

Directive on Information relating to Corporate Governance

(Directive Corporate Governance, DCG)

Dated 20 June 2019

Entry into force: 2 January 2020

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Basis Art. 1, 4 and 5 and Art. 49 para. 2 LR

I General provisions

Art. 1 Background

Under the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA), the Regulatory Board determines what information needs to be published so that investors are able to evaluate the characteristics of securities and the quality of issuers. Internationally recognised standards are taken into account (Art. 35 para. 2 FMIA). 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 19 June 2015 on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading \(Financial Market Infrastructure Act, FMIA\)](#)

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 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, and should be provided in an appropriate and comprehensible form.

Art. 6 Place of publication

Information relating to Corporate Governance is to be published in a separate section (CG-Report) of the annual report. This section may refer to other parts of the annual report (including the remuneration report) or other easily accessible sources or sources of supply. 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 Sustainability reporting**Art. 9 Sustainability reporting**

¹ An issuer may report to SIX Exchange Regulation Ltd ("SIX Exchange Regulation") that it is producing a sustainability report (opting in in accordance with Art. 9 para. 2.03 of the Directive Regular Reporting Obligations). SIX Swiss Exchange Ltd will publish the opting in on its website.

² If the issuer has opted in pursuant to para. 1, the sustainability report must be produced in accordance with an internationally recognised standard. SIX Exchange Regulation will determine periodically which internationally recognised standards the issuer may apply.

³ The sustainability report must be published on the issuer's website within eight months of the balance sheet date for the annual financial statements. It must subsequently remain available in electronic form on the issuer's website for five years from the date of publication.

IV Final provisions**Art. 10 Entry into force**

¹ This Directive enters into force on 1 October 2014 and replaces the Directive on Information relating to Corporate Governance of 29 October 2008.

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

Art. 11 Revisions

¹ Amendments due to the entry into force of the Financial Market Infrastructure Act and related ordinances in Art. 1, Annex 1.2 and Annex 7.1 as of 1 April 2016.

² The revision of the DCG (new Art. 9) decreed by the resolution dated 13 December 2016 enters into force on 1 July 2017.

³ The revision of Art. 9 para. 1 that was decreed by the Issuers Committee in its resolution dated 20 March 2018 enters into force on 1 May 2018.

⁴ The revision of Art. 3 that was decreed by the Issuers Committee in its resolution of 20 June 2019 enters into force on 2 January 2020.

Annex – Subject and extent of the information relating to Corporate Governance

1 Group structure and shareholders

The following information on the group structure and the shareholders must be disclosed:

1.1 Group structure

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 Significant shareholders

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. 120 et seqq. FMIA and the provisions of the Swiss Financial Market Supervisory Authority Ordinance on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading. This includes the key elements of shareholders' agreements published in this connection. 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 Cross-shareholdings

Cross-shareholdings that exceed 5% of the capital shareholdings or voting rights on both sides.

2 Capital structure

The following information about the capital structure must be disclosed:

2.1 Capital

The amount of the issuer's ordinary, authorised and conditional capital on the reporting date.

2.2 Authorised and conditional capital in particular

In addition, the following information must be disclosed in connection with the issuer's authorised and conditional capital:

- a) the maximum increase in authorised or conditional capital and the duration of the authorisation period to carry out an increase in capital;
- b) the group of beneficiaries who have the right to subscribe for this additional capital;
- c) the terms and conditions of the issue or creation of equity securities corresponding to the additional capital.

2.3 Changes in capital

A description of the changes in capital during the last three financial years.

2.4 Shares and participation certificates

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 Dividend-right certificates

The number and the main features of the issuer's dividend-right certificates.

2.6 Limitations on transferability and nominee registrations

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.

2.7 *Convertible bonds and options*

Outstanding convertible bonds and number of options issued by the issuer or by subsidiaries on the issuer's equity securities (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 share capital concerned.

3 **Board of directors**

The following information about the issuer's board of directors must be disclosed:

3.1 *Members of the board of directors*

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.
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3.2 *Other activities and vested interests*

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.
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3.3 **Additionally for issuers subject to the Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC):**

Rules in the articles of association on the number of permitted activities pursuant to Art. 12 para. 1 point 1 OaEC.

3.4 *Elections and terms of office*

The time of first election to office, and any restriction on term of office, for each member of the board of directors.

Additionally for issuers subject to the OaEC:

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.

Additionally for issuers not subject to the OaEC:

The principles of the election procedure (specifically the term of office, individual election or election as a group, total renewal or staggered renewal).

3.5 *Internal organisational structure*

3.5.1 Allocation of tasks within the board of directors.

3.5.2 Members list, tasks and area of responsibility for each committee of the board of directors.

3.5.3 Working methods of the board of directors and its committees.

3.6 *Definition of areas of responsibility*

Basic principles regarding the definition of the areas of responsibility between the board of directors and the executive committee.

3.7 *Information and control instruments vis-à-vis the executive committee*

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 (MIS).

4 **Executive committee**

The following information about the issuer's executive committee must be disclosed:

4.1 *Members of the executive committee*

For each member of the executive committee:

- a) name, nationality and function;
 - b) education and professional background;
 - c) any tasks previously carried out for the issuer or one of the issuer's subsidiaries.
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4.2 *Other activities and vested interests*

For each member of the executive committee:

- 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.
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4.3 **Additionally for issuers subject to the OaEC:**

Rules in the articles of association on the number of permitted activities pursuant to Art. 12 para. 1 point 1 OaEC.

4.4 *Management contracts*

Key elements of management contracts between the issuer and companies (or natural persons) not belonging to the group, stating 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.

5 **Compensation, shareholdings and loans**

The following information is to be disclosed with regard to compensation 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 *Content and method of determining the compensation and the shareholding programmes*

Basic principles and elements of compensation and shareholding programmes for serving and former members of the issuer's board of directors and executive committee, together with a description of the authorities and procedure for determining such.

5.2 **Disclosures from issuers subject to the OaEC:**

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, as well as 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 Rules in the articles of association on loans, credit facilities and post-employment benefits for members of the board of directors and executive committee.

5.2.3 Rules in the articles of association on the vote on pay at the general meeting of shareholders.

5.3	Disclosures from issuers not subject to the OaEC: 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), which may be listed in the remuneration report.
6	Shareholders' participation rights 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	Additionally for issuers not subject to the OaEC: 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	Additionally for issuers subject to the OaEC: Information on any rules which might be laid down in the articles of association on the issue of instructions to the independent proxy, and any rules in the articles of association on the 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 the statutory legal provisions, 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	<i>Entries in the share register</i> 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	Changes of control and defence measures 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. 125 para. 3 and Art. 4 FMIA) and opting up (Art. 135 para. 1 FMIA), 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	Auditors 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 *Auditing fees*

The total auditing fees charged by the audit firm in the year under review.

8.3 *Additional fees*

The total fees charged in the year under review by the audit firm 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 *Information instruments pertaining to the external audit*

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 of directors as a whole or audit committee has held with the external auditors.

9 **Information policy**

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).
