Committee reports to the Board of Directors about its activities and submits the necessary proposals.

The Compensation Committee comprised the following members:

Thomas Wetzel, chairman
Mario F. Seris, member
Hans Peter Wehrli, member

INVESTMENT COMMITTEE

The functions, duties and powers of the Investment Committee are defined in the investment regulations and include the following main tasks:

The Investment Committee monitors compliance with the investment guidelines defined in the investment regulations.

The Investment Committee reviews the acquisition and divestment of properties and submits the proposal for the purchase or sale of properties to the Management Board and the Board of Directors.

The Investment Committee exercises its powers as a joint and collective body. Its members have no personal authority over the Company, and for this reason cannot issue instructions of their own accord. The Investment Committee has the right to submit proposals to the Management Board or the Board of Directors.

During the reporting year, five meetings and one conference call of the Investment Committee took place.

The Investment Committee reports on its activities to the Board of Directors and the Management Board and submits the necessary proposals.

The Investment Committee comprised the following members:

Markus Graf, chairman
Bernhard M. Hammer, member
Klaus R. Wecken, member
Thomas Wetzel, member

MANAGEMENT BOARD

Markus Graf (1949), Feldbrunnen
Member of the Management Board
Chief Executive Officer

In this function since: 01.12.2000

Education: graduated as HTL/STV architect

Professional activity: After holding management positions with several construction and real estate companies, Markus Graf accepted a management position with Credit Suisse AG, Real Estate Asset Management, Zurich, in 1995 (managing director). Since 01.12.2000 he has been CEO of Swiss Prime Site.

As at 31.12.2011, Markus Graf was the chairman of the board of directors of the following companies of Swiss Prime Site Group: Clouds Gastro AG, Zug, GLPH SA, Lancy, Jelmoli Ltd, Zurich, SPS Beteiligungen Alpha AG, Olten, SPS Beteiligungen Beta AG, Olten, SPS Beteiligungen Gamma AG, Olten, and SPS Immobilien Ltd, Olten. Further mandates: Société Internationale de Placements SA, Basel (member of the board of directors), Wincasa AG, Winterthur (member of the board of directors), Credit Suisse Asset Management Immobilien Kapitalanlagegesellschaft mbH, Frankfurt am Main (member of the supervisory board), Credit Suisse Investment Foundation, Zurich (member of the board of trustees), Swiss Funds Association (chairman of the specialist committee for «real estate funds»), and CUREM (Center for Urban & Real Estate Management), Zurich (adviser).

Peter Wullschleger (1965), Oftringen
Member of the Management Board
Chief Financial Officer

In this function since: 11.05.1999

Education: Swiss certified accountant since 1992

Professional activity: Peter Wullschleger is CFO of Swiss Prime Site and head of Finance & Controlling of Real Estate Asset Management, Credit Suisse AG, Zurich (managing director). He began his career with Credit Suisse AG in the finance and controlling department in 1986. Prior to that, he was head accountant at Devo AG, Olten. He successfully completed his commercial training at Ritex AG, Zofingen.

As at 31.12.2011, Peter Wullschleger had mandates as member of the board of directors of the following companies of Swiss Prime Site Group: Clouds Gastro AG, Zug, Ensemble artisanal et commercial de Riantbosson S.A. (EACR), Frauenfeld, GLPH SA, Lancy, Jelmoli Ltd, Zurich, SPS Beteiligungen Alpha AG, Olten, SPS Beteiligungen Beta AG, Olten, SPS Beteiligungen Gamma AG, Olten, and SPS Immobilien Ltd, Olten. Further mandates: City Markt Aarau AG, Aarau (member of the board of directors), Supplementary Fund Foundation of Arthur Frey AG, Olten (representative of the board of trustees), pension fund of Jelmoli, Zurich (member of the board of trustees), Pension Fund Foundation of Arthur Frey AG, Olten (member of the board of trustees), and Charitable Foundation of Jelmoli S.A., Zurich (member of the board of trustees).

Peter Lehmann (1958), Wilen bei Wollerau
Member of the Management Board
Chief Investment Officer

In this function since: 01.03.2002

Education: graduated as construction planner from GIB Solothurn in 1978

Professional activity: Peter Lehman has been with Credit Suisse AG, Real Estate Asset Management, Zurich, since 1991 where he headed the construction and acquisition departments (Switzerland) for Credit Suisse AG's real estate products. Since 2002, he has been CIO of Swiss Prime Site. From 2004 to 2009, he headed the development department of Real Estate Asset Management (managing director) and he is currently senior adviser for real estate. Prior to his position at Credit Suisse AG, he was regional manager for construction for the fund management arm of «Schweizerische Volksbank» and architectural project manager at W. Thommen AG, Trimbach.

As at 31.12.2011, Peter Lehman had mandates as member of the board of directors of the following companies of Swiss Prime Site Group: Clouds Gastro AG, Zug, GLPH SA, Lancy, Jelmoli Ltd, Zurich, SPS Beteiligungen Alpha AG, Olten, SPS Beteiligungen Beta AG, Olten, SPS Beteiligungen Gamma AG, Olten, and SPS Immobilien Ltd, Olten.

Hanspeter Grüninger (1953), Freienstein
Member of the Management Board
Chief Executive Officer of Jelmoli – The House of Brands (from 01.10.2008–31.03.2012)

In this function since: 01.04.2010 to 31.03.2012

Education: various studies in the field of commercial business

Professional activity: Hanspeter Grüninger has been CEO of Jelmoli – The House of Brands in Zurich since October 2008. Since 01.04.2010, he has been a member of the Management Board of Swiss Prime Site. Previously, he worked for ten years at Coop Group, last holding the position of head of department store marketing. During his 15 years at the Jelmoli Group, he last held the position of director and department head of fashion, sports goods and various speciality businesses. Prior to his return to the Jelmoli Group, he worked for eight years as CEO of the Beldona lingerie chain.

As at 31.12.2011, Hanspeter Grüninger did not have any mandates as member of boards of directors.

All members of the Management Board were Swiss nationals.

PRINCIPLES OF THE DISTRIBUTION OF POWERS BETWEEN THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

The basic principles and the separation of the functions and powers between the Board of Directors and the Management Board are regulated in detail in the organisation and competence regulations.

The Board of Directors is responsible for the general management, the supervision and monitoring of the Company's Management Board. It issues directives on the business and investment policy and keeps itself regularly informed of course of business.

The Management Board is responsible for the operational management of the Company and represents the Company relative to third parties. As representative of the Management Board, the Chief Financial Officer also participates in the meetings of the Audit Committee and the Compensation Committee. In addition, the external auditors participate in the Audit Committee meeting in spring.

Members of the Management Board are invited to attend the meetings of the Board of Directors.

ARRANGEMENT OF THE INFORMATION AND CONTROL INSTRUMENTS APPLIED TO THE MANAGEMENT BOARD

The Management Board informs the Board of Directors regularly (at least quarterly) in detail on the course of business by means of a standardised reporting system. By means of this reporting system, the Board of Directors can monitor the Management Board and its actions. The Audit Committee, the Compensation Committee and the Investment Committee report to the Board of Directors regarding their activities during the regular meetings.

COMPENSATION, SHARE HOLDINGS AND LOANS TO MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

Basic fees for members of the Board of Directors

Function	Basic fee in CHF 1 000	Expense allowance in CHF 1 000
Chairman of the Board of Directors	250	3
Vice-Chairman of the Board of Directors	125	3
Member of the Board of Directors	110	3
Secretary to the Board of Directors	15	3
Chairman of the Audit Committee	30	3
Member of the Audit Committee	20	3
Chairman of the Compensation Committee	20	3
Member of the Compensation Committee	15	3
Member of the Investment Committee	20	5

The members of the Board of Directors receive one half of their basic fee in cash and one half in shares of Swiss Prime Site AG. There are no further participation programmes.

The shares are allocated at the end of the financial year on the basis of the market price at the beginning of the financial year, less a 10% discount. The delivered shares remain blocked for a period of four years.

The fee for the same function within the group of companies is paid only once.

In the case of multiple functions, a maximum lump sum for expenses of CHF 0.006 million is paid.

The basic fees are proposed by the Compensation Committee and adopted by the Board of Directors.

No separate basic fees/salaries are paid in respect of the activity of the persons who serve as members of the Management Board if they are employed by the asset manager because their compensation is included in the management fee. One member of the Management Board sits on the Investment Committee and another member of the Management Board also serves as secretary to the Board of Directors.

Further information about fees and share holdings of the Board of Directors, the Management Board and members of the committees can be found in Note 31 «Transactions with related parties» and in Note 9 of the individual financial statements of Swiss Prime Site AG «Compensation, share holdings and loans to members of the Board of Directors and the Management Board».

Options

As at balance sheet date, there were no options outstanding or allocated.

Additional fees and compensation

No additional fees were paid in 2011.

Loans to governing bodies

As at balance sheet date, there were no outstanding loans to governing bodies.

SHAREHOLDER PARTICIPATION RIGHTS

The current articles of association can be found on the homepage at www.swiss-prime-site.ch under the heading Company/Corporate Governance. The following are references to selected articles:

- Share register and registration provisions (Article 5)
- Powers of General Meeting (Article 8)
- Convening/agenda of the General Meeting (Article 10)
- Voting rights and adoption of resolutions (Article 12)
- Special quorums (Article 13)

CHANGE OF CONTROL AND DEFENCE MEASURES

Anyone who directly, indirectly or in joint agreement with third parties acquires shares and, together with the shares already in their possession, exceeds the limit of 33 1/3% of the voting rights, whether exercisable or not, must submit an offer for all listed shares of the Company. There are no other provisions, agreements or plans.

STATUTORY AUDITOR

Duration of the mandate and period of office of the auditor in charge

Since the Company was founded (1999), the statutory auditor of Swiss Prime Site has been KPMG Ltd, Badenerstrasse 172, 8004 Zurich. KPMG Ltd also acts as independent auditor for all fully consolidated Swiss subsidiaries. The auditors are elected each year by the Annual General Meeting.

The auditor in charge has been in this role since 01.01.2007. The auditor's period of office will end in the financial year 2012 (subject to re-election).

Fee

For the current reporting period, audit fees in the amount of CHF 0.739 million [CHF 0.946 million] have been accrued and CHF 0.100 million [CHF 0.005 million] for the issue of the convertible bond [nominal value reduction carried out in July 2010] has been invoiced. Swiss Prime Site expects the total costs for the audit 2011 to amount to CHF 0.866 million [CHF 1.013 million].

MANAGEMENT CONTRACTS

Swiss Prime Site transferred the asset management functions to Credit Suisse AG, Real Estate Asset Management, Zurich. All details are regulated in the management contract dated August 2001. The contract was extended by ten years in November 2007 and can be terminated in writing with a notice period of 12 months, but not earlier than 31.12.2017. Furthermore the parties are entitled to terminate this contract at any time with immediate effect if there is good cause to do so.

Principle

Swiss Prime Site mandates Credit Suisse AG to implement, monitor and supervise the financial matters of the Company, as well as the administrative and technical management and the controlling of the properties. Credit Suisse AG assists, advises, prepares proposals and handles the property transactions within the framework of the investment regulations of Swiss Prime Site AG.

Management fee (basic compensation)

Per year 0.14% to 0.31% [0.22% to 0.33%] of total assets (total of all valued consolidated assets, at the beginning of each quarter):

from 01.01.2011	in CHF bn	in %
Share of total assets up to	1.5	0.31
Next share of total assets up to	3.0	0.29
Next share of total assets up to	4.5	0.22
Next share of total assets up to	6.0	0.21
Next share of total assets up to	7.5	0.20
Next share of total assets up to	10.0	0.17
Next share of total assets up to	12.5	0.16
Next share of total assets up to	15.0	0.15
Next share of total assets from	15.0	0.14

up to 31.12.2010	in CHF bn	in %
Share of total assets up to	1.5	0.33
Next share of total assets up to	3.0	0.31
Next share of total assets from	3.0	0.25
Next share of total assets from	4.5	0.22

Construction management fee (construction trustee, builder representative)

The construction management fee is 2.00% of the respective total construction costs (construction of buildings, comprehensive renovations and modification of buildings).

Purchase and sales commission

1.50% to 5.00% of the purchase or sales price (without purchase/sale costs) of each property acquired, contributed or sold by Swiss Prime Site:

	in CHF m	in %
Purchase and sales price under	1.0	5.00
Purchase and sales price under	3.0	3.00
Purchase and sales price from	3.0	1.50

For large transactions, for example, purchases of blocks of properties or company acquisitions, the parties will reach a separate compensation agreement.

Compensation paid to the asset manager is listed in Note 31 «Transactions with related parties».

INFORMATION POLICY**Frequency**

The Company publishes a semi-annual newsletter with information about the events of the preceding six months. The financial reporting occurs in the form of semi-annual and annual reports, complemented by quarterly press releases of selected key figures, in compliance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB).

Other information media

Further information about the Company can be found on the website www.swiss-prime-site.ch.

SIGNIFICANT CHANGES SINCE THE BALANCE SHEET DATE

No significant changes have taken place since the balance sheet date.