

JUNGFRAU

TOP OF EUROPE

JUNGFRAUBAHN HOLDING AG

ANNUAL REPORT 2018

Part 3: Remuneration and Corporate Governance



Official Version



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REMUNERATION AND CORPORATE GOVERNANCE

REMUNERATION AND CORPORATE GOVERNANCE

REMUNERATION REPORT

1. INTRODUCTION AND PRINCIPLES

This report is based on the remuneration paid to the members of the Management Board and 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 AGM in 2019. 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 Management Board 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 Management Board 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 performance of the Executive Board is taken into account by means of a variable component determined by the result. The Management Board and Executive Board participate in the longer-term development of the company through a share participation programme. No compensation components that hinder the transfer or the change of control have been made. The notice period of the members of the Executive 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. 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 Management Board and Executive Board can participate voluntarily, in accordance with the quotas allocated to them. In order to limit the dynamics of the system in the event of very good results and to avoid exceeding bandwidths in the benchmark, total compensation limits have been defined for the remuneration of the members of the executive board.

2. CONTENTS OF THE COMPENSATION

2.1 BASIC PRINCIPLES

The structure of the remuneration model is based on the basic strategy that positions the Jungfraubahn Holding AG share as a value stock. The compensation system supports the long-term increase in value for investors. This is achieved in concrete terms through

- a longer-term determination of salary and in particular a longer-term fixing of the success component of the Executive Board to ensure continuity,
- the calculation of the profit sharing of the Executive Board in earnings before tax (EBT) and thus a team-oriented objective (EBT as an important variable for a value-oriented company),
- a share participation programme with a long binding period (blocking the transfer of shares over a period of 5 years) and thus an orientation towards the long-term growth in value.

The share participation programme also exists in the same format for the Group's managers and employees. The shares under the company's own ownership are intended to reinforce the commitment of all employees to the company. The exercise rate in 2018 was 58%. In addition, the members of the extended Executive Board will receive a profit-sharing bonus on the same principle as for the Executive Board.

2.2 THE INDIVIDUAL ELEMENTS OF THE COMPENSATION SYSTEM

2.2.1 Fixed compensation

For members of the Management Board, the fixed compensation, consisting of fee, expenses and attendance fees, forms the basis for the compensation. It is paid out in two semi-annual instalments. The Executive Board receives a basic salary, which is in the form of 13 monthly salaries.

For Executive Board directors representing a legal person participating in Jungfraubahn Holding AG (article 707, paragraph 3 of the Swiss Code of Obligations), the representative may determine that the fee should not be paid to the director but directly to the legal person. The amount due will be settled once a year at the end of December [12].

Provided that members of the Management Board and members of the Executive Board receive compensation from third parties for activities carried out in connection with their roles at Jungfrau Railways, the following shall apply: The members of the Executive Board deliver their fees without compensation to Jungfraubahnen Management AG. They can keep their attendance fees as part of their compensation. Administrative committees keep fees and attendance fees. Such payments are included in this report in the fee or salary and are reported to the respective beneficiary.

[12]

This regulation is currently being applied to board director Hanspeter Rüfenacht.

2.2.2 Variable compensation

On 1 January 2018, the Board of Directors cancelled the variable component based on the EBT. The compensation no longer includes short-term profit sharing.

Service rendered by the Executive Board is taken into account through the variable profit sharing, which is determined by the success achieved by the company. It is measured by earnings before tax (EBT). It is established over the long term and applies over a longer period. The share is calculated using the formula $(EBT - CHF\ 15\ \text{million}) \times [\text{factor}]$, using the following factors: 0.5% for the Chief Executive Officer and 0.3% for the other members of the Executive Board. Profit sharing is limited by the statutes to a maximum of two thirds of basic remuneration. The profit share is payable to members of the Executive Board on the payment day following the approval of the results of Jungfraubahn Holding AG.

The promising investments and the steadily increasing profits of the Jungfrau Railway Group have prompted the Board of Directors to negotiate a new system for profit sharing with the Executive Board. The profit sharing is to start in 2019, starting from a profit of 20 million francs. The formula has been adjusted as follows: $(EBT - CHF\ 20\ \text{million}) \times [\text{factor}]$.

2.2.3 Share participation programme

The Management Board and Executive Board can participate voluntarily in the programme for discounted employee shares, in accordance with the quotas allocated to them. The subscription right is allocated, taking into account the amount approved by the General Meeting and by virtue of the business affiliation at the end of the 3rd quarter. Exercising takes place at a discounted price which is reviewed and re-established annually. The number of subscription rights for the Management Board is also determined by a maximum amount for the share. This is determined in such a way that the total remuneration comes within a defined target range based on the position [13].

[13]

Applicable for the 2018/2019 compensation for the first time.

The subscription period runs for 60 days in which the beneficiaries must decide how many shares they wish to purchase. The guideline for the subscription price is one-third of the average price in December of the previous year, which can be adjusted, if necessary (major price changes), during the year until 15 September at the latest [14]. The shares cannot be sold or pledged during a vesting period of 5 years. The difference between the reference price and the exchange rate, determined according to circular no. 37 of the Federal Tax Administration, is shown as a remuneration component

[14]

In accordance with the amendment of the Management Board of Jungfraubahn Holding AG on 26 February 2018.

2.3 OCCUPATIONAL PENSION PLAN OF THE EXECUTIVE BOARD

The basic salaries of the members of the Executive Board are insured in the Jungfrau Railways Staff Pension Fund. An insurance solution for the variable components is in place with a life insurance company.

3. DETERMINATION PROCEDURES

3.1 ORGANISATION

The Management Board of Jungfraubahn Holding AG is responsible for the overall management, supervision and control of the Executive Board throughout the Jungfrau Railway Group. According to Article 21 of the statutes, it may appoint support committees. The duties of the Management Board and committees are regulated by the statutes, the organisational regulations and the regulations of the committees. The Management Board is assisted by a Remuneration Committee in matters of compensation. The members are determined by the General Meeting through corresponding legal provisions (VegüV). In accordance with the proposals of the Management Board, the General Meeting of 2018 elected Mr Thomas Bieger (Chairman), Peter Baumann and Hanspeter Rüfenacht onto the Remuneration Committee for one year. They are all independent and “non-executive”. The secretary of the committee is Urs Kessler, Chief Executive Officer.

According to art. 21 para. 2 of the statutes, the Committee has the power to make proposals and implementations. Within the framework of the General Meeting resolution, it establishes the employment contracts or remuneration of the members of the Executive Board (except the CEO) as part of its implementation powers. Subject to the amount approved by the General Meeting, the Committee shall determine the subscription rights and the subscription price for discounted shares (section 2.2.3). In addition, decisions on remuneration are to be decided by the General Management Board, as far as the Management Board and the Executive Board are concerned, as well as the corresponding motions to the General Meeting.

3.2 PROCEDURE

Remuneration questions are always prepared at the Remuneration Committee. In accordance with special regulations, the Remuneration Committee draws up the general remuneration policy of the company (Management Board, management and staff) and submits proposals for the implementation of the General Meeting decision into specific remuneration for the Management Board and CEO as well as a draft proposal for compensation to the General Meeting. It also works out the remuneration report, which is submitted to the General Meeting for information purposes.

The Remuneration Committee meets at least twice a year. It compares the compensation against a benchmark. The constantly updated comparison has a broad basis. It is based on information on remuneration from listed companies in Bern as well as companies in the railway and tourism sector. The Remuneration Committee also makes its decisions within the framework of the implementation powers conferred upon it. Among other things, it sets the number of subscription rights and the price in the share purchase programme in accordance with the amount approved by the General Meeting.

At every meeting of the Management Board following a meeting of the Committee, the Committee shall provide an extensive report to the Management Board. Within this framework, among other things, an exchange regarding the results of the compensation benchmark and the structure of the share participation programme takes place. In addition, an overall assessment of the compensation system and its effectiveness is made.

At the end of each year, the Management Board is primarily concerned with the compensation of the Executive Board, the other managers and, in a supervisory sense, the remuneration principles for the entire staff. The Management Board generally assesses its own activities and compensation as part of the annual analysis of the business results and the review of its strategies. This cycle does not prevent it from raising, in the short term, remuneration questions or issuing appropriate clarification orders.

3.3 RULES

The principles for the compensation of the Management Board and Executive Board are set out in a special chapter in the Organisational Regulations (Article 24a et seq.) The compensation scheme of Jungfraubahn Holding AG reconciles the interests of the recipients of the compensation with the interests of the company and supports the implementation of the strategy (see paragraph 2 of the Remuneration Report). It is not intended to provide any false incentives and does not include components that can be adversely influenced. The requirements profile of the Management Board forms the basis for determining the fees. This is constantly compared with the actual status and scrutinised periodically.

The remuneration system of Jungfraubahn Holding AG is designed for consistency and reliability. Variable compensation is also based on criteria and objectives that are defined in advance and usually in the long term. Correspondingly, there are binding rules for profit sharing and the participation programme. Subsequent voluntary special bonuses are established by the Board only to a modest extent and in exceptional cases.

4. REMUNERATION IN THE REPORTING YEAR 2018

4.1 MEASUREMENT

Compared with 2017, the following reorganisation of the remuneration was undertaken:

- After the Board of Directors dispensed with the profit-sharing scheme in 2017, it has now been definitively terminated with the adoption of new regulations.
- Introduction of a cost ceiling for the total compensation of the Executive Board. The Compensation Committee had to deal with the fact that the compensation of the Executive Board, due to the profit growth and the increase of the share price in a market comparison, reached an upper limit of the comparison band. It has therefore requested that the Board of Directors introduce a cost ceiling for the total compensation. The Board of Directors has included the following caps in contracts effective from 2019: CEO CHF 800,000, Executive Board Members CHF 500,000. Members of the Executive Board have approved an early introduction for the year 2018, whereby the Board of Directors pays another allowance for years of service to the CEO outside these limits. In addition, due to the receipt of the building permit for the V-Cableway, a one-time bonus of CHF 25,000 will be paid.

The detailed information on remuneration in the reporting year 2018 is shown in 4.2 in tabular form.

The Executive Board is also entrusted with the management of Berner Oberland-Bahnen AG within the framework of its activities. The alliance partner bears 28.5% of the fixed component of the remuneration reported for the Executive Board members.

The EBT (Earnings Before Taxes) applicable to the calculation of the share of the company result amounts to CHF 60.962 million for the 2018 financial year.

The subscription rights for the purchase of discounted shares remained unchanged for 2018: Management Board members 750 shares, Chief Executive Officer 2000 shares, Executive Board members 1200 shares. The shares issued could be purchased at a preferential price of CHF 43 applicable to all Group employees. The reference date for the subscription and therefore also for the calculation of the value of this remuneration component was 2 October 2018. The share price was CHF 140.00, which means that the relevant rate after deduction of 25.274% (circular No. 37 of the Swiss Tax Administration) was CHF 104.60. The difference between the subscription price and the discounted value is thus CHF 61.60. This amount, multiplied by the individual number of shares, is reported as a remuneration component. The following numbers of shares were ultimately issued to members of the company management in 2018:

	Shares
Sales to Executive Board members at the price of CHF 43	3,350
Sales to non-executives (Management Board) at the price of CHF 43	4,500
Total shares	7,850

The 2018 Annual General Meeting approved a remuneration of CHF 750,000 for the Management Board for the term until 2019 AGM. The total amount paid to the Board of Directors for 2018 amounts to CHF 663,079, of which 7/12 relates to the period from the 2018 Annual General Meeting, which corresponds to CHF 386,796. It is projected that the remuneration will not exceed the total amount approved by the 2018 AGM until the 2019 AGM.

The total amount paid to the Executive Board for the 2018 financial year is CHF 1,827,305. The sum granted for the 2018 financial year at the 2017 General Meeting amounts to CHF 2,280,000.

4.2 REMUNERATION OVERVIEW

Members of the Board of Directors 2018

Disclosure pursuant to Article 663b of the Swiss Code of Obligations, in CHF	Prof. Dr. Thomas Bieger, Chairman	Ueli Winzenried, Vice-Chairman	Peter Baumann, Member	Nils Graf, Member	Bruno Hofweber, Member [1]	Dr. Catrina Luchsinger Gähwiler, Member [2]	Hanspeter Rüfenacht, Member [3]	Board total
Fixed remuneration (cash)	104,800	60,100	45,500	45,000	18,250	26,750	45,500	345,900
Shares	46,200	46,200	46,200	46,200	0	46,200	46,200	277,200
Contributions in kind	510	755	555	755	0	455	400	3,430
Social insurance contributions	9,413	6,658	5,743	5,724	1,136	4,569	3,306	36,549
Total remuneration	160,923	113,713	97,998	97,679	19,386	77,974	95,406	663,079

[1] Resignation on 14/05/2018. [2] Election to the Board of Directors on 14/05/2018. [3] A part of the fixed remuneration (fee and expenses allowance) of Hanspeter Rüfenacht in the amount of CHF 39,000 was paid to his employer BEKB, the attendance fee of CHF 6,500 to him privately. The exercise of the shareholding took place through him privately.

Members of the Board of Directors 2017

Disclosure pursuant to Article 663b of the Swiss Code of Obligations, in CHF	Prof. Thomas Bieger, Chairman	Dr. Jürg Rieben, Vice-Chairman [1]	Ueli Winzenried, Vice-Chairman [2]	Peter Baumann, Member	Nils Graf, Member	Bruno Hofweber, Member	Hanspeter Rüfenacht, Member [3]	Board total
Fixed remuneration (cash)	103,300	24,666	53,134	44,000	44,500	44,000	26,250	339,850
Shares	47,550	0	47,550	47,550	47,550	47,550	47,550	285,300
Contributions in kind	510	0	400	555	755	755	0	2,975
Social insurance contributions	9,404	1,213	6,289	5,734	5,777	5,746	3,178	37,341
Total remuneration	160,764	25,879	107,373	97,839	98,582	98,051	76,978	665,466

[1] Resignation on 22/05/2017. [2] Vice-Chairman on the Board of Directors since 22/05/2017. [3] Election to the Board of Directors on 22/05/2017. A part of the fixed remuneration (fee and expenses allowance) of Hanspeter Rüfenacht in the amount of CHF 22,750 was paid to his employer BEKB, the attendance fee of CHF 3,500 to him privately. The exercise of the shareholding took place through him privately.

Member of the Executive Board 2018

Disclosure pursuant to Article 663b of the Swiss Code of Obligations, in CHF	Highest total compensation: Urs Kessler, Chairman of the Executive Board	Executive Board total
Fixed remuneration (cash)	358,645	772,890
Variable profit sharing (cash)	200,843	476,576
Shares	123,200	206,360
Contributions in kind	2,553	6,933
Social insurance contributions	170,232	364,546
Total remuneration	855,473	1,827,305

Member of the Executive Board 2017

Disclosure pursuant to Article 663b of the Swiss Code of Obligations, in CHF		Highest total compensation: Urs Kessler, Chairman of the Executive Board	Executive Board total [1]
Fixed remuneration (cash)	352,800		878,647
Variable profit sharing (cash)	189,835		465,096
Shares	126,800		250,430
Contributions in kind	2,340		6,968
Social insurance contributions	137,724		336,129
Total remuneration	809,499		1,937,270

[1] Retirement of Jürg Lauper on 31/5/2017.

4.3 LOANS AND CREDITS

There were no loans in the year 2018 for members of the Board of Directors or Executive Board.

AUDITOR'S REPORT ON THE REMUNERATION REPORT

The object of the official annual report of Jungfraubahn Holding AG is the management report (with segment reporting) and the financial report, which contains the consolidated financial statements for 2018 and the financial statements for 2018 of the holding company. The auditor's reports are also included in this part of the annual report. The printout of the annual report in German, available at the registered offices of the company during the invitation period to the General Meeting of Jungfraubahn Holding AG, is binding and has been audited. Thus no audit reports were drawn up in English. You can download a PDF document with the same content from the online annual report Download Centre. The accompanying report and the download file also contain the 2018 remuneration report and corporate governance information.

CORPORATE GOVERNANCE

INTRODUCTION

We place constructive dialogue with our stakeholders at the centre of corporate governance. The corporate governance of the Jungfrau Railway Group is based on the “Swiss Code of Best Practice” of “economie suisse”. As a relatively small company, we must ensure that management and supervisory tools do not lead to unacceptable overheads. Our solutions are adapted to the needs of the company according to the principle of proportionality.

The following information on corporate governance has been structured in accordance with the guidelines of SIX Swiss Exchange (RLCG). In various places, the statutes and the organisational regulations are referred to, these can be downloaded at <http://www.jungfrau.ch/en-gb/corporate/investor-relations/jungfraubahn-holding-ag/shareholder-information/>. The disclosures in the Corporate Governance Report refer to the status at 31 December 2018. Any significant changes occurring after this deadline, but before the editorial deadline, are identified as such. The corporate governance guidelines are merely the formal foundation of a comprehensive concept of fair and transparent behaviour. Only with a positive attitude towards this idea can something be achieved. The focus is on an open and regular exchange of opinions and information. The people behind the Jungfrau Railway Group, from company management to staff, strive to maintain contact and the constructive dialogue with all stakeholders.



1. GROUP STRUCTURE AND SHAREHOLDERS

1.1 GROUP STRUCTURE

1.1.1 Operational group structure

The subsidiary companies of Jungfraubahn Holding AG (Jungfrau Railway Group) cooperate closely with Berner Oberland-Bahnen AG (BOB), which is majority owned by the federal and cantonal governments. Jungfraubahn Holding AG (JBH) only holds 8% of BOB shares and does not participate on its Management Board.

The cooperation is ensured by Jungfraubahnen Management AG (shares: JBH 67%, BOB 33%). The operating consortium is a virtual whole company. This benefits from synergies, especially in the areas of management, marketing, railway and heavy-current technology.

Collectively, the companies involved act under the name "Jungfrau – Top of Europe". The organisational chart of the operational structure of Jungfraubahn Holding AG can be found in the chapter "The holding company".

1.1.2 Listed companies

The only listed company in the consolidated entity is Jungfraubahn Holding AG, CH-3800 Interlaken. Its registered shares are listed on the SIX Swiss Exchange in Zurich (security number 1 787 578, ISIN CH0017875789). With a closing share price of CHF 125.50 on 31 December 2018, Jungfraubahn Holding AG has a market capitalisation of CHF 732,292,500.

1.1.3 Non-listed companies

The following non-listed companies are part of Jungfraubahn Holding AG's consolidated entity:

Company	Registered office	Share capital as at 31/12/2018/CHF	Voting share of JBH/per cent
Jungfraubahn AG	Interlaken	10,000,000	100
Wengernalpbahn AG	Interlaken	10,000,000	100
Firstbahn AG	Grindelwald	10,000,000	100
Parkhaus Lauterbrunnen AG	Lauterbrunnen	1,000,000	100
Jungfrau Gastronomie AG	Interlaken	100,000	100
Mürrenbahn AG	Grütschalp	100,000	100
Bergbahn Lauterbrunnen-Mürren AG	Interlaken	1,800,000	94
Harderbahn AG	Interlaken	705,000	88
Grindelwald Grund Infrastruktur AG	Grindelwald	100,000	80
Jungfraubahnen Management AG	Interlaken	100,000	67
Sphinx AG Jungfraujo	Fieschertal	52,500	57

1.2 SIGNIFICANT SHAREHOLDERS

On the cut-off date of 31 December 2018, the following shareholders were included in the share register with a holding of more than 3% of total capital:

Aktionär	Anteil
BEKB I BCBE (Berner Kantonalbank)	14,15%
Gebäudeversicherung Bern	7,40%
JSP Sicherheitsdienste Alarmempfang und Intervention (Schweiz AG) vormals Securitas Investment AG	4,71%
Erwin Reinhardt, Muri b. Bern (direkt und als wirtschaftl. Berechtigter der Montalto Holding AG und Epicea Holding AG, Zug)	4,37%
Martin Haefner	4,0%

1.3 CROSS-INVESTMENTS

None of the companies in which Jungfraubahn Holding AG holds more than 5% of shares is a major shareholder of Jungfraubahn Holding AG.

2. CAPITAL STRUCTURE

2.1 CAPITAL

The share capital of Jungfraubahn Holding AG amounts to CHF 8,752,500. Further information on the capital can be found in the balance sheets (balance sheet and consolidated balance sheet of Jungfraubahn Holding AG) published in the annual report and the accompanying notes in the appendices.

2.2 AUTHORISED AND CONTINGENT CAPITAL

There are currently no provisions in the statutes of Jungfraubahn Holding AG on authorised or contingent share capital.

2.3 CHANGES IN CAPITAL IN THE LAST THREE YEARS

There have been no changes in the capital of Jungfraubahn Holding AG in the last three years.

2.4 SHARES AND PARTICIPATION CERTIFICATES

The share capital is divided into 5,835,000 fully paid registered shares with a nominal value of CHF 1.50 (single share, security number: 1 787 578). Entry in the share register is a prerequisite for exercising voting rights. Shares are issued in the form of a value right and managed as a book-entry security. All shares are entitled to dividends.

Further information on the shares can be found in the Notes to the financial statements of Jungfraubahn Holding AG (holdings in own shares, share numbers) and online at <http://www.jungfrau.ch/en-gb/corporate/investor-relations/jungfraubahn-holding-ag/shareholder-information/>.

Jungfraubahn Holding AG has no participation capital.

2.5 PROFIT PARTICIPATION CERTIFICATES

Jungfraubahn Holding AG has no profit participation certificates.

2.6 LIMITATION OF TRANSFERABILITY AND NOMINEE REGISTRATIONS

2.6.1 Limitation of transferability and derogation

Art. 5 para. 3 (a) of the statutes contains the following entry restriction:

"The Board of Directors may refuse to register an acquisition as a shareholder with voting rights if an individual shareholder owns more than 5 per cent of the share capital of the company, whereby legal persons and partnerships, other groups of persons who are interrelated to each other or joint ownership relationships, which are mutually agreed by a single management or are connected in any other way, as well as natural or legal persons or partnerships which proceed with a view to circumventing the limitation of entry (in particular as a syndicate) with regard to the entry in the share register as a shareholder; article 685d para. 3 of the Swiss Code of Obligations remains reserved. The limitation of entry as set out in this section shall also apply to the establishment of a usufruct as well as shares subscribed or acquired through the exercise of a subscription, option or conversion right."

The Management Board makes use of the competence conferred on it by the statutes ("The Management Board may...") and allows entries of voting rights (see article 685f para. 2 as well as 3 of the Swiss Code of Obligations) on a regular basis only if the quorum of 5 per cent is not exceeded.

2.6.2 Nominee entries

Art. 5 para. 3 (b) of the statutes grants the Board of Directors the right to reject entries if the shareholder does not explicitly declare that he has acquired the shares in his own name and on his own account. No nominee entries are therefore made in the share register of Jungfraubahn Holding AG. As a rule, entry requests already contain a corresponding confirmation from the shareholder. If this is not the case, this is required under the statutes.

2.6.3 Procedure for lifting the restriction of transferability

To lift the restriction of transferability, a change in the statutes is required by the General Meeting. To this end, article 15 para. 3 of the statutes sets forth a quorum of two-thirds of the votes represented.

2.7 Convertible bonds and options

Jungfraubahn Holding AG has not accepted any convertible bonds and has no options outstanding.

3. MANAGEMENT BOARD

3.1 MEMBER OF THE MANAGEMENT BOARD (INCL. SECTION 3.2 OTHER ACTIVITIES AND INTERESTS)

The following information on the Management Board relates to the 31 December 2018 [. At the 2018 Annual General Meeting, Dr. iur. Catrina Luchsinger Gähwiler was elected to the Board of Directors as successor to Bruno Hofweber, who announced his resignation after 9 years of membership. You will find constantly updated information online at <http://www.jungfrau.ch/en-gb/corporate/investor-relations/jungfraubahn-holding-ag/board-of-directors/>.

The Management Board of Jungfraubahn Holding AG consists of six members.

Prof. Dr. Thomas Bieger (1961, CH), Chairman

1 Completed studies as rer. pol. University of Basel, doctorate (1987); Professor of Business Administration and Tourism, University of St. Gallen (1996) 2 Activities at the Universities of Basel and Innsbruck; Lecturer and member of the school management at HWV Lucerne and Chur; Director and manager Middle School and Samedan Tourism School, teaching; Guest professorships and fellowships Simon Fraser University Vancouver, Vienna University of Economics and Business, University of Lugano, University of Otago; Professor at University of St. Gallen; various management board mandates 3 Rector of the University of St. Gallen; Full Professor, University of St. Gallen; Director of the Institute for Systemic Management and Public Governance 4 Chairman of the Remuneration Committee; Chairman of Jungfraubahnen Management AG 5 None 6 Chairman of Schweiz. Gesellschaft für Hotelkredit 7 Member of the Awarding Body EQUIS Accreditation 8 None 9 Non-executive 10 None

Ueli Winzenried (1955, CH), Vice Chairman

1 Business economist HWV 2 Employed for 19 years in a managerial function with F. Hoffmann – La Roche inside and outside Switzerland, the last four as Director and member of Diagnostics Division Management, responsible for international sales and marketing activities including global logistics. 3 Chairman of the Executive Committee for Gebäudeversicherung Bern (GVB) 4 Chairman of the Auditing Committee, Management Board member Jungfraubahnen Management AG 5 Business relations with Gebäudeversicherung Bern / GVB Privatversicherungen AG 6 Management Board Kongress + Kursaal Bern AG (incl. subsidiaries); Member of the Board of Trustees of Jungfrau Railways; Foundation Council ahal; Foundation board Creaviva; Foundation Board WWF Switzerland 7 Chairman of the Trade and Industry Association of the Canton of Bern; Chairman of the Trade and Industry Association of the Canton of Bern 8 None 9 Non-executive 10 None

Peter Baumann (1956, CH)

1 1980 Graduated with diploma in cultural engineering ETH; 1989 INSEAD Executive Program; 1994 Swiss course for company management (SKU) 2 1981–1988 Basler & Hofmann AG, consultant engineers and

planners in Zurich; 1988–1996 Von Roll Transportsysteme AG Thun (from 1991 Von Roll Seilbahnen AG); 1996–1997 Mecaplex AG Grenchen; 1997–2002 Doppelmayr-Seilbahnen AG, Switzerland; since 2002 Garaventa AG, Rotkreuz, cableway construction **3** Regional Manager LATAM Doppelmayr/Garaventa Group **4** Member of the remuneration committee **5** Garaventa AG Is a supplier of cableways for Jungfrau Railways **6** Board member Garaventa AG; Board member CWA Constructions SA Corp., Olten; Board member Mecaplex AG, Grenchen **7** None **8** Grindelwald Town Council **9** Non-executive **10** None

Nils Graf (1956, CH)

1 Apprenticeship as bricklayer; training college for foremen; various courses for further training; graduated with federal diploma as a foreman from the Swiss Building School in Aarau **2** Since 1982 co-owner Graf AG, construction & civil engineering, wood construction in Wengen **3** Co-owner Graf AG, construction & civil engineering, wood construction in Wengen **4** Member of the audit committee **5** Various contracts in construction and civil engineering **6** Chairman of the Board of Directors of Beo Bauservice AG; Chairman of Graf Bauberatung GmbH; Vice-Chairman of Graf AG **7** Senator of the Junior Chamber International **8** Lauterbrunnen Town Council; Mountain Clerk of the Wengernalp Alpine Cooperative; Secretary of the Wengen Ski Slope Committee **9** Non-executive **10** None

Catrina Luchsinger Gähwiler (1967, CH / GB)

1 1991 Law studies at the University of Zurich; Degree lic. iur.; 1995 Bar exam in the canton of Zurich; 2004 Ph.D. iur. **2** 1996–2000 Lawyer at internationally-oriented Zurich law firms; from January 2012 to December 2016 Managing Partner of law firm Froriep; Lawyer (since 2000) and Partner (since 2007) at Froriep Legal AG, Zurich **3** Lawyer **4** Member of the Audit Committee **5** None **6** VR Baader Helvea AG (Zurich); Nova Property Management AG (Zurich); Brevalia AG (Zurich); Foundation Board Member Stiftung Sanitas **7** Member of the International Bar Association; member of the International Pacific Bar Association (Vice-Chair of the Banking and Finance Committees); member of the Swiss-Asian Chamber of Commerce **8** None **9** Non-executive **10** None

Hanspeter Rüfenacht (1958, CH)

1 Vocational training, Berufsmittelschule KV Bern (vocational training college); Business economist HWV **2** 1974–1999 Swiss Bank Corporation / UBS AG, various executive functions in the private and corporate client business as well as in credit management; since 1999 Berner Kantonalbank AG, initially as Head of Credit Management, from 2002 Member of the Executive Board and Head of the Consulting and Sales department, since 01/01/2012 Chairman of the Executive Board **3** CEO/Chairman of the Executive Board of Berner Kantonalbank AG **4** Member of the Compensation Committee **5** None **6** Member of the Swiss Association of Cantonal Banks (VSKB) **7** President of the Economic Society of the Canton of Bern (VWG Bern); Member of the board of the Trade and Industry Association of the Canton of Bern (HIV) **8** None **9** Non-executive **10** None

[15]

1 Training / qualifications **2** Professional career **3** Main occupation **4** Societies / committees **5** Business relationship with Jungfrau Railways **6** Leadership and supervisory activities **7** Activities for vested interests **8** Official functions, political offices **9** Operational management duties **10** Past activities for Jungfrau Railways

3.2 OTHER ACTIVITIES AND INTERESTS

See section 3.1.

3.3 NUMBER OF APPROVED MANDATES

The number of mandates in the upper management and administrative bodies of legal entities outside the Group to be entered into the Swiss commercial register or a comparable foreign register is limited for members of the Management Board to three mandates in listed companies, ten mandates in non-listed companies and twenty mandates in other legal entities such as foundations and associations (art. 17 of the statutes of Jungfraubahn Holding AG).

3.4 ELECTION AND TERM OF OFFICE

3.4.1 Principles of the electoral process

The General Meeting elects all Directors, the Chairman and the members of the Remuneration Committee annually and in a single election (Article 17 of the statutes of Jungfraubahn Holding AG, according to VegüV).

In accordance with the organisational regulations of the Management Board, the following limitations apply:

“The age limit is set at 70 years, i.e. at the AGM of the year in which the mandate holder reaches the age of 70, the resignation from the Management Board has to be effected.”

3.5 INTERNAL ORGANISATION

The Management Board, with the exception of the Chairman and the members of the Remuneration Committee, is constituted with regard to ranking and the composition of the committees themselves. Christoph Schläppi (non-member) has been elected as secretary.

3.5.1 Division of responsibilities on the Management Board

The Chairman of the Management Board, in the event of impediment of the Vice Chairman, shall lead the Board, chair the Board meetings as well as the General Meeting. He is an important contact for the Chief Executive Officer in all aspects of company management. The other members of the Management Board shall perform the same tasks and responsibilities in the plenary session. The Board is supported by specialist committees formed from among its members. They analyse specific areas in depth and report on the preparation of resolutions or the exercise of their supervisory function. For details, see the rules for the respective committee.

3.5.2 The committees in detail

Audit Committee:

Ueli Winzenried, Chairman; Nils Graf, Catrina Luchsinger Gähwiler

In particular, the Audit Committee has the following tasks:

- Assessment of the semi-annual and annual accounts;
- Assessment of the organisation of internal financial controls and external auditing;
- Assessment of the independence, performance and compensation of external auditors and the compatibility of consultancy mandates with auditing activities.

The Audit Committee does not carry out any audits itself.

Remuneration committee:

Prof. Thomas Bieger, Chairman; Peter Baumann, Hanspeter Rüfenacht

In principle, the Remuneration Committee has the authority to make proposals and implement them. The Remuneration Committee is also responsible for the employment contracts of the members of the Executive Board. For additional authorisation procedures, the organisational regulations refer to the regulations of the Remuneration Committee. According to this, the committee decides definitively on the remuneration of the extended Executive Board, the reference price and claim for discounted shares for managers and employees, as well as the approval of additional activities by the Executive Board and extended Executive Board. In addition, the Remuneration Committee ensures that a regular benchmark (at least once a year) of the compensation takes place with comparable listed companies and Bern-based companies, a periodic comparison is made between the requirements profile of the Management Board and the actual status, a discussion of the substitution and succession planning for members of the Executive Board, the extended Executive Board and possibly other key personnel is held with the Chairman of the Executive Board, employees are regularly evaluated and a self-assessment of the work in the Remuneration Committee takes place.

The Remuneration Committee shall make the following preparations for the Management Board:

- Defining the remuneration policy as a whole (board of directors, managers, staff)
- Proposal for the implementation of the AGM resolution regarding compensation in concrete remuneration for the Board of Directors and CEO.
- Preparation of the remuneration proposals for the Annual General Meeting
- Preparation of compensation report
- Preparation of review proposals for the statutes regarding the principles for the remuneration of the members of the Management Board and the Executive Board.
- One-off, voluntary bonuses for staff (principle, framework)

3.5.3 Operation of the Management Board

As a rule, the Management Board meets five times a year, once for a two-day strategy meeting. Decisions are taken by the Management Board as a whole (simple majority of those present). The CEO attends the meetings of the Management Board in an advisory capacity. In addition, the meeting is attended by those responsible for a specific business. The invitation to the meetings of the Management Board will list all the subjects to be dealt with. The participants will receive written documentation in advance. In urgent cases and subject to certain restrictive formalities, resolutions can also be passed by means of a circular letter. The Management Board has direct access to the Intranet of Jungfrau Railways and the session preparation tool Diligent where it is given access to the documents of the current and previous meetings. During the course of the year, the Management Board abides by the following cycle of successive analyses and decision-making steps:

- Strategy control and risk assessment
- Working out / customising the business plan
- Budgeting based on the business plan
- Investment decisions
- Analysis of the result

In the reporting year, six Management Board meetings were held, including one two-day meeting, three meetings of the Audit Committee and four of the Remuneration Committee.

3.6 REGULATION OF AREAS OF RESPONSIBILITY

The Management Board of Jungfraubahn Holding AG is responsible for the overall management, supervision and control of the Executive Board throughout the Jungfrau Railway Group.

The tasks of the Management Board are laid down in the statutes and in the organisational regulations. It is authorised to make decisions in all matters that are not expressly transferred to or reserved for the General Meeting or other corporate bodies by law, under the statutes or the organisational regulations. The Organisational Regulations contain a detailed allocation of areas of responsibility between the Management Board and the Executive Board, which takes account of the legal requirements (Swiss Code of Obligations 716a) and is regularly observed in day-to-day business. Rules for insider prevention and disclosure requirements for management transactions can be found in the appendices. The organisational regulations, which also contain a table summary of the responsibilities of the Management Board and Executive Board as well as a summary of the project management, can be found online at: <http://www.jungfrau.ch/en-gb/corporate/investor-relations/jungfraubahn-holding-ag/shareholder-information/>.

The Management Board has directors and officers insurance. The corresponding premiums are borne by the Company.

3.7 INFORMATION AND CONTROL INSTRUMENTS

The Management Board will be reported to in an open and timely manner (responsible: Chief Executive Officer). This takes place in the form of verbal orientations at board meetings (standard tracts for CEO and CFO) and special reporting for large projects (annual project status and project account upon conclusion). In the case of special events, the Management Board shall be notified immediately in an appropriate form.

The Chairman of the Management Board and the Chief Executive Officer shall communicate weekly and advise each other regularly of all significant transactions.

Jungfrau Railways has an "ISO 9001:2015" certified management system. This also meets the requirements of the quality seal (level 3) of Schweiz Tourismus and integrates the process organisation, the work instructions, the internal control system (ICS), the risk management and quality assurance into a uniform management instrument.

The Jungfrau Railways has a performance measurement system (LMS) that contains key figures on business development, finances and general conditions. This is updated continuously. Reports to the Management Board include the most important key figures.

4. EXECUTIVE BOARD

4.1 MEMBER OF THE EXECUTIVE BOARD (INCL. FIGURE 4.2 OTHER ACTIVITIES AND INTERESTS)

The following information on the Executive Board refers to 31 December 2018 [16]. You will find constantly updated information online at <http://www.jungfrau.ch/en-gb/corporate/jungfrau-railways/alliance-jungfrau-top-of-europe/management/>.

Urs Kessler (1962, CH)

1 Qualified at Advanced College of Commerce; operations manager; qualified sales trainer; diploma as Marketing Planner; Federal diploma as Marketing Manager; SKU course in Company Management 2 Operational management and sales at several Swiss railway stations; various managerial functions at BLS with emphasis on marketing; joined Jungfrau Railways in 1987 3 Chairman of the Executive Board Jungfrau Railways 4 Chairman of the Board of Directors of subsidiaries (WAB, JB, FB, PHL, BLM, HB, MB, GGI, JGA) 5 None 6 Management Board Congress Centre Kursaal Interlaken AG 7 Board of Trade and Industry Union of the canton of Bern; Board Member of Interlaken Tourismus (TOI), RAILplus Board of Directors; Member of Strategieausschuss Direkter Verkehr (StAD, Direct Transport Strategy Committee); Board of Directors BE! Tourismus AG; öV Preis- und Vertriebsgesellschaft AG Board of Directors 8 None 9 Chairman of the Executive Board 10 Joined as employee in sales promotion; became Head of "Commercial Services" in 1990; Head of the new Marketing and Operations department, elected to company management in 1994

Christoph Schläppi (1959, CH)

1 Lawyer; Management for the Legal Profession HSG 2 Lawyer in Interlaken; 1996 Joined Jungfrau Railways 3 Member of the Executive Board Jungfraubahnen 4 Management Board of subsidiaries (WAB, JB, PHL, FB, SPX, BLM, HB, MB, GGI, JGA) 5 None 6 Vice-Chairman of the Management Board of Gondelbahn Grindelwald-Männlichen AG; Member of the pension committee Gondelbahn Grindelwald-Männlichen AG; Member of the Administration Cooperative Mönchsjochehütte, Secretary; Member of the Management Board Bank EKI; Chairman of the Audit Committee Bank EKI 7 Representative of the VöV on the Board of Trustees Swiss Accident Prevention Commission for Snowsports Runs (SKUS) 8 None 9 Corporate Secretary 10 Admission as Management Secretary (later Head of the Management Department) and Secretary of the Board of Directors, until 31/12/2017 Head of Corporate Services

Christoph Seiler (1969, CH)

1 lic. rer. pol.; Rochester-Bern Executive MBA Program 2 Various positions in the banking industry; Loeb Holding AG, Bern, most recently as CFO; joined Jungfrau Railways in 2002 3 Member of the Jungfrau Railways Executive Board 4 Board of Directors of subsidiaries (PHL, BLM, HB, JB, WAB, MB, GGI, JGA) 5 None 6 Chairman of the Foundation Board of Jungfrau Railways Staff Pension Fund; Foundation Board for the Mürren Sports Facilities Foundation; Board of Directors Seiler AG, Bönigen 7 Chairman of Swiss Athletics 8 None 9 Head of Finance & Controlling Department (CFO) 10 None

[16]

1 Training / qualifications 2 Professional career 3 Main occupation 4 Societies / committees 5 Business relationship with Jungfrau Railways 6 Leadership and supervisory activities 7 Activities for vested interests 8 Official functions, political offices 9 Operational management duties 10 Past activities for Jungfrau Railways

4.2 OTHER ACTIVITIES AND INTERESTS

See figure 4.1.

4.3 NUMBER OF APPROVED MANDATES

For members of the Executive Board, the limit is one mandate for listed companies, three mandates for non-listed companies and fifteen mandates for other legal entities such as foundations and associations (Art. 17 Statutes of Jungfraubahn Holding AG).

4.4 MANAGEMENT CONTRACTS

There are no management contracts, management is fully exercised within the Group.

5. COMPENSATION, HOLDINGS AND LOANS

All information on compensation, holdings and loans (content and establishment of the compensation and holding programmes for the Management Board and Executive Board, principles and elements of the compensation and the holding programmes as well as organisation, procedures and rules for the fixing thereof) are set forth in the separate remuneration report.

In the statutes, the following rules regarding compensation, holdings and loans are laid down for the Management Board and Executive Board:

Subject	Management Board	Executive Board
Principles of performance-related remuneration	Art. 20, para. 1	Art. 20, para. 2
Principles of the allocation of equity instruments, conversion rights and option rights	Art. 20, para. 3	Art. 20, para. 3
Rules on loans, credit and pension payments	Art. 20, para. 4 and 5	Art. 20, para. 4 and 5
Rules concerning the general meeting,s vote on remuneration	Art. 14a, para. 1, 2, 3	Art. 14a, paras. 1, 2, 3
Additional amount for the remuneration of Executive Board members who are appointed after the AGM,s vote on remuneration	-	Art. 14a, para. 2

6. SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 VOTING RIGHTS RESTRICTIONS AND VOTING RIGHTS REPRESENTATION

6.1.1 Voting rights restrictions

The registered share issued by Jungfraubahn Holding AG is a single share class. There is no statutory voting rights restriction. However, the transferability provision in conjunction with the provisions of art. 685f para. 2 and 3 of the Swiss Code of Obligations leads to a factual restriction of voting rights: "Entry into the share register without voting rights" (also see section 2.6.1).

6.1.2 Exceptions to the restriction of voting rights

No remarks.

6.1.3 Lifting voting rights restrictions

No remarks.

6.1.4 Statutory rules for participation in the General Meeting

A shareholder may only be represented at the General Meeting by a legal representative or another shareholder who is participating in the General Meeting and registered in the share register. There is also the possibility of representation by the independent proxy, via written instructions or electronic remote voting. The details on the regulation of instructions to the independent proxy as well as on electronic remote voting are contained in the respective invitation to the General Meeting. In terms of entrance controls to the General Meeting, a legally signed power of attorney is required as a proof of legitimacy for non-individually authorised bodies that want to represent their companies at the General Meeting.

6.2 STATUTORY QUORUMS

The statutes of Jungfraubahn Holding AG, in addition to the statutory quorums provided for the following resolutions, also set forth the two-thirds majority and the absolute majority of the nominal value of the shares represented:

- the facilitation of the transferability of registered shares,
- the dissolution (per se) and/or the merger of the company.

6.3 CALLING OF THE GENERAL MEETING

The statutes of Jungfraubahn Holding AG comply with the statutory regulations for convening the General Meeting. The Swiss Commercial Gazette is established as the publication organ. The Management Board may determine further publication bodies and invite the shareholders registered in the share register by letter. It has made use of these opportunities without exception since the company has come into existence.

The date of the AGM and also the dates of the deadlines pursuant to sections 6.4 and 6.5 below are published online under <http://www.jungfrau.ch/en-gb/corporate/investor-relations/jungfraubahn-holding-ag/calendar/> and are sent to the shareholders in a reminder letter before the General Meeting.

6.4 AGENDA

Shareholders representing 10% or more of the share capital (currently: shares with a nominal value of at least CHF 875,250), may request the inclusion of an item on the agenda, specifying the item to be discussed and the applications. The corresponding request shall be submitted to the Board of Directors in writing and no later than 45 days before the relevant General Meeting (arrival).

6.5 ENTRIES IN THE SHARE REGISTER

Admission to the General Meeting is exclusively for shareholders registered with voting rights in the share register. An invitation will be sent to them by post. The access rights census is conducted approximately two weeks before the General Meeting (the exact date will be published in a letter to the shareholders). After then, no additional entries will be made in the share register until the day of the General Meeting. Shareholders who sell shares during the vesting period lose the associated voting rights. They must have their entry card corrected at access control on the day of the General Meeting.

7. CHANGE OF CONTROL AND DEFENCE MEASURES

There are no special arrangements for a change of control. The legally required obligation to submit a takeover offer remains unchanged. The limit of 33% has not been raised or lowered (no opting up/out).

8. AUDITOR

8.1 TERM OF MANDATE

8.1.1 Time of transfer

On the occasion of the 2017 General Meeting of Jungfraubahn Holding AG, KPMG AG, Gümligen-Bern, was appointed as auditor. It has held this position since 2004.

Reference to an event after the key date: The 2019 Annual General Meeting will propose the election of BDO AG, Bern as the new auditors for a one-year term.

8.1.2 Appointment of the lead auditor

The auditor (mandate partner) for the year 2018 is Mr Stefan Andres. He has held this office since 2014.

8.2 AUDITING FEES

The fees charged by the auditing company for its activities across the entire Jungfrau Railway Group, including audits of the companies in the consolidated entity and audits in connection with railway regulations in 2018, amount to CHF 174,200

8.3 ADDITIONAL FEES

KPMG AG, Gümligen-Bern, has not performed any additional services and has therefore not received any additional fees.

8.4 SUPERVISORY AND CONTROL TOOLS FOR THE AUDIT

The assessment of the independence, performance and compensation of the external auditors, as well as the compatibility of consultancy mandates with the auditing activities, is one of the duties of the Audit Committee explicitly stated in the Organisational Regulations (section 3.5.2). It shall report regularly to the Management Board. The auditing company was present at all meetings of the Audit Committee.

9. INFORMATION POLICY

Jungfraubahn Holding AG pursues a policy of active, open and timely communication with all stakeholders. In this task, company management is supported by extended Executive Board member Patrizia Bickel, who is specifically responsible for communication.

The shareholders of Jungfraubahn Holding AG are actively informed by means of the annual report, the semi-annual financial statements and, if required, by shareholder letters. Share price-relevant facts are published according to the SIX rules on "ad hoc publicity".

On the Jungfrau Railways website, up-to-date information can be accessed in German and English and, among other things, the ad-hoc-Newsletter can be subscribed to. In the company information section (<http://www.jungfrau.ch/en-gb/corporate/jungfrau-railways/jungfraubahn-holding-ag/>) there is a wealth of information and downloads for those who are specifically interested in the company.

Jungfrau Railways informs its employees and the public quickly, actively and transparently about important business processes. The media can contact the company for information at any time. Thanks to its open and service-oriented communication, it creates trust in the company and promotes sales.

Media contact

Patrizia Bickel, Head of Corporate Communications
Telephone +41 (0)79 222 53 10, patrizia.bickel@jungfrau.ch

General information

Internet: www.jungfrau.ch, <http://www.jungfrau.ch/en-gb/corporate/investor-relations/>
E-mail: info@jungfrau.ch
Telephone: +41 (0)33 828 71 11
Fax: +41 (0)33 828 72 64
Webcam: <http://www.jungfrau.ch/en-gb/live/webcams/>

Company headquarters:

Harderstrasse 14
CH-3800 Interlaken



RESPONSIBLE PUBLISHER

Jungfraubahn Holding AG
Harderstrasse 14
CH-3800 Interlaken
Switzerland

CONTACT

Media

Patrizia Bickel
patrizia.bickel@jungfrau.ch

Investor Relations

Christoph Seiler
christoph.seiler@jungfrau.ch

Tourist Information

Rail Info
info@jungfrau.ch

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