

REGULATORY BOARD COMMUNIQUÉ NO. 2/2014 OF 1 SEPTEMBER 2014

Revision of the Directive on Information relating to Corporate Governance (CGD)

Entry into force: 1 October 2014

I. BACKGROUND

The Directive on Information relating to Corporate Governance (DCG) is intended to encourage issuers to make certain key information on Corporate Governance available to investors in a suitable form.

Based on the new Art. 95 para. 3 of the Federal Constitution, which was prompted by the acceptance of the popular initiative "against rip-off salaries", the Federal Council enacted the Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC, SR 221.331) with effect from 1 January 2014.

As a consequence of the new federal legislation certain provisions of the DCG are no longer applicable or had to be amended with regard to contents.

SIX Exchange Regulation notified issuers in a previous Communiqué that the provisions of the DCG would be revised due to the entry into force of the OaEC, and that the revised Directive was likely to enter into force in the second half of 2014 (see SIX Exchange Regulation Communiqué No. 2/2013 dated 26 August 2013, point II.D).

In addition, new provisions in the Federal Act on Stock Exchanges and Securities Trading (Stock Exchange and Securities Trading Act, SESTA), which extended the obligation to disclose shareholdings to non-Swiss-domiciled issuers of primary-listed equity securities, entered into force on 1 May 2013 (Art. 20 SESTA).

The Issuers Committee agreed in principle to a revision of the DCG in its resolution of 14 March 2014. The corresponding initial draft then entered the consultation stage. On 9 July 2014, the Issuers Committee adopted the new final version of the DCG.

The revised DCG replaces the DCG of 29 October 2008. It enters into force on 1 October 2014.

II. AMENDMENTS TO THE DCG

The amendments can be grouped, in general, into the following categories:

1. Special provisions for issuers subject to the OaEC, and for issuers not subject to the OaEC

The DCG applies to Swiss-domiciled issuers of equity securities that are listed on SIX Swiss Exchange Ltd, and to foreign issuers whose equity securities are listed on SIX Swiss Exchange Ltd but not on an exchange in their home country (Art. 3 Directive Corporate Governance).

In contrast, the OaEC applies only to joint-stock companies as defined in Articles 620 to 762 of the Swiss Code of Obligations (CO) whose shares are listed on an exchange in Switzerland or abroad (Art. 1 para. 1 OaEC). Consequently, not all of the issuers which fall within the scope of applicability of the DCG must also comply with the regulations of the OaEC.

As a general rule, however, all companies which are listed on SIX Swiss Exchange Ltd shall have to disclose the same information on Corporate Governance. It shall be avoided that issuers which are obliged to make certain disclosures under the current DCG are no longer required to make them in the future because they are not subject to the OaEC. With the present revision such a situation can be avoided. As a result, the DCG now contains in some areas special provisions for issuers subject to the OaEC, and for those which are not subject to the provisions of the OaEC.

2. Essential amendments to the DCG owing to the OaEC and the revised SESTA

Essential amendments also had to be made to certain provisions of the DCG in response to the OaEC and the revised SESTA.

3. Other editorial or practice-related amendments to the DCG

Other amendments to the DCG concern editorial improvements or clarifications of content in line with the decision practice applied by the Sanctions Commission and with the practice of SIX Exchange Regulation.

III. ENTRY INTO FORCE

The revised DCG enters into force on 1 October 2014. It applies for the first time to the financial year that has begun respectively begins after 31 December 2013.

The revised DCG will be supplied in physical form with the next delivery of change pages for the "Admission of Securities" manual. It is also available immediately on the Internet in English, German and French at:

http://www.six-exchange-regulation.com/regulation/directives/being_public_en.html

http://www.six-exchange-regulation.com/regulation/directives/being_public_de.html

http://www.six-exchange-regulation.com/regulation/directives/being_public_fr.html

The SIX Exchange Regulation Communiqués are published in English, German and French on the internet at:

http://www.six-exchange-regulation.com/publications/communiques/six_exchange_regulation_en.html

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