Form **8937** (December 2011) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name Zur Rose Group AG		2 Issuer's employer identification number (EIN) N/A
3 Name of contact for additional information Michael Neff, General Counsel	4 Telephone No. of contact +41 52 724 00 20	5 Email address of contact investorrelations@zurrose.ch
6 Number and street (or P.O. box if mail is not delivered to street address) of contact Walzmühlestrasse 60		7 City, town, or post office, state, and Zip code of contact Frauenfeld, Switzerland 8500
8 Date of action November 28, 2018	9 Classification and description Subscription rights granted	

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	ROSE (SWX)	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See attachment

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See attachment

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See attachment

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ **See attachment**

18 Can any resulting loss be recognized? ▶ **See attachment**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **See attachment**

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ M. Neff Date ▶ January 11, 2019

Print your name ▶ **Marcel Ziwica / Michael Neff** Title ▶ **CFO / General Counsel**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

ZUR ROSE GROUP AG
Attachment to Form 8937 dated January 11, 2019

Part II

Line 14. **Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.**

On November 28, 2018, Zur Rose Group AG (the "Company") granted subscription rights (the "Rights") to shareholders of its existing ordinary shares (the "Existing Shares") to subscribe for an aggregate of up to 2,665,476 newly-issued Company shares (the "Offered Shares"), each with a nominal value of CHF 5.75 (the "Offering"). Specifically, the Company allotted the Rights to shareholders of record to purchase the Offered Shares. The Rights were allocated, at no cost, to shareholders that held Existing Shares at the close of trading on November 21, 2018 (the "Record Date").

The Rights were transferrable, but not listed or traded on any stock exchange or regulated securities market. Each shareholder was allotted one Right for each Existing Share held as of the Record Date, and the exercise of seven Rights entitled the existing shareholder to purchase three Offered Shares. Subject to applicable legal restrictions, the exercise period for the Rights began on November 22, 2018 and ended at noon (CET) on November 28, 2018 (the "Exercise Period"). Rights not exercised during the Exercise Period became null and void, and any holders of such unexercised Rights did not receive compensation. The subscription price was set at CHF 93.00 per Offered Share.

The Offered Shares began trading on the SIX Swiss Exchange on December 3, 2018, and such shares are traded under the same ISIN code (CH0042615283) as the Company's Existing Shares.

Line 15. **Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

As a result of the Offering, a U.S. shareholder of Existing Shares may have to allocate the pre-Offering tax basis of the Existing Shares between the Existing Shares and the Rights in proportion to the relative fair market value of each, as of the date the Rights were granted. This rule would apply if the fair market value of the Rights when granted was 15 percent or more of the fair market value of the Existing Shares.

If the fair market value of the Rights was less than 15 percent of the fair market value of the U.S. shareholder's Existing Shares at the time the Rights were granted, the basis of the Rights would be zero. A U.S. shareholder, however, may nevertheless elect to allocate its tax basis under the method discussed above.

In either case, if the Rights were not exercised or sold, the tax basis allocated to the Rights (if any) would revert to the Existing Shares.

This Form 8937 does not constitute tax advice. Shareholders are urged to consult their own tax advisors regarding the particular consequences of the Offering, including the applicability and effect of all U.S. federal, state and local, and foreign tax laws.

Line 16. **Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

As described above, the allocation of tax basis is relevant only if the fair market value of the Rights was 15 percent or more of the fair market value of the Existing Shares at the time the Rights were granted, or if the U.S. shareholder otherwise elected to allocate its basis as such. The example below provides an illustration of an allocation of tax basis between Existing Shares and Rights. For purposes of this example, it is assumed that each Existing Share had a fair market value of $105.80 on the date the Rights were issued and each Right had a fair market value of $5.00. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts.

Example: Assume a U.S. shareholder owned 100 Existing Shares of Company that were purchased for $100 per share, and, on the date the Rights were granted, each Existing Share had a fair market value of $105.80 and each Right had a fair market value of $5.00. Because the fair market value of the Right ($5.00) is less than 15 percent of the fair market value of the Existing Share on the date the Right was granted ($15.87), an allocation of basis is only required if the U.S. shareholder elects to make an allocation. If such an election is not made, the Rights will have a basis of zero. If such an election is made, the basis of the Rights and the Existing Shares for purposes of determining gain or loss on a subsequent sale or exercise of the Rights, or a sale of the Existing Shares after a basis allocation is made, is computed as follows:

> 100 Existing Shares x $100 = $10,000 aggregate tax basis in Existing Shares
>
> 100 Existing Shares x $105.80 = $10,580 aggregate fair market value of Existing Shares
>
> 100 Rights x $5 = $500 aggregate fair market value of Rights
>
> 10,580/11,080 x $10,000 = $9,548.74 aggregate tax basis allocated to Existing Shares (i.e., approximately $95.49 per Existing Share)
>
> 500/11,080 x $10,000 = $451.26 aggregate tax basis allocated to Rights (i.e., approximately $4.51 per Right)

If the Rights were sold, the basis for determining gain or loss is $4.51 per Right. If the Rights were exercised, the basis of the Offered Share is the subscription price paid therefor (i.e., CHF 93.00 or $93.62 assuming an exchange rate for CHF to USD of 1.0067 on November 28, 2018), plus the $4.51 basis of the Rights exercised per share. The remaining basis of the Existing Shares for the purpose of determining gain or loss on a subsequent sale is $95.49 per share. As noted above, if the Rights were not exercised or sold, the tax basis allocated to the Rights would revert to the Existing Shares.

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Line 17. **List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

The applicable Internal Revenue Code sections upon which the tax treatment of the Offering is based are Sections 305(a) and 307(a) and (b).

Line 18. **Can any resulting loss be recognized?**

No loss should be recognized as a result of the Offering.

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Line 19. **Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The basis adjustment (if any) is taken into account in the tax year of a U.S. shareholder during which the Offering occurred (e.g., 2018 for calendar year taxpayers).