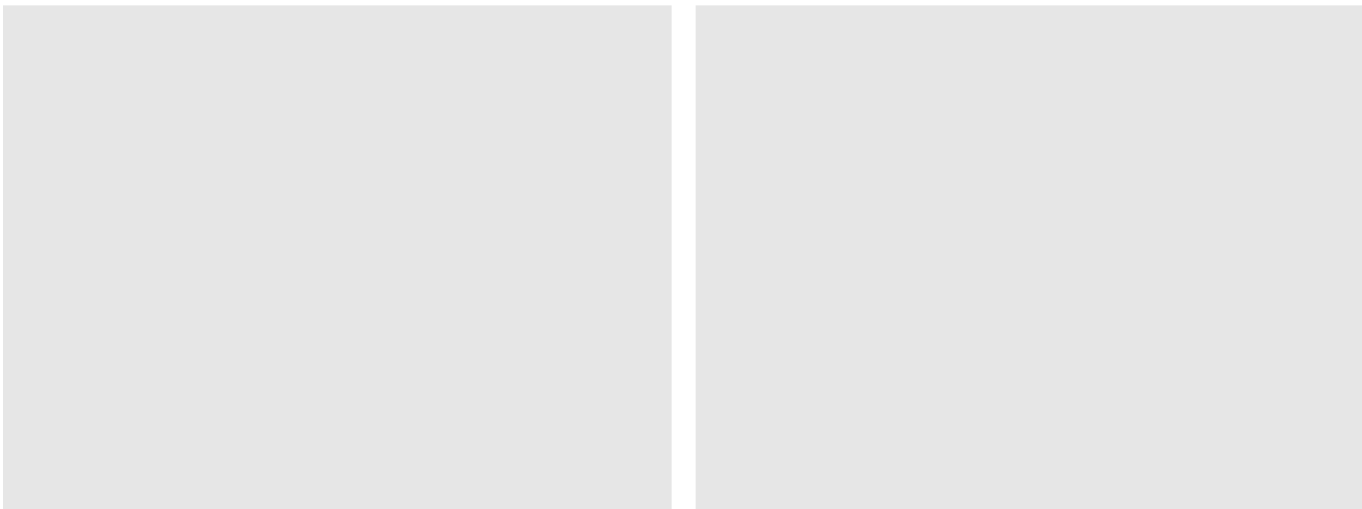
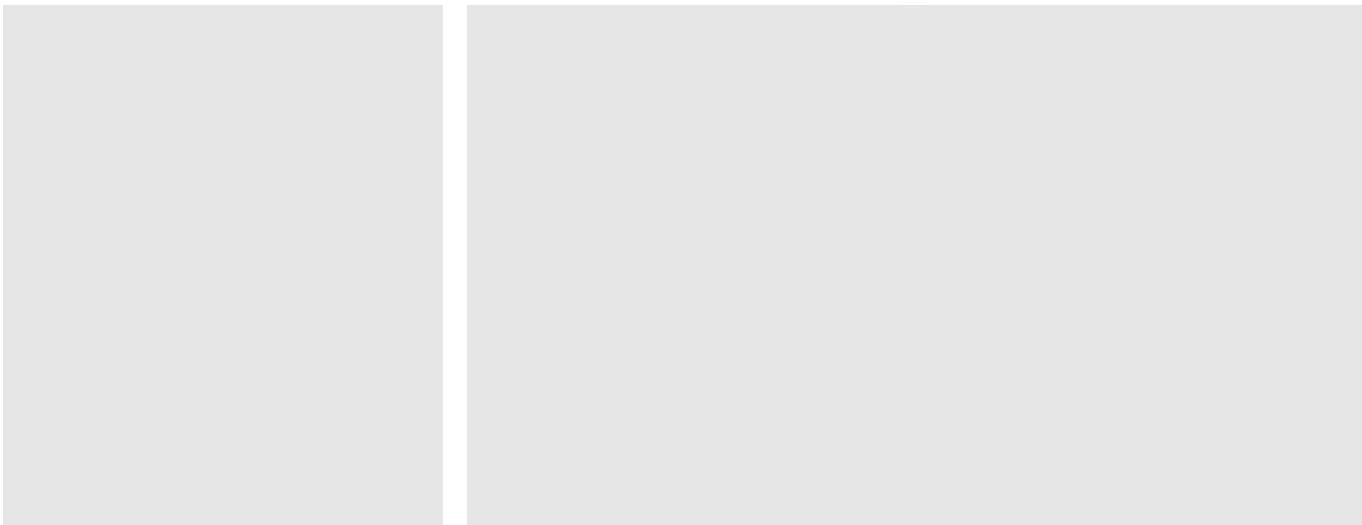




CORPORATE GOVERNANCE



## Group Structure and Shareholders

### Group structure

Swisslog Holding AG, headquartered in Buchs/Aarau, Switzerland, is the ultimate parent company of the Swisslog Group. All companies of the Swisslog Group to be consolidated are itemized on page 76 (2008 Financial Report, Subsidiaries and investments).

The Swisslog Group's operational group structure reflects the division of its operations into the two segments (divisions) Warehouse & Distribution Solutions and Healthcare Solutions. Page 7 of this Annual Report shows an overview of the operational group structure. For detailed information on the activities of the two divisions, please refer to pages 10 et seq. of this Annual Report. For reporting by segment according to IFRS, please refer to page 51 (2008 Financial Report, Note 2 to the Consolidated Financial Statement).

In December 2008, the business of the Consulting Services/Wassermann division was sold to the unit's management. The reporting by segment according to IFRS on page 51 shows the former division accordingly under discontinued operations (2008 Financial Report, Note 2 to the Consolidated Financial Statement). For information on the activities of the former division, please refer to page 18 of the 2007 Annual Report (<http://www.swisslog.com/crp-ir-2007-annualreport-en.pdf>).

### Significant shareholders

According to its notification under Article 20 of the Stock Exchange Act dated 3 September 2008, Baillie Gifford & Co, Edinburgh, and its wholly owned subsidiary Baillie Gifford Overseas Limited as at 28 August 2008 held together 7 609 109 registered shares, corresponding to 3.03% of voting rights.

According to its notification under Article 20 of the Stock Exchange Act dated 26 November 2008, F&C Asset Management plc, Edinburgh, acting as investment manager for several clients as at 25 November 2008 held 12 423 238 registered shares, corresponding to 4.94% of voting rights. After the 2008 year-end closing, F&C Asset Management plc has notified on 21 January 2009 that its shareholdings have fallen below the threshold of 3% of voting rights and as at 19 January 2009 amount to 7 536 281 registered shares, corresponding to 2.99% of voting rights.

These notifications, the former notifications by F&C Asset Management plc and the notifications by Valartis Bank AG, Zurich, whose shareholdings according to its notification dated 23 June 2008 have fallen below the threshold of 3% of voting rights triggered by the expiry of options, are published on Swisslog's website under <http://www.swisslog.com/index/home/crp-investor-relations/crp-share-structure.htm>.

As at 31 December 2007 Chase Nominees Limited, London, as a nominee held 5.12% of the company's share capital. Chase Nominees Limited acts as a nominee for the shares it holds, that is, the shares were entered in its own name in the share register by order of its clients for the account of these clients.

### Cross-shareholdings

The Swisslog Group has not entered into any cross-shareholdings with other companies as far as capital or voting rights are concerned.

## Capital Structure

### Shares and share capital

The share capital of Swisslog Holding AG stands at CHF 2 512 769.84, all of which is fully paid up. The share capital consists of 251 276 984 registered shares with a par value of CHF 0.01. Each share registered with the right to vote entitles the holder to one vote at General Meetings of Swisslog Holding AG.

The registered shares of Swisslog Holding AG are traded on the SIX Swiss Exchange (Securities No.: 1 232 462, ISIN CH0012324627). For details on the market capitalization of Swisslog Holding AG, please refer to page 77 (2008 Financial Report, Key figures for share capital).

Neither conditional nor authorized capital exists. The company has not issued participation certificates (Partizipationsscheine) nor profit sharing certificates (Genussscheine).

As at 31 December 2008, there were 13 171 registered shareholders entered in the share register (previous year: 13 250).

### Changes to the share capital

The Ordinary General Meeting of Shareholders of Swisslog Holding AG on 17 May 2006 approved to increase the share capital of CHF 1 794 835.60 by CHF 717 934.24 to CHF 2 512 769.84. The proceeds were used for a partial repayment of the convertible bond.

### Limitation on transferability and nominee registrations

With the entry into force of the Stock Exchange Act on 1 January 1998, the percentage limitation on the registration of registered shares (restriction on transferability) contained in Art. 6 Para. 3 of the Articles of Association automatically lapsed. Swisslog Holding AG's Articles of Association no longer include any percentage restriction on registration. The only restriction that continues to apply is a nominee provision (Art. 6, Para. 4), whereby the registration of persons holding shares in a fiduciary capacity for undisclosed third parties is limited to 5% of the registered share capital. Registered shares of nominees with voting rights exceeding this limit can be entered in the share register only if the respective nominee discloses the names, addresses and shareholdings of the persons for whose account he holds 5% or more of the registered share capital as entered in the commercial register. The Board of Directors is statutorily entitled to enter into agreements with nominees regarding reporting obligations.

There is a nominee agreement with one nominee.

### Convertible bond 2000–2009

The conversion rights attached to the Swisslog Holding AG convertible bond 2000 to 2009 (securities no. 001090606, ISIN CH0010906060) expired on 4 July 2005. No conversion rights had been exercised by the expiry date of the conversion period.

For detailed information on the bond, please refer to page 69 (2008 Financial Report, Note 2 to the Financial Statements of Swisslog Holding AG).

### Options

Swisslog Holding AG and its Group Companies did not issue any options on shares. No employee options exist. For information on the share matching plan, please refer to the respective section on page 30 and to page 63 (2008 Financial Report, Note 19 to the Consolidated Financial Statements).

## Board of Directors

### Members of the Board of Directors

The particulars of the members of the Board of Directors can be found on pages 26 and 27.

### Internal organization structure and regulation of areas of responsibility

The Board of Directors has issued Bylaws that regulate the organization and methods of procedures of the Board of Directors, the delegation of management to the Executive Committee, the attribution of authority and the reporting system.

The Board of Directors is responsible for the overall governance of Swisslog Holding AG and the Swisslog Group and for overseeing the management of its affairs. The Board of Directors has the organizational and financial responsibility and determines the strategic objectives, the general ways and means to reach them and the persons to be charged with management. Accordingly, the responsibilities of the Board of Directors comprise, among other things, the determination of the strategy and the legal and operational structure of the Group, the decision on the compensation of the Board of Directors, the decision on appointments to and compensation of the Executive Committee and on the basic compensation strategy of the Group, the adoption of the business plan and the annual budget, the structuring of the accounting system, of the financial controls and the financial planning as well as the system for internal control, the attribution of functions and authority between the Board of Directors and the CEO as well as the enactment of basic corporate policies.

Based on the Bylaws, the Board of Directors assigned the entire business management to the Chief Executive Officer (CEO), who assumes this function with the support of additional members of the Executive Committee. The Board of Directors has defined the financial authority of the Executive Committee and has reserved affairs that exceed this authority for approval. The CEO is responsible for the implementation of the strategy and of the resolutions of the Board of Directors, for the organization, management, and control of the overall business and affairs, for the supervision of management, for the management of the accounting system, as well as for the reporting to the Board of Directors. He prepares proposals on the affairs of the Board of Directors, including the strategy, the organization of the Group and appointments to the Executive Committee, the business plan, and the annual budget.

The Chairman of the Board of Directors is entrusted with the management of the Board. He assures the flow of information within the Board of Directors and between the Board of Directors and the Executive Committee. He arranges the convocation and preparation of meetings and establishes the agenda. He conducts the meetings and monitors the implementation of decisions made by the Board of Directors. The Chairman is in constant contact with the CEO. The Vice-Chairman takes the place of the Chairman of the Board of Directors in his absence.

The Board of Directors is self-constituted and elects the Chairman, Vice-Chairman and members of committees from among the Board members.

The Board of Directors holds meetings as often as it is required, but at least four times during the year. During the 2008 financial year, the Board of Directors convened seven ordinary meetings of the Board of Directors, which normally lasted about five hours. Six circular resolutions were passed. The CEO and CFO regularly attend the meetings of the Board of Directors. If needed, additional persons in charge are included for a specific agenda item. Yearly during one of its meetings, the Board of Directors focuses on one division, with the involvement of the divisional management.

### Committees

The Board of Directors set up two committees to assist it in its work: the Audit & Risk Management Committee and the HR Committee. The Committees support the Board of Directors by preparing the business activities in their area of responsibility and by monitoring their implementation. They report to the Board of Directors and file proposals. The decision authority and the overall responsibility remain in the hands of the Board of Directors.

### Audit & Risk Management Committee

The Audit & Risk Management Committee consists of three non-executive members: Jürg Rückert (Chairman), Hans Ziegler, and Manfred Schuster. The Committee convenes at least three times a year, reporting constantly to the Board of Directors on its activities. The primary function of the committee in the area of audits is to audit the annual financial statements and submit a recommendation on their approval to the Board of Directors. It also monitors the external auditors on behalf of the Board of Directors, their audit planning and execution, the coordination with the external auditors, the internal controlling as well as the preparation of the annual financial statements and the financial reporting. The Group auditors are required to report their findings to the Committee, whose job it is to recommend any improvements in the audit process. In the area of Risk Management, the Committee's main responsibilities are monitoring, evaluating and adjusting of the Risk Management System as well as following the development of the relevant laws and regulations affecting the Group. Permanent attendees of meetings of the Committee are the CFO and the CEO. In the year under review the Committee met three times, with meetings lasting about three hours.

### HR Committee

The HR Committee consists of two non-executive members: Jacques Réjeange (Chairman) and Heinz Bachmann. The Committee convenes at least twice a year, reporting to the Board of Directors when the latter convenes. The main functions of the Committee is to monitor, on behalf of the Board of Directors, the Group's compensation strategy, compensation programs and instruments, remuneration of the Board of Directors, CEO and Executive Committee, employee benefit policy and plans, administration of employee stock ownership plans, and development and career plans, as well as to follow compensation comparisons. Permanent attendees of meetings of the Committee are the CEO and the head of Corporate Human Resources. In the year under review the HR Committee met three times, with meetings lasting about two hours.

## Members of the Board of Directors

In the year under review, the Board of Directors of Swisslog Holding AG was comprised of the following people:

BOARD OF DIRECTORS	POSITION	IN OFFICE SINCE	TERM OF OFFICE EXPIRES
Hans Ziegler <sup>1</sup>	Chairman, non-executive	2/26/2004	2011
Jürg Rückert <sup>1</sup>	Vice-Chairman, non-executive	2/26/2004	2009
Jacques Réjeange <sup>2</sup>	Member, non-executive	2/26/2004	2009
Manfred Schuster <sup>1</sup>	Member, non-executive	6/30/2004	2011
Heinz Bachmann <sup>2</sup>	Member, non-executive	5/16/2007	2010

1 Audit and Risk Management Committee; 2 HR Committee



Jürg Rückert

Manfred Schuster

Hans Ziegler

Jacques Réjeange

Heinz Bachmann

**Hans Ziegler, Chairman, born 1952, Swiss national**  
 Hans Ziegler is Chairman of the Board of Directors of Swisslog Holding AG. He earned a degree as business economist (KSZ) and attended postgraduate studies in business administration and information technology at TCU Dallas-Fort Worth, USA. After holding a number of positions, including CFO/Controller at Alcon Pharmaceuticals Cham/Fort Worth, USA, and CFO of Usego Trimerco Group as well as Globus Group, he founded a consultancy company operating in Switzerland and abroad, specializing in corporate restructuring, turnaround management, and repositioning. Hans Ziegler is also Chairman of the Board of Schlatter Holding AG and serves on the board of a number of other Swiss and foreign companies, inter alia of OC Oerlikon Corporation AG, Charles Vögele Holding AG and Elma Electronic AG.

**Jürg Rückert, Vice-Chairman, born 1945, Swiss national**  
 Jürg Rückert is Vice-Chairman of the Board of Directors. He graduated in economics (lic. rer. pol.) from the University of Basle. Jürg Rückert is the owner of C.M.C. Consulting Management Coaching AG with headquarters in Pfäffikon (SZ). He has held various management positions in the Swiss retail sector, including various functions at Denner, as COO of Waro and UHC (Bon appétit Group), and as CEO of Usego. Jürg Rückert is inter alia Chairman of Lagerhausgenossenschaft (LHG) Bern, Vice-Chairman of réservesuisse and a member of the Board of Directors of Distribution Suisse Holding SA, Valrhône SA, Lüchinger+Schmid AG, Groba AG, Zuckerfabriken Aarberg+Frauenfeld AG, and Zellweger Management Consultants AG. In addition he is a member of the board of the Swiss Retail Federation and of GS 1.

**Jacques Réjeange, Member, born 1940, French national**  
 Jacques Réjeange graduated in economics from the Reims Ecole Supérieure de Commerce in France and also completed an MBA at INSEAD, Fontainebleau, France. He held management positions with Sandoz in Europe and the USA, and has served as Chairman of the Board of NMT Management Venture Capital, as CEO of ZLB Bioplasma AG, and as President and CEO of Sterling Winthrop Inc. Jacques Réjeange serves on the board of Pozen Inc., Chapel Hill, USA.

**Manfred Schuster, Member, born 1953, German national**  
 Manfred Schuster has an education as industrial manager. He held various management positions at Oracle, Siemens and Deutsche Post World Net and worked for several years as managing director of small- and medium-sized IT distribution and consulting companies.

**Heinz Bachmann, Member, born 1942, Swiss national**  
 Heinz Bachmann holds a degree in engineering from the Fachhochschule für Textilindustrie in Reutlingen, Germany. He acted as President and CEO of Saurer Textile Systems from 1990 to 2003 and subsequently became a member of the Board of Directors of Saurer Management AG. Previously he was a director and member of the Executive Committee of Rieter, Lauffenmühle-Gruppe, and Wellington Industries. Heinz Bachmann is a member of the management committee of Swissmem (textile machines) and a member of the management committee of Cematex. In addition, he is a Visiting Professor and academic consultant at Donghua University in Shanghai. Heinz Bachmann is Chairman of the Board of Directors of Santex-Gruppe, Vice-Chairman of the Board of Directors of Burckhardt Compression AG as well as a member of the Board of Directors of Hunziker AG, Grob AG and AUTO-i-DAT AG.

None of the members of the Board of Directors currently holds or has formerly held an executive function within the Swisslog Group. No member of the Board of Directors has any material kind of business relationship with the Swisslog Group.

### **Elections and terms of office**

In accordance to the Articles of Association, the Board of Directors shall consist of at least five members, elected for a term of three years with staggered renewal, with a year being understood as the period from one ordinary General Meeting of Shareholders to the next. Members may be re-elected. A member of the Board of Directors who has reached the age of 70 shall retire automatically at the next ordinary General Meeting of Shareholders.

At the General Meeting of 17 May 2006 Jacques Réjeange and Jürg Rückert were reelected for a three-year term. At the General Meeting of 16 May 2007, Heinz Bachmann was elected for a three-year term. At the General Meeting of 30 April 2008, Hans Ziegler and Manfred Schuster were reelected for a three-year term.

### Information and controlling instruments vis-à-vis the Executive Committee

The Management Information System (MIS) of the Swisslog Group consists of the following: monthly, quarterly, half-yearly, and annual reporting (balance sheet and income statement) of the specific Swisslog subsidiaries. The figures are consolidated for the divisions and the Group. They are also compared with the previous year's figures and the budget, and the resulting reports are provided monthly to the Board of Directors.

In addition, the divisional heads report to the CEO at institutionalized business reviews, which take place every quarter. The CEO in turn reports on a regular basis to the Board of Directors when it convenes to discuss business developments, including the status of budget attainment.

### Internal Audit

Internal audit carries out audits of certain companies in the Swisslog Group each year. The main focal points of the audit are determined, on the one hand, by the reports of the external auditors, and, on the other, in consultation with Group Risk Management. The internal audit reports to the Chairman of the Audit & Risk Management Committee.

### Reference

For disclosure of shareholdings in Swisslog Holding AG held by members of the Board of Directors based on the requirements of the Swiss Law on Obligations, please refer to page 71 (2008 Financial Report, Note 8 to the Financial Statement of Swisslog Holding AG).

## Executive Committee

The Executive Committee consists of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Heads of the Warehouse & Distribution Solutions and Healthcare Solutions divisions, and the Head of Corporate Human Resources. The CEO reports to the Board of Directors. The remaining members of the Executive Committee report to the CEO. The Board of Directors appoints the members of the Executive Committee, including the CEO.

### Remo Brunschwiler, Chief Executive Officer, born 1958, Swiss national

Remo Brunschwiler is Chief Executive Officer of the Swisslog Group since 1 March 2003. Between December 2007 and the end of June 2008, he additionally managed the Warehouse & Distribution Solutions division ad interim. He studied economics at the University of Basel and holds an MBA from INSEAD, Fontainebleau, France. Between 1996 and 2003 he headed the Eurocargo division of Danzas. From 1989 to 1996, he was a consultant at McKinsey in Switzerland and Germany for logistics and pharmaceutical companies. He began his career as a strategic planner with Ciba-Geigy AG in Basel and as product manager for pharmaceuticals with Ciba-Geigy in Italy. Remo Brunschwiler is a member of the Board of Directors of Papyrus AB, Sweden.

### Christian Mäder, Chief Financial Officer, born 1969, Swiss national

Christian Mäder is Chief Financial Officer of the Swisslog Group since 1 December 2005. He is a Swiss-certified expert in accounting and controlling. Christian Mäder occupied various positions in Swisslog's finance department from 2000 to the date of his appointment. From 1993 to 1999 he was with a subsidiary of the Motor-Columbus Group as Head of Finance & Controlling and worked as a management consultant for BearingPoint from 1999 to 2000. Christian Mäder is a member of the Board of Directors of O. Kleiner AG.

**Daniel Fink, President Warehouse & Distribution Solutions, born 1961, Swiss national**

Daniel Fink is President of the Warehouse & Distribution Solutions division since July 2008. He graduated in law from the University of Zurich and was admitted to the Bar. After two years as Legal Counsel with NCR Switzerland, Daniel Fink joined Georg Fischer AG where he held several management positions for about 15 years – at the group's headquarters in Switzerland as well as in the USA and China. Before joining Swisslog, he led the Asian division of GF Piping Systems and acted as Delegate of the Corporate CEO in China.

**Charlie Kegley, President Healthcare Solutions, born 1946, US national**

Charlie Kegley is President of the Healthcare Solutions division since April 2003. He graduated with a Bachelor of Science in technical engineering from Penn State University, USA. Charlie Kegley first gained project and sales experience in the field of computerized conveying systems with the Powers Regulator Company and MCC Powers-Transitube. Charlie Kegley was Vice-President of Translogic Corporation from 1985 to 1995 and President of Translogic from 1995 to 1999. Following its acquisition by Swisslog, he continued to hold this position within the Swisslog Group.

**Philipp Uschatz, Head Corporate Human Resources, born 1963, Swiss national**

Philipp Uschatz is Head of Corporate HR since 20 November 2006. He studied at the Swiss Federal Institute of Technology (ETH), where he graduated as a mechanical engineer, subsequently also earning a Ph.D. in management from the same institution. From 2000 to 2006, Philipp Uschatz was with Geberit, likewise as Head of Corporate HR, and before that he worked in various HR positions at Siemens Schweiz AG. In the first few years after completing his studies, Philipp Uschatz was a management consultant with the BWI company (now GFO).

The members of the Executive Committee, provided there is no information given for a specific member above, apart from their positions at Swisslog do not hold significant positions in governing or supervisory committees of bodies, institutions and foundations, and they do not engage in permanent managerial or consulting functions for lobbies, nor in official functions or political office.

**Management contracts**

There are no management contracts between Swisslog and companies or individuals outside the Swisslog Group other than the one mentioned below.

A management contract was agreed with Dr. Sven Bartsch in 2004 on the management of the Healthcare Solutions Europe unit and related consulting services. His mandate can be terminated at any time at short notice. In the year under review, compensation amounted to EUR 2 200 gross per day.

**Reference**

For disclosure of shareholdings in Swisslog Holding AG held by members of the Executive Committee based on the requirements of the Swiss Law on Obligations, please refer to page 71 (2008 Financial Report, Note 8 to the Financial Statement of Swisslog Holding AG).

## Compensation, Shareholdings and Loans

### Content and method of determining compensation

#### Board of Directors

Directors' compensation is proposed by the HR Committee and approved by the Board. Directors' compensation is adjusted from time to time and documented in according regulations. Compensation consists of a fixed monthly fee, paid quarterly. Furthermore, Directors are eligible to participate in the share matching plan of Swisslog.

#### Executive Committee

The Board of Directors and the Executive Committee aim to maintain a modern compensation system, which allows the group to retain executives or win new executives with the appropriate qualifications. Furthermore, the system must align the interests of shareholders with the interests of the executives and foster a performance-oriented corporate culture.

Cash compensation of members of the Executive Committee consists of a fixed base salary and a variable salary. The base salary plus the variable salary of executives shall result in a target cash compensation that is competitive with those paid for comparable functions by other Swiss companies of similar size and complexity. The salaries are adjusted annually as at 1 April. The following parameters are taken into consideration when reviewing individual salaries:

- Financial situation of the Group;
- Individual performance and (management) conduct; both items are assessed within the scope of a standardized performance appraisal process;
- Expected average salary increase rates in the country where the particular member of the Executive Committee is employed;
- Salary levels in comparison with the market.

Variable salaries are based in detail on the modalities described in the below section "Variable salary scheme for Executive Committee members and upper management".

The compensation of the Executive Committee members is based on the above approach, which is consistently applied for the Group's upper management. The base salary usually is 65% and the target variable salary 35% of the total cash compensation of an Executive Committee member since 1 April 2008.

The HR Committee proposes target cash compensation of the Executive Committee members as well as their calculated variable salary for approval by the Board of Directors.

Salary levels are checked regularly. Studies of independent companies, specialized in compensation questions, and publicly accessible salary data of selected companies in Switzerland are consulted.

#### Variable salary scheme for Executive Committee members and upper management

Variable salaries are paid annually and are based on the extent to which individual targets as well as financial objectives for the Group and the divisions have been achieved. The following financial objectives apply:

- Operating profit before impairment of goodwill (EBITA) or net result;
- Order intake;
- Average net working capital days.

The use of the three parameters above ensures that profitability (EBITA/net result), growth (order intake), and the efficient use of capital (average net working capital days) are consistently incentivized.

Variable salaries are calculated based on the audited results according to IFRS.

#### Share Matching Plan (long-term incentive scheme)

Under the Swisslog share matching plan participants agree to buy a certain number of Swisslog shares at market price or to bring-in Swisslog shares from their private portfolios ("base shares"). Participants can dispose of their base shares only after a blocking period of three years. Upon expiry of the three years' blocking period, participants get free Swisslog shares ("matching shares") whereas the number depends on how many base shares the participant had bought and on the level of achievement of a three years' performance target. Participants get one matching share per base share if the target is met at 100%. The performance target relates to a ratio that combines profits and cost of capital; the plan thus aims at the long term creation of company value.

The first grant under the new Swisslog share matching plan was made as per 1 July 2008. The plan shall be continuing with grants on a yearly basis. Eligibility to the plan is limited to Directors, members of the Executive Committee, and members of the second management level. Participation in the plan is optional for the eligible persons.

### **Additional compensation components and employment conditions**

Besides cash compensation (base salary and variable salary), the members of the Executive Committee are entitled to pension and social security benefits that are legally prescribed or customary in their countries of origin. All members of the Executive Committee are also provided with a company car. The contractual period of notice for members of the Executive Committee is maximum 12 months. Details on benefits with regard to a change of control are given in the section "Change of Control and Defense Measures".

### **Reference**

For board and executive compensation disclosure based on the requirements of the Swiss Law on Obligations, please refer to page 70 (2008 Financial Report, Note 7 to the Financial Statement of Swisslog Holding AG).

## **Shareholders' Participation**

### **Statutory rules on participation at the General Meeting of Shareholders**

Each share registered in the Swisslog Holding AG share register with the right to vote entitles the holder to one vote at General Meetings of Shareholders. No restrictions on voting rights exist besides the nominee provision (see section "Limitations on transferability and nominee registrations" on page 24).

In accordance with the Articles of Association, the Board of Directors issues procedural regulations for participation and representation at the General Meeting of Shareholders.

Proxy arrangements: Shareholders may be represented at the General Meeting of Shareholders only by the legal representative, another holder of registered shares who is eligible to vote, the corporate proxy, the independent proxy or a custodian proxy.

### **Statutory quorums**

A correctly convened General Meeting of Shareholders is capable of acting and quorate regardless of the number of shareholders present and shares represented. The General

Meeting of Shareholders shall pass its resolutions and carry out its elections with an absolute majority of the votes represented unless the law stipulates otherwise. The Articles of Association do not stipulate any special quorums. In the event of a tied vote, the Chairman shall have the casting vote.

Votes and elections take the form of an open ballot unless the General Meeting of Shareholders decides to have written votes or elections or the Chairman issues instructions to this effect.

### **Convocation of the General Meeting of Shareholders and agenda**

The General Meeting of Shareholders is convened by the Board of Directors and, in cases stipulated by law, by the auditors.

If one or several shareholders, who together represent at least 10% of the company's share capital request it, the Board of Directors also convenes a General Meeting of Shareholders. The request must be lodged in writing and state the subjects for discussion and proposals.

The convocation of the General Meeting is announced once in the company's publication organ. Shareholders may also receive written notification of the convocation. The convocation must be made at least 20 days before the day of the meeting and state the subjects for discussion and proposals of the Board of Directors and shareholders who have called for a General Meeting to be held or for a subject for discussion to be included on the agenda. In the case of electoral business, it must contain the names of the proposed candidates.

Shareholders representing shares with a par value of CHF 100 000 may request that a subject for discussion be included on the agenda. Their request for such an inclusion must be requested in writing at least 40 days before the General Meeting, stating the subject for discussion and proposals of the shareholder.

### **Entry in the share register, cut-off date for entitlement to vote**

The cut-off date for entitlement to vote at the General Meeting of Shareholders will generally be seven days prior to the date of said meeting.

## Change of Control and Defense Measures

### Duty to make an offer

Swisslog Holding AG has waived its right to include in the Articles of Association any so-called opting-out or opting-up clause, which would limit or abrogate the obligation to make a public offer under the rules applicable since January 1, 1998 contained in Art. 32 of the Stock Exchange Act. In accordance with said Art. 32 of the Stock Exchange Act, any shareholder of Swisslog Holding AG who purchases shares in Swisslog Holding AG directly, indirectly or by mutual arrangement with a third party, and thereby exceeds the threshold of 33 $\frac{1}{3}$ % of the voting rights – whether exercisable or not – is required to submit a purchase or exchange offer to all shareholders of Swisslog Holding AG. Any such offers shall also be subject to the minimum-price rules of the Stock Exchange Act.

### Clauses on changes of control

Swisslog generally seeks to conclude employment contracts which do not provide for any extraordinary obligations. However, due to special circumstances and for certain categories of employees it cannot always be ruled out that certain special terms and conditions are negotiated. This is the case for one member of the Executive Committee, with whom it was agreed that in the event of a significant change of control of the company – be it through a material change in the ownership of the company or through a change in the Board of Swisslog Holding AG – such member would be entitled to severance payment equal to approximately twice the member's annual compensation. Such payment will become due if either the member decides (within three months of the change of control) to leave the company or if he is given notice.

The agreements with the members of the Board of Directors and the members of the Executive Committee with regard to a change of control in the Swisslog Group (takeover bonus) were canceled in the year under review (see page 32 of the 2007 Annual Report, <http://www.swisslog.com/crp-ir-2007-annualreport-en.pdf>).

## Auditors

### Duration of mandate and term of office of the auditor in charge

At the Annual General Meeting on 30 April 2008, Ernst & Young AG, Basel, were reelected for a one-year term of office as auditors. Ernst & Young AG acts as auditor since 2005.

The partner Mr. Robert-Jan Bumbacher has been in charge of the audit since 2005.

### Audit and other fees

Ernst & Young charged the Swisslog Group around MCHF 1.1 for auditing services and around MCHF 0.1 for additional services in the year under review.

### Informational instruments pertaining to the external audit

On behalf of the Board of Directors, the Board of Directors' Audit and Risk Management Committee exercises the supervision and control of the external audit. The auditors usually take part in meetings of the Audit & Risk Management Committee where audit plans are approved; audit execution and results are reported by the auditors and analyzed by the Committee. The Committee further relies on documents developed by the auditors, such as the management letter, as well as their verbal and written statements concerning the accounting and the audit. In the year under review, the auditors attended the three meetings of the Audit & Risk Management Committee, and attended the meeting of the Board of Directors that discussed the year-end financial statement.

## Information Policy

The Swisslog Group is committed to an open information policy vis-à-vis all stakeholder groups and the financial markets. Swisslog advocates open dialogue and is proactive in its communication with clients, staff, shareholders, the media and the general public. The company's information policy is based on five principles:

- Consistency and clarity;
- Continuity and topicality;
- Transparency and verifiability;
- Equal information for all;
- Strict compliance with all legal and regulatory provisions.

In order to keep its shareholders updated on business performance, Swisslog Holding AG publishes a half-year and an annual report.

Details of the current share price, along with business reports and financial information, press releases and various presentations are all available on the website at [www.swisslog.com](http://www.swisslog.com) under "Media Relations" and "Investor Relations", respectively.

Media and analysts' conferences are held at least once a year. Swisslog publishes important information in keeping with disclosure regulations governing price sensitive information (ad hoc publicity) of the SIX Swiss Exchange.

### Key dates

End of fiscal year:	31 December
Announcement of annual results:	10 March 2009
General Meeting of Shareholders:	21 April 2009
End of half-year:	30 June
Announcement of half-year results:	18 August 2009

The exact dates can be viewed at [www.swisslog.com](http://www.swisslog.com) under "Investor Relations".

For more contact information please refer to page 80 of this Annual Report.

## Note

This Corporate Governance Report follows the guidelines contained in the Swiss Code of Best Practice and the "Directive on Information Relating to Corporate Governance" (DCG) published by the SIX Swiss Exchange. If any of the points contained in these guidelines is not mentioned here, it is either not applicable or immaterial for Swisslog. Unless otherwise stated, the data refer to 31 December 2008.