

ADMISSION BOARD COMMUNIQUÉ NO. 9/2007 OF 26 OCTOBER 2007

Main focus for the review of the annual reports for 2007 and 2007/2008 in terms of compliance with the Directive on Information relating to Corporate Governance

I. BACKGROUND

Periodic reporting in accordance with the provisions of the Directive on Information relating to Corporate Governance (Art. 64 Listing Rules [LR] and the Directive on Information relating to Corporate Governance [DCG]) is an integral part of the information that enables investors to form an opinion about the quality of the issuer pursuant to the requirements of the Stock Exchange Act (Art. 8 para. 2 SESTA).

The DCG was adapted to reflect the provisions of Art. 663b^{bis} of the Swiss Code of Obligations (CO), which entered into force on 1 January 2007 and pertains to the transparency of compensation paid to the members of the board of directors and senior management. Points 5.3 through 5.9 of the Annex were repealed as of 1 January 2007. However, still to be disclosed in the corporate governance section of the annual report are details on the content and method of determining the compensation and share-ownership programmes as per Point 5.1 of the Annex.

II. MAIN FOCUS

As far as information relating to corporate governance is concerned, the following points will be given particular attention in connection with the evaluation of annual reports for 2007 and 2007/2008:

– **Members list, tasks and area of responsibility for each committee of the board of directors (Point 3.5.2 DCG)**

Each existing committee must be indicated. The tasks and area of responsibility of each committee must be disclosed. It must be clear to investors to what extent tasks and areas of responsibility are delegated to a committee by the board of directors as a whole. In particular, it should be specified whether a given committee has decision-making powers in connection with its tasks or merely carries out preparatory work for the board of directors as a whole or another governing body.

– **Work methods of the board of directors and its committees (Point 3.5.3 DCG)**

The work methods of the board of directors as a whole and each committee of the board of directors must be disclosed separately for each one of these corporate bodies. The work methods that have to be disclosed include the frequency of meetings, the usual length of the meetings and the number of meetings held in the year under review. They also include whether and how often the board of directors as a whole or individual committee of the board of directors bring in members of the senior management or external consultants.

– **Information and control instruments vis-à-vis the senior management (Point 3.7 DCG)**

The main features of the instruments that enable the board to monitor the handling of competencies it has delegated to senior management must be described in a comprehensible manner. The specific instrument should be described briefly and indication given as to the frequency of its use as well as any measures taken on that basis. Examples in this regard are provided in the **Commentary re DCG** Point 3.7 N. 2.

– **Content and method of determining the compensation and shareholding programmes (Point 5.1 DCG)**

In terms of the content of the compensation and shareholding programmes, the basic principles and elements are to be described. Detailed examples in this regard are provided in the new **Commentary re DCG** Point 5.1 N. 2. In terms of the method of determination, the main features of the procedure are to be described, and indication must be given as to whether the involved corporate body works only in an advisory capacity or has been granted decision-making authority. If external (salaried) consultants are called upon, that fact must also be disclosed. If a differing regulation applies to the content and determination method for specific members of the board of directors or senior management, it must be disclosed separately.

III. CONCLUDING REMARKS

Through resolute enforcement of the provisions of the DCG, the Admission Board intends to improve the transparency of periodic reporting, especially that relating to corporate governance. It regularly adapts its controls to accommodate new developments. Therefore please take note that the Commentary re DCG was adapted and supplemented as of 20 September 2007.

IV. FURTHER INFORMATION ON CORPORATE GOVERNANCE

The provisions governing information relating to the corporate governance of companies listed on the SWX Swiss Exchange are available at:

http://www.swx.com/admission/being_public/governance_en.html

Previously published sanctions imposed for irregularities in the area of corporate governance are available at:

http://www.swx.com/admission/being_public/sanctions/ip_corporate_en.html

The Admission Board Communiqués are accessible on the Internet in English, German and French at http://www.swx.com/admission/regulation/messages/2007_en.html