

# Corporate Governance Report

## Introduction

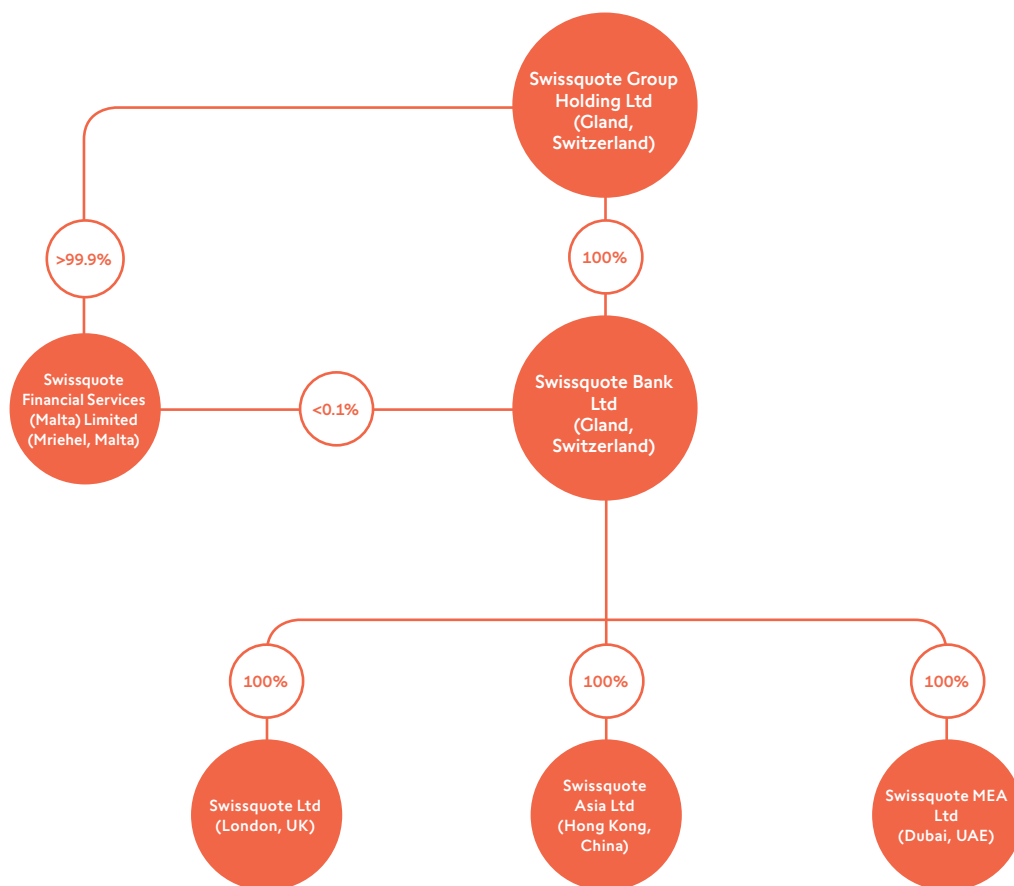
Corporate governance is at the heart of a proper business conduct and a central part of the Swissquote Group's (the "Group") internal organisation. This Corporate Governance Report informs shareholders, prospective investors as well as the larger public on the Group's policies in matters of corporate governance. The Group acts in compliance with the standards established by the SIX Swiss Exchange Directive on Information relating to Corporate Governance as well as FINMA Circular 2017/1 (Corporate governance – banks).

## 1 Group structure and shareholders

### 1.1 Group structure

The structure of the Group, which comprises Swissquote Group Holding Ltd and its subsidiaries, is designed to support the Group's operations within an efficient regulatory and tax framework.

Swissquote Group comprises the following active companies as at 31 December 2018:



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## 1.1 Group structure (continued)

Swissquote Group Holding Ltd (the "Company") is the listed vehicle of the Group. It was incorporated on 12 August 1999. Its shares have been listed on SIX Swiss Exchange since 29 May 2000 with the symbol SQN, the security number 1067586 and the ISIN number CH0010675863. As at 31 December 2018, the market capitalisation of the Company amounted to approximately CHF 693,600,000. Details on the Company's capital are provided in Section 2.

Swissquote Bank Ltd (the "Bank") was incorporated on 24 November 2000 and is a bank under the supervision of the Swiss Financial Market Supervisory Authority FINMA ("FINMA"). The main office of the Bank is located in Gland, Switzerland, with a branch in Zurich and representative offices in Dubai and Hong Kong. The share capital of the Bank amounts to CHF 42,000,000 (7,000,000 registered shares with a nominal value of CHF 6).

Swissquote Ltd has been a limited liability company incorporated in London since 19 July 2011. Swissquote Ltd is an investment company that provides online trading services under the supervision of the Financial Conduct Authority (FCA). The share capital of Swissquote Ltd amounts to GBP 4,260,100 (4,260,100 ordinary shares with a nominal value of GBP 1).

Swissquote Asia Ltd has been a limited liability company incorporated in Hong Kong since 16 January 2012. Swissquote Asia Ltd is a licensed corporation under the supervision of the Securities and Futures Commission (SFC), from which it was granted a Type 3 licence (Leverage Foreign Exchange Trading). The share capital of Swissquote Asia Ltd amounts to HKD 5,500,000 (5,500,000 registered shares with a nominal value of HKD 1).

Swissquote MEA Ltd has been a limited liability company incorporated in the Dubai International Financial Center (DIFC) since 14 June 2012. Swissquote MEA Ltd is an investment firm under a Category 3A licence and a Category 4 licence granted by the Dubai Financial Services Authority (DFSA). The share capital of Swissquote MEA Ltd amounts to USD 500,000 (500 registered shares with a nominal value of USD 1,000).

Swissquote Financial Services (Malta) Limited has been a limited liability company incorporated in Malta since 19 October 2012. Swissquote Financial Services (Malta) Limited is an investment services company that operates as custodian and broker for European investment funds under both a Category 4a and a Category 2 licences from the Malta Financial Services Authority (MFSA). The share capital of Swissquote Financial Services (Malta) Limited amounts to EUR 1,100,000, divided into 1,099,999 ordinary class A shares with a nominal value of EUR 1 (held by the Company) and 1 ordinary class B share with a nominal value of EUR 1 (held by the Bank).

The acquisition of Internaxx Bank SA, which was announced on 7 August 2018, will become effective as soon as the corresponding regulatory approvals will be granted by the concerned supervisory authorities. This is expected to take place around the end of the first quarter of 2019.

For information on the exact registered addresses of each entity of the Group, reference is made to the last pages of the Annual Report.

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## 1.2 Significant shareholders

Under the Swiss Financial Market Infrastructure Act (FMIA), any person holding shares in a company listed in Switzerland is required to notify the concerned company and the stock exchange, if the holding reaches, falls below or exceeds the following thresholds: 3%, 5%, 10%, 15%, 20%, 33<sup>1</sup>/<sub>3</sub>%, 50%, or 66<sup>2</sup>/<sub>3</sub>% of the voting rights.

According to the information received by the Company and pursuant to Section 1.2 of the Annex to the SIX Swiss Exchange Directive on Information relating to Corporate Governance, the shareholders with an interest in the Company above 3% as at 31 December 2018 are as follows:

|                                   | 2018   |         | Total  |
|-----------------------------------|--------|---------|--------|
|                                   | Shares | Options |        |
| Marc Bürki                        | 12.45% | 0.10%   | 12.55% |
| Paolo Buzzi                       | 12.37% | 0.10%   | 12.47% |
| PostFinance AG                    | 5.00%  | –       | 5.00%  |
| Basellandschaftliche Kantonalbank | 4.77%  | –       | 4.77%  |
| Mario Fontana                     | 4.41%  | –       | 4.41%  |
| JPMorgan Chase & Co.              | 3.09%  | –       | 3.09%  |

For further information on stock options, reference is made to the Remuneration Report.

The full list of disclosures of shareholdings made in accordance with Art. 120 FMIA is available on the website of SIX Swiss Exchange using the following link:

<https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>