



Appendix to the invitation – Information for shareholders

A Amendments applied for relating to the Articles of Association (the "Articles")

Art. 23 Committees

1. The Board of Directors may form additional committees in accordance with the rules of the organization. The Board of Directors designates or proposes, respectively, the members deemed suitable to form the committees. The committees shall act in the best interest of the Company and ensure a balanced approach, combining knowledge of the Company's business and independence in assessing matters or making decisions. For this reason, the committees shall, subject to limitations provided under the law, be composed of independent and non-independent members.
2. The Nomination & Compensation Committee, as well as the Risk & Audit Committee shall, subject to limitations provided under the law and these Articles of Association, be chaired by independent members and be composed of a majority of independent members in addition to at least one non-independent member.

Additional change: the other change applied for does not result in major amendments to the Articles; it is merely of an editorial nature (new numbering).

B Performance-based entitlements ("Management Carry Plan")

In 2010, Partners Group launched a dedicated performance fee-related compensation program, the Management Carry Plan (MCP), whereby a percentage of the potential future performance fees from investments is allocated to senior professionals. The MCP was designed as a long-term incentive plan which aligns the rewards for the firm's professionals with investment performance and the firm's overall financial success.

Partners Group aims to provide clients and their beneficiaries with superior and sustainable investment performance on a mid- to long-term basis. Investment professionals across the firm seek out those investment opportunities which offer the best relative value in the prevailing market conditions in order to generate attractive returns for clients. The link between the MCP plan and the firm's strategy is straightforward: if value creation in clients' portfolios is strong, investment performance for clients should improve, resulting in a higher amount of performance fees, of which senior professionals receive a predefined pro-rata stake. On the other hand, should there be limited value creation in client portfolios during the holding period of an investment, MCP participants receive a significantly lower payment (or even nothing at all) from their pro-rata stake in performance fees.



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How the MCP works

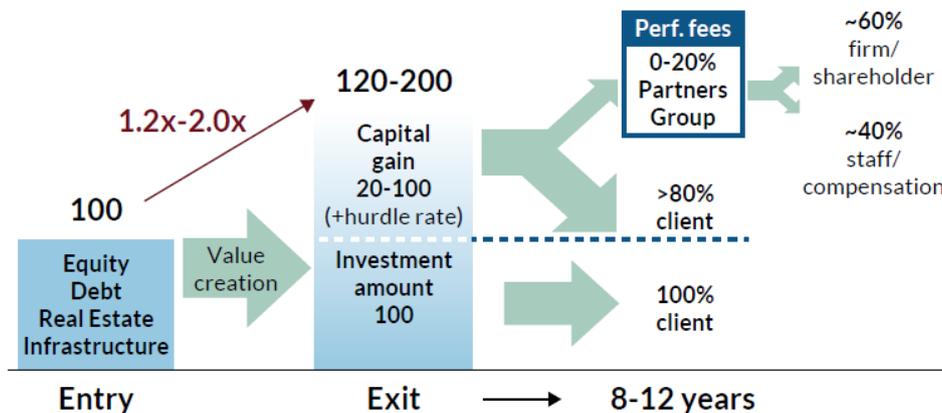
At the end of every year, MCP participants are granted the right to receive a certain percentage of future performance fees from the investments made during this respective year.

MCP awards are paid out to recipients once investments from the relevant MCP period have been realized (exited) and the hurdle rate agreed with the firm's clients has been cleared (i.e. the client has already achieved a certain predefined minimum return, typically 8% p.a.). This means it normally takes 8-12 years from the point of MCP grant until the full payout is received.

Investment outcomes depend on many variables and can therefore vary substantially; reliable predictions about the size of the final payout are not possible over such a long timeframe. In a worst case scenario, the payout can be zero; in the case of strong outperformance, the actual payout can be higher than the MCP allocation that was initially anticipated.

An illustrative example of how performance fees are shared between clients, the firm and staff is shown below:

Performance allocation between clients, the firm and staff (illustrative example)



- **“Worst case”**: should no performance fees be generated from investments made in the relevant period, due to an investment performance resulting in returns lower than predefined hurdle rates, then there will be no MCP payments to professionals or to the firm.
- **“Base case”**: any scenario better than the worst case assumes that performance fees will be generated in the future. ~40% of each US dollar in performance fees earned from investments made in the relevant period is paid out to the MCP plan participants of this period. The firm receives the remaining ~60%.

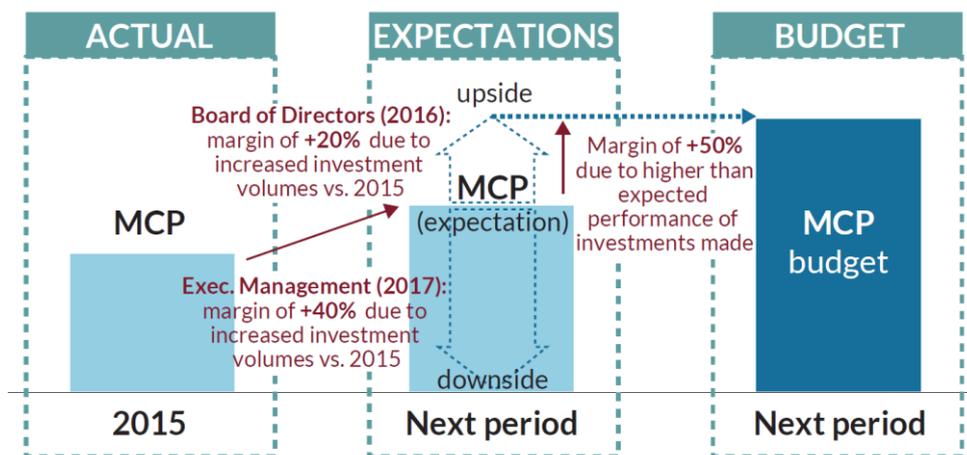


Partners Group's clients will, in any scenario, be the principal beneficiaries of the returns generated, followed by shareholders who receive the majority of the performance fees (amongst others through dividends).

Future performance-based entitlements (MCP) for the Board of Directors and executive management

Partners Group based its budget proposals on past experience and on a set of basic assumptions in terms of, firstly, anticipated investment volumes within the timeframes covered by the proposal and, secondly, the potential performance of investments made within those timeframes. The Board of Directors added the following margins to both sets of assumptions in order to allow for a comprehensive spectrum of potential investment outcomes in the underlying private markets portfolios:

- **2016 MCP budget allocation of the Board of Directors:** a margin of 20%¹ was added to the 2015 allocation and a potential performance upside of 50% was considered;
- **2017 MCP budget allocation of the executive management:** a margin of 40% was added to the 2015 allocation and a potential performance upside of 50% was considered.



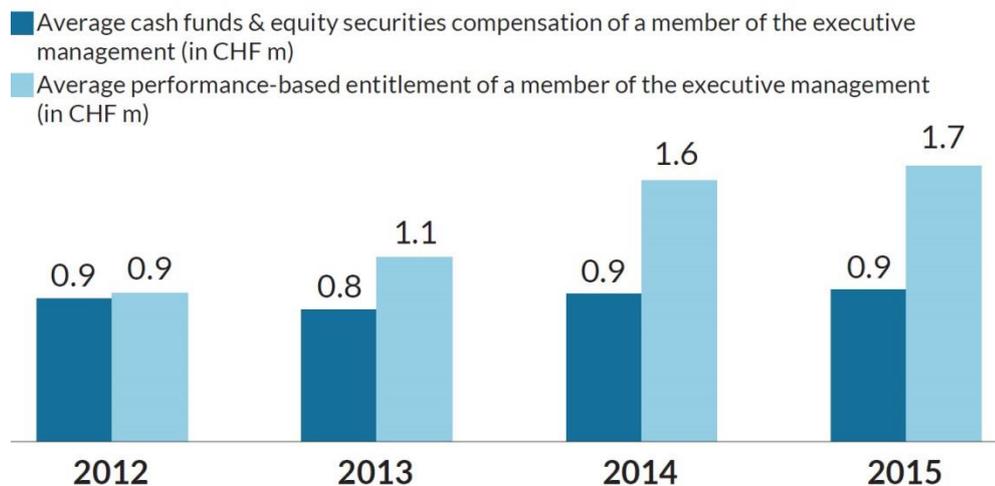
Based on past experience and on the outlined assumptions, the Board of Directors requests the approval of a maximum total award of CHF 41.6 million for the executive management from the 2017 MCP award pool and a maximum total award of CHF 11.3 million for the Board of Directors from the 2016 MCP award pool.

Based upon first experiences with this new approval process, the margins for both the Board of Directors as well as the executive management have been reduced slightly compared to the previous year. In making these proposals, the Board of Directors has changed neither its

¹ The budget for the Board of Directors is defined for the time period until the next annual shareholders' meeting, whereas the budget for the executive management relates to the next financial year. Due to the difference in time periods, the proposed margins show a deviation.



remuneration policy nor the scope of performance-based entitlements for its broader management team. As outlined in the illustration below, only moderate changes in actual cash funds & equity securities can be observed, while actual MCP allocation increased in line with the firm's investment activities.



The Board of Directors continues to allocate ~60% of the performance fees generated by investments to the firm. As a result, in the unlikely scenario that the future MCP compensation paid to the executive management or the Board of Directors approaches the maximum amount requested in this proposal, Partners Group's clients and shareholders will be the principal beneficiaries of the stronger than anticipated performance fee generation via their share in the firm.

C Curriculum Vitae: Michelle Felman

Michelle Felman has more than 25 years of experience in the real estate and investment business. She is the founder of JAM Holdings, an investment and advisory firm, and currently sits on the Executive Committee of the Zell Lurie Center at Wharton Business School, where she also served as a visiting professor. She holds a board position at Choice Properties, a REIT, and is on the investment committee of the Turner-Agassi Charter School Facilities Fund, an investment platform focused on social impact investing in education. From 1997 to 2010, Ms. Felman was Executive Vice President (EVP), Acquisitions and Capital Markets, at Vornado Realty Trust. During her tenure as EVP at Vornado, she led growth initiatives that enabled the firm to become the largest commercial and retail real estate owner in the New York City and Washington DC markets. She continued to provide consulting services to the firm for two years after her retirement from her executive role. Before joining Vornado, she was Managing Director, Global Business Development at GE Capital with responsibility for structuring and evaluating new markets and products globally (1994-1997). Prior to this, she spent three years in investment



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banking at Morgan Stanley. Ms. Felman earned her undergraduate degree in economics from the University of California in Berkeley and her MBA from Wharton Business School at the University of Pennsylvania.