

# Directive on Information relating to Corporate Governance

(Directive Corporate Governance, DCG)

Dated [Validity.From]  
Basis Arts. 1, 4, 5 and Art. 49 para. 2 LR

## I. GENERAL PROVISIONS

*Art. 1  
Background* Under the Federal Act on Stock Exchanges and Securities Trading (SESTA), the Regulatory Board determines what information needs to be published so that investors can evaluate the characteristics of securities and the quality of issuers. Internationally recognised standards are taken into account (Art. 8 SESTA). The information to be published includes details on the management and control mechanisms at the highest corporate level of the issuer (corporate governance).

*See also:*

- Federal Act of 24 March 1995 on Stock Exchanges and Securities Trading (Stock Exchange Act, SESTA) (in German)
- Federal Act of 24 March 1995 on Stock Exchanges and Securities Trading (Stock Exchange Act, SESTA) (unofficial translation)

*Art. 2  
Purpose* This Directive obliges issuers to make certain key information relating to corporate governance available to investors in an appropriate form.

*Art. 3  
Scope of applicability* This Directive applies to all issuers whose equity securities have their primary respectively main listing on SIX Swiss Exchange Ltd ("SIX Swiss Exchange").

## II. DISCLOSURE OBLIGATIONS

*Art. 4  
Information to be  
published* The information to be published in the annual report is indicated in the Annex to this Directive.

*Art. 5  
Clarity and importance*

The publication of information relating to corporate governance should be limited to what is essential to investors. It should be complete, comprehensible, and provided in appropriate form.

*Art. 6  
Place of publication*

Information relating to corporate governance is to be published in a separate section of the annual report (the "CG report"). This section may refer to other parts of the annual report respectively the remuneration report or other easily accessible sources where the information can be found or ordered. References to web pages must include the URLs.

*Art. 7  
"Comply or explain"*

For all information prescribed in the Annex, the principle of "comply or explain" applies. If the issuer refrains from disclosing certain information, a specific reference to this effect must be included in the CG report, and substantial grounds must be given for each individual case in which information is not disclosed.

*Art. 8  
Reporting date*

The conditions on the balance sheet date constitute the deciding factor in terms of the information that must be disclosed. Important changes occurring between the balance sheet date and the copy deadline for the annual report should be indicated in an appropriate form.

### **III. FINAL PROVISIONS**

*Art. 9  
Entry into force*

<sup>1</sup> This Directive shall enter into force on [Datum] and replaces the Directive on Information relating to Corporate Governance of 29 October 2008.

<sup>2</sup> It shall be applied for the first time to the report for that financial year which begins after 31 December 2013.

## ANNEX

### Scope and extent of the information relating to Corporate Governance

<b>1</b>	<b>Group structure and shareholders</b> The following information on the group structure and the shareholders must be disclosed:
1.1	<i>Group structure</i>
1.1.1	Description of the issuer's operational group structure.
1.1.2	All listed companies belonging to the issuer's group, including the company names, their registered offices, where they are listed, their market capitalisation, the percentage of shares held by subsidiaries and the security or ISIN numbers of the securities.
1.1.3	The non-listed companies belonging to the issuer's group, including the company names, their registered offices, their share capital and the percentage of shares held by subsidiaries.
1.2	<i>Significant shareholders</i> Significant shareholders and significant groups of shareholders and their shareholdings to the extent that the issuer is aware of them. Disclosures must be made in accordance with the information that has been published on the reporting and publication platform of the Disclosure Office of SIX Swiss Exchange pursuant to Art. 20 SESTA and the provisions of the Ordinance of the Swiss Financial Market Supervisory Authority on Stock Exchanges and Securities Trading. This includes the key elements of shareholders' agreements published in this connection. The status of holdings on the balance sheet date must be disclosed. The individual reports that were published during the year under review must also be listed, or a reference must be given to the relevant Disclosure Office web page.
1.3	<i>Cross-shareholdings</i> Cross-shareholdings that exceed 5% of the capital shareholdings or voting rights on both sides.
<b>2</b>	<b>Capital structure</b> The following information about the capital structure must be disclosed:
2.1	<i>Capital</i> The amount of the issuer's ordinary, authorised and conditional capital on the reporting date.
2.2	<i>Authorised and conditional capital in particular</i> In addition, the following information must be disclosed in connection with the issuer's authorised and conditional capital: <ul style="list-style-type: none"> <li>a) the maximum increase in authorised or conditional capital and the duration of the authorisation period to carry out an increase in capital;</li> <li>b) the group of beneficiaries who have the right to subscribe for this additional capital;</li> <li>c) the terms and conditions of the issue or creation of equity securities corresponding to the additional capital.</li> </ul>
2.3	<i>Changes in capital</i> A description of the changes in capital during the last three financial years.
2.4	<i>Shares and participation certificates</i> The number, type and nominal value of the issuer's shares and participation certificates, including the main features, for example dividend entitlement, voting rights, preferential rights and similar rights, along with an indication of the portion of the ordinary capital which is not paid in.
2.5	<i>Dividend-right certificates</i> The number and the main features of the issuer's dividend-right certificates.

<b>2.6</b>	<i>Limitations on transferability and nominee registrations</i>
2.6.1	Limitations on transferability for each share category, along with an indication of group clauses in the articles of association, if any, and rules for granting exceptions.
2.6.2	Reasons for granting exceptions in the year under review.
2.6.3	Admissibility of nominee registrations, along with an indication of percent clauses, if any, and registration conditions.
2.6.4	Procedure and conditions for cancelling privileges and limitations on transferability laid down in the articles of association.
<b>2.7</b>	<i>Convertible bonds and options</i> Outstanding convertible bonds and number of options issued by the issuer or by subsidiaries on equity securities of the issuer (including employee share options, which must be indicated separately), along with an indication of the duration, the conversion conditions or exercise price, the subscription ratio and the total amount of the covered share capital concerned.
<b>3</b>	<b>Board of directors</b> The following information about the issuer's board of directors must be disclosed:
3.1	<i>Members of the board of directors</i> For each member of the board of directors:  a) name, nationality, education and professional background; b) operational management tasks for the issuer or one of the issuer's subsidiaries (executive/non-executive member); c) for each non-executive member of the board of directors: – whether he or she was a member of the management of the issuer or one of the issuer's subsidiaries in the three financial years preceding the period under review; – whether he or she has significant business connections with the issuer or one of the issuer's subsidiaries.
3.2	<i>Other activities and vested interests</i> For each member of the board of directors:  a) activities in governing and supervisory bodies of important Swiss and foreign organisations, institutions and foundations under private and public law; b) permanent management and consultancy functions for important Swiss and foreign interest groups; c) official functions and political posts.
3.3	<b>Additionally for issuers subject to the Ordinance against Excessive Compensation (OaEC):</b> Rules in the articles of association on the permitted number of activities pursuant to Art. 12 para. 1 point 1 OaEC.

<p><b>3.4</b></p> <p><i>Elections and terms of office</i> The time of first election to office, and any restriction on term of office, for each member of the board of directors.</p> <p><b>Additionally for issuers subject to the OaEC:</b> Any rules in the articles of association that differ from the statutory legal provisions with regard to the appointment of the chairman, the members of the compensation committee and the independent proxy.</p> <p><b>Additionally for issuers not subject to the OaEC:</b> The principles of the election procedure (specifically the term of office, individual election or election as a group, total renewal or staggered renewal).</p>
<p><b>3.5</b></p> <p><i>Internal organisational structure</i></p>
<p>3.5.1 Allocation of tasks within the board of directors.</p>
<p>3.5.2 Members list, tasks and area of responsibility for each committee of the board of directors.</p>
<p>3.5.3 Work methods of the board of directors and its committees.</p>
<p><b>3.6</b></p> <p><i>Definition of areas of responsibility</i> Basic principles regarding the definition of the areas of responsibility between the board of directors and the executive committee.</p>
<p><b>3.7</b></p> <p><i>Information and control instruments vis-à-vis the executive committee</i> The structure of the board of directors' information and control instruments vis-à-vis the issuer's executive committee, such as internal auditing, risk management systems and management information systems (MISs).</p>
<p><b>4</b></p> <p><b>Executive committee</b> The following information about the issuer's executive committee must be disclosed:</p>
<p>4.1</p> <p><i>Members of the executive committee</i> For each member of the executive committee:</p> <ul style="list-style-type: none"> <li>a) name, nationality and function;</li> <li>b) education and professional background;</li> <li>c) tasks previously carried out for the issuer or one of the issuer's subsidiaries.</li> </ul>
<p>4.2</p> <p><i>Other activities and vested interests</i> For each member of the executive committee:</p> <ul style="list-style-type: none"> <li>a) activities in governing and supervisory bodies of important Swiss and foreign organisations, institutions and foundations under private and public law;</li> <li>b) permanent management and consultancy functions for important Swiss and foreign interest groups;</li> <li>c) official functions and political posts.</li> </ul>
<p>4.3</p> <p><b>Additionally for issuers subject to the OaEC:</b> Rules in the articles of association on the permitted number of activities pursuant to Art. 12 para. 1 point 1 OaEC.</p>
<p>4.4</p> <p><i>Delegation of business management</i> Key elements of contracts between the issuer and companies (or natural persons) not belonging to the group, including the names and registered offices of the companies, the delegated business management tasks and the form and extent of compensation for the fulfilment of these tasks.</p>

<b>5</b>	<b>Compensations, shareholdings and loans</b> The following information is to be disclosed with regard to compensations paid to and shareholdings of the members of the issuer's board of directors and executive committee, as well as loans granted to those individuals:
5.1	<i>Content and method of determining the compensation and the shareholding programmes</i> Basic principles and elements of compensation and shareholding programmes for members of the issuer's board of directors as well as for its executive committee, together with a description of the authorities and procedure for determining such.
5.2	<b>Disclosures from issuers subject to the OaEC:</b>
5.2.1	Rules in the articles of association on the principles applicable to performance-related pay and to the allocation of equity securities, convertible rights and options, and the additional amount for payments to members of the executive committee appointed after the vote on pay at the general meeting of shareholders.
5.2.2	<i>Rules in the articles of association on loans, credits and post-employment benefits for members of the board of directors and executive committee.</i>
5.2.3	<i>Rules in the articles of association on the vote on pay at the general meeting of shareholders.</i>
5.3	<b>Disclosures from issuers not subject to the OaEC:</b> Remuneration report in keeping with Arts. 14 to 16 OaEC. Disclosures on pay for members of the board of directors and executive committee in keeping with Arts. 14 to 16 OaEC (remuneration report).
<b>6</b>	<b>Shareholders' participation rights</b> The following information on the participation rights of the issuer's shareholders must be disclosed:
6.1	<i>Voting rights restrictions and representation</i>
6.1.1	Rules in the articles of association on restrictions to voting rights, along with an indication of group clauses and rules on granting exceptions, as well as exceptions actually granted during the year under review.
6.1.2	<b>Additionally for issuers not subject to the OaEC:</b> Disclosures on restrictions to voting rights and rules on granting exceptions for institutional proxies, as well as exceptions actually granted during the year under review.
6.1.3	Reasons for granting exceptions in the year under review.
6.1.4	Procedure and conditions for abolishing voting rights restrictions laid down in the articles of association.
6.1.5	Rules in the articles of association on participation in the general meeting of shareholders, if they differ from the statutory legal provisions.
6.1.6	<b>Additionally for issuers subject to the OaEC:</b> Information on the possibility of issuing instructions to the independent proxy, and rules on electronic participation in the general meeting of shareholders.
6.2	<i>Quorums required by the articles of association</i> Resolutions of the general meeting of shareholders which, under the issuer's articles of association, can only be carried by a majority greater than that required by law, along with an indication of the size of the majority for each case.
6.3	<i>Convocation of the general meeting of shareholders</i> Rules in the articles of association on the convocation of the general meeting of shareholders, if they differ from the statutory legal provisions.
6.4	<i>Inclusion of items on the agenda</i> Rules for adding items to the agenda of the general meeting of shareholders, particularly with regard to time frames and deadlines.

6.5	<b><i>Entries in the share register</i></b> Rules governing the deadline for the entry of registered shareholders in the issuer's share register in view of their participation in the general meeting of shareholders, as well as any rules on the granting of exceptions.
7	<b><i>Changes of control and defence measures</i></b> The following information on changes of control and defence measures must be disclosed:
7.1	<i>Duty to make an offer</i> Rules in the articles of association on opting out (Art. 22 para. 2 and 3 SESTA) and opting up (Art. 32 para. 1 SESTA), stating the percentage threshold.
7.2	<i>Clauses on changes of control</i> The content of change-of-control clauses included in agreements and schemes benefiting members of the board of directors and/or executive committee, as well as other members of the issuer's management.
8	<b><i>Auditors</i></b> The following information on the auditors must be disclosed:
8.1	<i>Duration of the mandate and term of office of the lead auditor</i>
8.1.1	Date of assumption of the current audit mandate.
8.1.2	Date on which the lead auditor responsible for the current audit mandate took up office.
8.2	<i>Auditing fees</i> The total auditing fees charged by the audit firm in the year under review.
8.3	<i>Additional fees</i> The total fees charged in the year under review by the auditing body and/or its related parties for additional services (e.g. management consulting) performed for the issuer or one of the issuer's subsidiaries, stating the nature of such additional services.
8.4	<i>Informational instruments pertaining to an external audit</i> A description of the instruments available to the board of directors that assist its members in obtaining information on the activities of external auditors. This includes, in particular, the means by which the auditing body reports to the board of directors, as well as the number of meetings the board or audit committee has held with the external auditors.
9	<b><i>Information policy</i></b> The following details pertaining to the issuer's information policy must be disclosed: The frequency and form of information that the issuer provides its shareholders, along with an indication of permanent sources of information and contact addresses of the issuer that are publicly accessible or made specially available to shareholders (e.g. links to web pages, information centres, printed matter).

