



To the representatives of companies with their primary or main listing on SIX Swiss Exchange, as well as any other interested addressee

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Consultation procedure on the partial revision of the Directive on Information relating to Corporate Governance of SIX Swiss Exchange

Dear Sir/Madam,

Following entry into force of the Ordinance against Excessive Compensation at Listed Joint-Stock Companies (i.e. "Minder initiative") on January 1, 2014, the importance of *proxy advisors* has increased significantly. Due to developments in practice, questions have been raised regarding the independence of proxy advisors in cases where they offer services rendered to investors (shareholders) as well as advisory services rendered to issuers. The Issuers Committee of SIX Swiss Exchange therefore decided to include a proposal for "transparency rules" in the Directive Corporate Governance (DCG) from January 1, 2016 (point 6.6 Annex to the Preliminary Draft of the DCG [VE RLCG]). There are various forms of *proxy advisors*. This is why the DCG includes a legal definition that restricts the DCG's area of application in this regard.

The rules only cover *proxy advisors* who during the reporting year have professionally advised investors in the exercise of their voting rights at the annual general meetings of listed companies and rendered advisory services for these listed companies in connection with corporate governance issues. These advisory services may have been provided by the proxy advisor him/herself or by a company that is legally affiliated with the proxy advisor. The new rules of the DCG will not apply to *proxy advisors* who only advise investors in the exercise of voting rights, and who do not render corresponding services to issuers. Proxy advisors who only provide investors an electronic platform for information and voting purposes will also not be affected by the rules.

If a *proxy advisor* has rendered the relevant advisory services during the reporting year, such circumstances (incl. fees) must be disclosed in the statements on corporate governance in the annual report. This regulation should lead to an increase of transparency regarding the independence of *proxy advisors* for investors.

Below you will find the planned supplement to a new point 6.6 Annex PD DCG. The applicable rules of the DCG can be found at:

<https://www.six-exchange-regulation.com/de/home/issuer/obligations/corporate-governance.html>.

Point 6.6 Annex to the PD DCG Proxy Advisors

Point 6.6.1 Annex to the PD DCG

Proxy advisors within the meaning of this directive are third parties who professionally advise investors in the exercise of their voting rights at the annual general meetings of listed companies. Besides this activity, the proxy advisor or a legally affiliated company renders advisory services against payment to issuers in connection with corporate governance issues, such as advising on compensation models. The provision of electronic information or voting platforms for market participants is not deemed to be professional advisory within the meaning of this directive.

Point 6.6.2 Annex to the PD DCG

If during the reporting year the issuer or another group company purchases advisory services from a proxy advisor as defined by this directive, the following information must be provided:

- a. Name and domicile of the proxy advisor;*
- b. Total amount of fees the proxy advisor invoices the issuer during the reporting year.*

We invite you to comment on the proposed amendments to the DCG and to provide us your comments by e-mail (cgvernehmlassung@six-group.com), by **Monday, July 31, 2017**. We would like to thank you in advance for your participation.

We would like to point out that the statements of the participants who take part in the consultation will be published on the website of SIX Exchange Regulation (<https://www.six-exchange-regulation.com/de/home/publications/explorer/consultations.html>) once the consultative process has been completed.

Please do not hesitate to contact us if you have any further questions.

Yours sincerely,

SIX Swiss Exchange Ltd



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