

Remuneration and corporate governance

REMUNERATION REPORT

1. INTRODUCTION AND PRINCIPLES

This report is based on the remuneration paid to the members of the Board of Directors and the Executive Board of Jungfraubahn Holding AG pursuant to Article 13 para. 1 of the Ordinance against excessive remuneration at listed companies (VegüV). It will be submitted to the General Assembly in 2017. The report is based on Articles 13 to 16 of VegüV and also complies with the applicable standards of the Swiss Code of Best Practice for Corporate Governance, including Annex 1 on the recommendations on compensation for the Board of Directors and Executive Board.

The Jungfrau Railway Group offers performance-related overall remuneration that is in line with the market in order to attract, motivate and retain individuals with the necessary skills and character traits for the Board of Directors and Executive Board. The compensation policy is based on the following principles: The fees and basic salaries are determined according to the requirements regarding skills, responsibilities and workloads. The service rendered is taken into account via a variable component. No measures which hinder the transfer or the change of control have been made. The notice period of the members of the Management Board is six months (half of the statutory maximum duration).

The framework for remuneration is set out in Article 20 of the statutes of Jungfraubahn Holding AG. The provisions are drawn up on a uniform basis for the Board of Directors and the Executive Board. They allow both short-term and long-term profit-sharing in cash and/or shares, which, however, may not exceed two-thirds of the basic salary/basic remuneration. In addition, according to the statutes, treasury shares may be issued at a discounted price, benefits paid to the occupational pension plan and loans granted at standard market conditions of up to CHF 100,000.

In its current implementation, Jungfraubahn Holding AG's remuneration system is designed as simply and transparently as possible. The design of the system was possible without consultants. Profit sharing using shares as well as long-term profit sharing have been waived. They have been replaced by the participation program for discounted employee shares, in which the Board of Directors and the Executive Board can participate voluntarily, in accordance with the quotas allocated to them.