



Criteria catalog zRating 2026

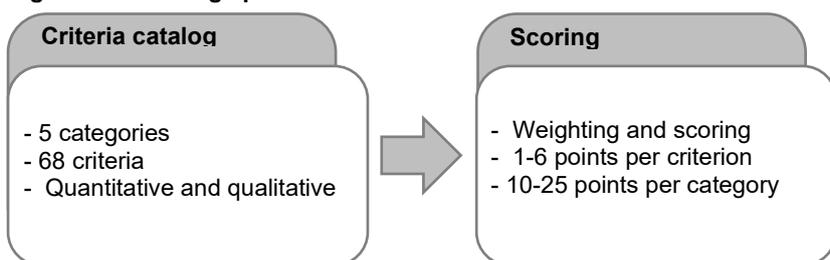
December 2025

Method

Inrate assesses the corporate governance of Swiss public companies using a scoring model based on 68 quantitative and qualitative criteria from five categories. Inrate identifies potential corporate risks from a corporate governance perspective that could impact the value of the company and therefore have a negative effect on minority shareholders.

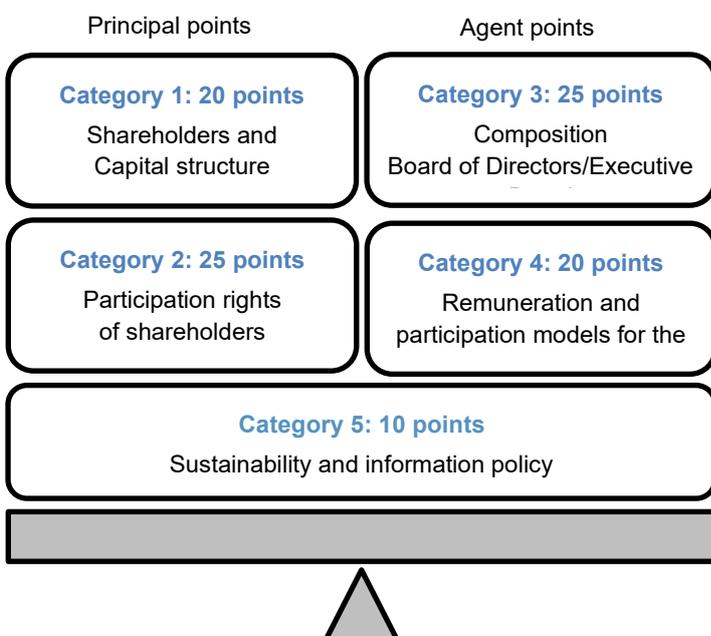
The assessment is carried out in a two-stage process. In the first step, criteria are defined that are based on the principles of good corporate governance, legal requirements, and self-regulatory instruments. Each criterion is a valid indicator that can be used to assess a given situation directly and as transparently as possible. These criteria are summarized in the criteria catalog. In the second step, the point value is determined by scoring the differently weighted criteria. The quality of corporate governance can be measured on a scale of 0 to 100 points.

Figure1 : Two-stage process



Furthermore, the degree of compliance can be broken down into individual categories and subcategories in order to provide a more differentiated picture of company-specific corporate governance. The criteria are divided into five categories. Category 1 Shareholders and capital structure and Category 2 Shareholder participation rights are summarized under Principal Points. Agent points are summarized in category 3 Composition of the Board of Directors/Executive Board and category 4 Compensation and participation models for the Board of Directors/Executive Board . A maximum of 45 points can be achieved in each of the two categories, Principal and Agent. Category 5, Sustainability and Information Policy, forms the foundation and a maximum of 10 points can be achieved.

Figure2 : Principal and agent in zRating



Principal points	Points
------------------	--------

1	Shareholders and capital structure	20
1.1	Shareholder with de facto majority or majority of votes	2
1.2	Attendance at the Annual General Meeting	3
1.3	Share categories	6
1.4	Disclosure of available holdings	1
1.5	Disposable stock	1
1.6	Potential capital dilution	3
1.7	Convertible or hybrid capital and debt capital with equity characteristics	2
1.8	Adequate balance sheet ratio	2
2	Shareholders' participation rights	2
2.1	Restrictions on registration or voting rights	6
2.2	Statutory unequal treatment of shareholders or higher resolution quorums than required by law	2
2.3	Time span between the publication date of the annual report and the agenda deadline	1
2.4	Approval procedure for remuneration of the Board of Directors/Executive Board	1
2.5	Implementation of the General Meeting	1
2.6	Restriction of nominee registration and transparent handling	2
2.7	Anchoring sustainable value creation as a corporate purpose	1
2.8	Opting up/opting out	4
2.9	Statutory basis for non-competition clauses	2
2.10	Exit rules for long-term incentive plans	1
2.11	Term of office of the auditors	1
2.12	Audit fees in relation to non-audit fees	1
2.13	Information on the independent proxy and voting process	1
2.14	Handling of additional and amendment motions and unannounced agenda items	1
Agent points		Points
3	Composition of the Board of Directors/Executive Board	25
3.1	Size of the Board of Directors	2
3.2	Competencies on the board of directors	3
3.3	Proportion of women on the board of directors	2
3.4	Number of committees	1
3.5	Limitation on committee size	1
3.6	Limitation of third-party mandates (board of directors)	1
3.7	Independence of the board of directors	4
3.8	Independence of the chair of the compensation committee	1
3.9	Third-party mandates of the Chairman of the Board of Directors	1
3.10	Number of Board of Directors meetings	1
3.11	Duration of board meetings	1
3.12	Information on meeting duration and individual meeting attendance	2
3.13	Self-evaluation of the board of directors	1
3.14	Term limits for the board of directors	1
3.15	Dual role of Chair of the Board of Directors/CEO	1
3.16	Proportion of women in management	0
3.17	Limitation of third-party mandates (management)	1
3.18	Third-party mandates of the CEO	1
4	Remuneration and participation models for the board of directors/executive board	20
4.1	Total remuneration of the Board of Directors in CHF	0
4.2	Variable component of the Board of Directors	0
4.3	Total remuneration of the Chairman of the Board of Directors in CHF	2
4.4	Total remuneration of the Executive Board in CHF	0
4.5	Variable component for executive management	1
4.6	Total compensation of CEO in CHF	3
4.7	Shareholding per member of the Executive Board	1
4.8	Classic share program VR	1
4.9	Relative or absolute remuneration caps	1
4.10	Management participation programs	2
4.11	ESG criterion in the remuneration system	2
4.12	Minimum shareholding	1
4.13	Long-term orientation of the remuneration model	1

4.14	Total remuneration of the Board of Directors/Executive Board in relation to EBITDA	1
4.15	Transparency Remuneration model	2
4.16	Comprehensibility of the remuneration model	2
5	Sustainability and information policy	10
5.1	ESG Impact Rating	1
5.2	Involvement in controversies	1
5.3	Human rights policy	1
5.4	Information on CO2 targets e n	1
5.5	Non-financial reporting	1
5.6	Sanction decisions by SIX	0
5.7	Whistleblower reporting offices	1
5.8	Articles of association on the website	0
5.9	Code of Conduct on the website	1
5.10	Organizational regulations on the website	1
5.11	Information content of the AGM minutes	1
5.12	Ad hoc -Publicity Rating	1

1 Shareholders and capital structure

1.1 Shareholder with de facto majority or majority of votes

Definition The cumulative share of votes and capital held by a major shareholder is decisive for the assessment of this criterion.

Source Current annual report, share register Finance and economy

Interpretation With a widely dispersed shareholder base, owner control is often lost, giving rise to the principal-agent problem. A shareholder with more than 25% of the votes can be described as the "de facto majority shareholder." On the one hand, this financial incentive has an important control function to perform. Minority shareholders can also benefit from this. On the other hand, due to high disposable holdings and the indolence of shareholders in attending general meetings, such holdings are often sufficient to control the company or to have a blocking minority for important decisions. This can have negative consequences for minority shareholders, especially since, for example, in the case of voting shares, the voting rights do not correspond to the capital share. Majority shareholders are not negative per se. However, there are also risks associated with them. An unresolved succession plan, for example, can destabilize the company. It is difficult to objectively assess whether a major shareholder is committed to long-term entrepreneurship.

Scoring

- Shareholder with 0 to 10% of voting rights = 0 points
- Shareholder with 10 to 25% of voting rights = 2 points
- Shareholder with >25% of voting rights = 1 point
- Shareholder with >25% of voting rights but fewer capital rights = 0 points

Impact on voting recommendation

The independence of the board of directors is extremely important in order to ensure adequate and balanced protection for minority shareholders. A shareholder with a de facto majority or majority of votes therefore warrants the utmost attention. Despite their legitimate claim to a seat on the board of directors, at least half of the board should consist of independent members. A member or candidate is considered objectively dependent if they are a shareholder with more than 3% of the capital and/or votes or if they represent such a shareholder.

1.2 Attendance at the Annual General Meeting

Definition Voting rights in relation to the shares entered in the commercial register on the date of the AGM. Large treasury shares may be taken into account if necessary.

Source Minutes of the resolutions of the current ordinary general meeting

Interpretation The presence of shareholders at the General Meeting is an important indicator for assessing the legitimacy of the decisions made. In addition to physical presence, participation in the Annual General Meeting is only possible through representation by an independent proxy or another shareholder. The greater the attendance of shareholders at the Annual General Meeting, the stronger the legitimacy of the resolutions passed. Major shareholders are usually represented on the Board of Directors and can contribute through their participation. Public shareholders, on the other hand, are also jointly responsible for the further development of their company's corporate governance, which is why it is important for them to actively exercise their voting rights at the general meeting. Shareholders' indolence and high disposable holdings further increase the value of voting rights. The Swiss Code encourages companies to make the voting results available to shareholders as quickly as possible, at the latest after one week.

Scoring

- < 25% = 0 points
- 25%–40% = 1 point
- 40%–55% = 2 points
- > 55% = 3 points

Impact on voting recommendation

Inrate approves amendments or additions to the articles of association if nominee registrations are restricted or unrestricted without the board of directors being able to grant exceptions. Inrate also supports statutory provisions

that enable electronic participation in the general meeting or are suitable for increasing participation rates at general meetings.

1.3 Share categories

Definition This refers to the class of shares issued by a company. Registered shares, bearer shares, participation certificates, or profit-sharing certificates may be issued, and multiple classes of shares are also possible.

Source SIX Swiss Exchange

Interpret In the case of registered shares, the company keeps a share register in which the owners of the shares can be entered. In the case of bearer shares, the company does not know the shareholders. They must register before the general meeting in order to obtain their voting rights. Participation certificates and profit participation certificates are characterized by the fact that their holders are neither known nor have voting rights. Voting shares are shares that carry a higher proportion of votes than they would be entitled to on the basis of their capital. This undermines the principle of "one share – one vote" and the correlation between share capital and voting power. Knowing who the shareholders are is an essential prerequisite for a functioning shareholder democracy, so that the board of directors can also strive to maintain contact with shareholders between general meetings. Bearer shares are not a suitable instrument and act like overdraft shares. Participation certificates and profit-sharing certificates are even less suitable, as they do not confer any voting rights. In the case of participation certificates, the company does not know who the owners are. The reporting thresholds that apply to shares do not apply to participation certificates and profit-sharing certificates either.

Scoring (Uniform) registered shares = 6 points
Bearer shares = 1 point
Participation certificates = 0 points
Participation certificates = 0 points
Shares with different par values (voting shares) = 0 points

Impact on voting recommendation

Inrate approves amendments or additions to the articles of association if different share categories are standardized into one class of shares. This is preferably done through registered shares or by converting bearer shares, participation certificates, and profit participation certificates into registered shares. If the company intends to refinance itself on the capital market with equity capital, Inrate actively advocates the introduction of uniform registered shares (if not already in place). Financial compensation for relinquishing voting leverage is categorically rejected.

1.4 Disclosure of available holdings

Definition The available stock refers to the proportion of shares that are not registered in the share register. This is a phenomenon that occurs exclusively with registered shares. The decisive factor in assessing this criterion is whether the company discloses or publishes the available stock. With this criterion, we want to reward the transparency of those companies that voluntarily disclose their available stock.

Source Current annual report or information provided by the company

Interpretation The background to the existence of free float shares is the 1991 revision of stock corporation law, which introduced a legal reporting obligation for the selling bank in the event of a sale of shares. However, there is no legal reporting obligation for the acquiring bank. Dispo shares are thus created automatically through the sale, with the associated removal from the share register and the registration request not yet submitted by the acquirer. Dispo shares disrupt the functioning of shareholder democracy. On the one hand, the voting rights to which the dispo shareholder is entitled are not exercised, and on the other hand, the voting rights of registered shareholders are increased.

Scoring Disposable income is disclosed = 1 point
Disposable stock is not disclosed = 0 points

Bearer shares = 0 points
Participation certificates or profit-sharing certificates = 0 points

Impact on voting recommendation

See 2.6 Restriction of nominee registration and transparent handling

1.5 Disposable stock

Definition This criterion measures the available stock as a percentage of the shares issued. A temporary available stock is system-related and can fluctuate between 5% and 10% ("technical available stock").

Source Current annual report or information provided by the companies

Interpretation We consider available stocks of over 20% to be significantly too high.

Scoring
≤ 20% = 1 point
> 20% = 0 points
No information = 0 points
Bearer shares = 0 points
Participation certificates or profit-sharing certificates = 0 points

Impact on voting recommendation

See 2.6 Restriction of nominee registration and transparent handling

1.6 Potential capital dilution

Definition In the case of authorized capital, the Annual General Meeting authorizes the Board of Directors to increase the share capital within two years. In the case of conditional capital, the Annual General Meeting grants convertible bond holders the right to subscribe for new shares in the Articles of Association. The same right may be granted to employees for conversion and option rights. The share capital only increases when the rights are exercised. Authorized and contingent capital may each amount to no more than half of the existing share capital. The new stock corporation law, which came into force on January 1, 2023, introduced the capital band (Art. 653s-653v CO). In the case of a capital increase within the capital band, the general meeting authorizes the board of directors to change the share capital within a certain range for a specific period of time. The legal limits of the capital band are 50% of the share capital (increase or reduction) over a maximum of five years.

Source SIX Swiss Exchange, taking into account any resolutions passed at the companies' general meetings.

Interpretation In the case of a capital increase within the scope of the capital band and authorized capital, the general meeting approves the capital increase without knowing how it will be used. This corresponds to a capital increase in reserve. The company can use shares for acquisitions that would not have been approved by the shareholders. Conditional capital is used for convertible bonds or options and can have a negative impact on shareholders. Both instruments result in a dilution of the existing share capital.

Because companies can also obtain capital from an extraordinary general meeting for interesting acquisitions or similar projects, such "reserve capital" is not necessary. Nevertheless, we allow companies a certain degree of flexibility. To a limited extent, for example for long-term management compensation models, additional capital can provide flexibility. Therefore, it is not the mere existence of this capital that is assessed, but the extent to which it is used. Since no listing prospectus is required for raising capital of less than 10% of the share capital, full points are awarded for dilution of up to this extent.

Scoring
Capital band, authorized and conditional capital below 10% of capital = 3 points
Capital band, authorized and conditional capital of 10% to 20% of capital = 2 points
Capital band, authorized and conditional capital of 20% to 30% of capital = 1 point
Capital band, authorized and conditional capital over 30% of capital = 0 points

Impact on voting recommendation

Inrate analyzes the total potential dilution of capital in relation to a capital increase within the capital band, an authorized or conditional capital increase. It should not exceed 20% of the total ordinary capital. In justified exceptional cases, Inrate reserves the right to deviate from this principle, in particular in the case of balance sheet or restructuring measures, planned or still to be implemented (known) acquisitions. This also includes companies with exceptionally high growth potential or with business model-related cash burn rates, such as biotechnology companies. In addition, Inrate may reject proposals for capital increases if there are different classes of shares that violate the alignment of capital and voting power, or if the intended use is for compensation models whose amount appears excessive in light of shareholder interests.

Proposals for capital reductions may be rejected if they passively increase the potential dilution of capital through authorized or contingent capital to more than 20% or reduce participation rights.

1.7 Convertible or hybrid capital and debt capital with equity characteristics

Definition Convertible bonds can be exchanged for shares at a defined ratio during their term, thereby creating additional share capital. If the conversion right is not exercised, the bond is repaid at the end of its term. Hybrid bonds straddle the line between debt and equity. On the one hand, they qualify as debt from a legal and statutory perspective. On the other hand, they have clear characteristics of equity capital. In addition to their perpetual term, these include comprehensive subordination and the obligation to pay interest linked to the distribution of dividends. Contingent convertible bonds (Cocos) also have a high equity character as conditional mandatory convertible bonds. Conversion occurs when an objectively determinable event is triggered. Subordinated bonds are also taken into account for banks and insurance companies.

Source Current annual report

Interpretation If the conversion right is exercised or the hybrid capital is converted into equity, the share capital increases. For existing shareholders, this means a dilution of their stake. The often higher interest rate or distribution in favor of hybrid capital can also have a negative impact on dividend distributions.

Scoring The issue volume is set in relation to the reported equity capital. If the issue volume is less than or equal to 15% of the reported equity capital, a reduced number of points is awarded. If the issue volume exceeds 15% of the reported equity capital, no points are awarded.

0% (i.e., no instruments issued) = 2 points
up to 15% of reported equity = 1 point
> 15% of reported equity = 0 points

Impact on voting recommendations

Partial financing of a company's balance sheet and strategy with convertible or hybrid capital can be attractive and sensible for the company. However, it is important to question why this form of financing was chosen. The potential dilution effect, any risks, and the "obligation" to pay interest to the equity provider (hybrid capital) must be taken into account.

1.8 Adequate balance sheet ratio

Definition The balance sheet must be adequate for the business strategy and business model. The company should not take any financial risks that the business model cannot bear or that jeopardize it. Negative tangible equity (equity minus goodwill and other intangible assets), dividend payments despite losses, very high debt financing or a low equity ratio, low interest coverage ratios, high revaluations of fixed assets, or insufficient maturity matching can be indications of risky balance sheet management. The structure of the balance sheet also provides information on the extent to which a conflict between shareholders and bondholders could intensify.

Source Current annual report

Interpretation A heavily leveraged balance sheet carries considerable risks. In an unexpected stress situation, a company with a weak balance sheet can find itself in a critical situation, which is not in the interests of shareholders. In such cases, the company must resort to the capital market.

Scoring The balance sheet is very well structured = 2 points
 The balance sheet is well structured = 1 point
 The balance sheet poses risks for shareholders = 0 points

Impact on voting recommendation

An adequate balance sheet is one of the most important management tools available to the board of directors. Inrate may refuse to approve the discharge of the executive bodies or individual members, or may refuse to approve the annual report if the balance sheet presents significant risks.

2 Shareholders' participation rights

2.1 Restrictions on registration or voting rights

Definition A registration restriction limits the entry of a person or group in the share register to a certain percentage. A voting right restriction limits the maximum voting rights that can be exercised to a certain percentage of the total share capital. The effect of the two restrictions is de facto the same.

Source Current articles of association

Interpretation An entry or voting right restriction is the most significant limitation on shareholders' direct participation rights, apart from voting shares. Companies that impose such restrictions prevent shareholder democracy. This has a deterrent effect on potential investors and can hinder efficient share price formation. Larger shareholders bear a higher financial risk but are not allowed to participate in shaping the company's activities accordingly.

Scoring No registration or voting restrictions = 6 points
 Registration or voting rights restriction ($\geq 15\%$) = 2 points
 Registration or voting rights restriction (5 to 15%) = 1 point
 Registration or voting rights restriction (up to 5%) = 0 points

Impact on voting recommendation

Inrate approves amendments or additions to the articles of association if registration or voting restrictions are lifted. If the company intends to refinance itself on the capital market with equity capital, Inrate actively advocates the removal of registration or voting restrictions.

2.2 Statutory unequal treatment of shareholders or higher resolution quorums than required by law

Definition The articles of association stipulate that the conditions for registering a shareholder in the share register or for voting rights are not the same for all shareholders. Higher resolution quorums exist if, in deviation from the statutory quorums for important resolutions, the articles of association stipulate higher quorums that are not in the interests of public shareholders.

Source Current articles of association

Interpretation In order for holders of registered shares to exercise their voting rights, they must be entered in the share register. If there is a restriction on registration, the board of directors may decide on the admission of registration ("discretionary clause"). The board of directors thus becomes the "gatekeeper" of the share register, which can lead to arbitrary decisions. Conversely, the board of directors can exempt selected shareholders from the voting rights restriction. Grandfathering clauses protect the rights of individual beneficiaries, even though the legal situation is regulated differently for other shareholders. For example, original shareholders are not affected by registration or voting restrictions introduced at a later date. Clauses that relax voting or registration restrictions for shareholders after a certain holding period have a similar effect. Only companies with voting or registration restrictions may have grandfathering clauses. This leads to unequal treatment of shareholders. Higher resolution quorums than those provided for by law make it difficult to amend the articles of association. Depending on the structure, an individual shareholder may have a blocking minority.

Scoring None = 2 points
The board of directors may favor certain shareholders, or higher resolution quorums than those stipulated by law may apply = 1 point
The board of directors may favor certain shareholders and higher resolution quorums than those required by law may apply = 0 points

Impact on voting recommendation

Inrate approves amendments or additions to the articles of association if registration or voting restrictions are lifted. This also involves the abolition of discretionary clauses that grant the board of directors exceptional powers. If the company intends to refinance itself on the capital market with equity capital, Inrate actively advocates the removal of statutory restrictions.

Inrate approves amendments or additions to the articles of association if resolution quorums are reduced to the legal minimum of Art. 704 para. 1 CO, which do not provide any protection for public shareholders.

2.3 Time span between the publication date of the annual report and the agenda deadline

Definition The period between the publication date of the annual report and the latest possible date for submitting agenda items (agenda item deadlines). If the annual report is published after the agenda item deadline, the result is a negative period. If the annual report is published before the agenda item deadline, the result is a positive period. For companies with a secondary listing in the US, the publication date of Form 20-F applies.

Source Current annual report, articles of association, or information provided by the company

Interpretation Once the general meeting has been convened, it is too late to exercise the right to add items to the agenda. It is therefore important that the request to add items to the agenda is received by the board of directors as early as possible. The applicable law does not specify a deadline in this regard. It therefore makes sense to announce this deadline in advance and to specify it in the articles of association. The Swiss Code of Best Practice for Corporate Governance also recommends announcing the deadline for adding items to the agenda and setting it as close as possible to the date of the general meeting. In addition, the annual report should be published before the deadline for adding items to the agenda. This is a key communication tool for the most important stakeholders. Its content demonstrates the company's economic success, shows its current situation, and contains important information on corporate governance and management remuneration practices. The formation of shareholders' opinions, sometimes through reading and studying the annual report, is an important prerequisite for the possible exercise of the right to add items to the agenda. This becomes impossible if the annual report is published after the agenda deadline has already expired.

Scoring Time span between publication of annual report and expiry of agenda deadline 5 days or more = 1 point
Period between publication of annual report and expiry of agenda deadline Less than 5 days = 0 points

Impact on voting recommendation

Inrate approves amendments or additions to the articles of association if the deadlines for inclusion on the agenda are specified.

2.4 Approval procedure for remuneration of the Board of Directors/Executive Board

Definition According to the VegüV, votes on remuneration for the Board of Directors and Executive Board may be conducted retrospectively, prospectively, or in mixed forms. With the entry into force of the revision of stock corporation law, prospective votes on variable remuneration without a consultative vote will no longer be permitted. All variants must be carried out annually, are binding, and must be conducted separately for the members of the Board of Directors and the Executive Board. Companies must regulate the details in their articles of association and specify what is to be done if the proposed remuneration is rejected.

<i>Source</i>	Articles of association, invitation to the annual general meeting
<i>Interpretation</i>	Although the VegüV does not distinguish between fixed and variable remuneration, we consider it sensible to differentiate between the two. Retrospective approval allows the variable remuneration amount to be assessed on the basis of known performance. Furthermore, this option allows for greater flexibility in the event of unexpected changes in business or regulatory developments. The supposedly higher bonus security offered by prospective approval can be very short-term in nature. The board of directors must make various assumptions for which it may later be held accountable. This requires detailed communication and disclosure of performance targets, which is very difficult and could undermine business interests.
<i>Scoring</i>	Fixed components / variable components prospective / retrospective = 1 point Prospective / prospective with consultative vote = 0 points

Impact on voting recommendation

Inrate supports prospective approvals for fixed salary components and retrospective approvals for variable salary components. If the approval mechanism deviates from this and credible reasons for the deviation can be provided, Inrate may agree if the remuneration report can be voted on retrospectively in a consultative vote. We clearly prefer a commitment to a subsequent consultative vote in the articles of association. However, we also take into account written or verbal assurances from the board of directors. Therefore, shareholders must be adequately informed about the targets and performance indicators.

Long-term share ownership programs in which the beneficiaries are exposed to entrepreneurial risk throughout the entire term can be approved prospectively. Inrate also supports provisions in the articles of association that allow the board of directors to award an adequate additional amount for fixed remuneration components to members of the executive board who are appointed retrospectively.

2.5 Implementation of the General Meeting

<i>Definition</i>	Shareholders should have the option of attending the Annual General Meeting either physically or virtually (hybrid Annual General Meeting).
<i>Source</i>	Invitation
<i>Interpretation</i>	In addition to the usual event with an audience (physical), at which company representatives continue to be confronted with the opinions of small shareholders at the general meeting, shareholders should also be given the opportunity to participate in a virtual general meeting and vote live.
<i>Scoring</i>	Holding a hybrid or physical general meeting = 1 point Holding a virtual general meeting = 0 points

Impact on voting recommendation

Inrate supports motions to amend the articles of association, particularly if they enable participation in a general meeting both physically and electronically. Inrate rejects motions to amend or supplement the articles of association, particularly if they make it impossible to hold a physical general meeting.

2.6 Restriction of nominee registration and transparent handling

<i>Definition</i>	Nominees are persons or organizations under whose names registered shares are registered, even though they are not the beneficial owners or do not hold the shares on their own account. Nominees represent shareholders whose identities do not have to be disclosed but are known to the nominee (bank or custodian). The company discloses the conditions under which nominees can be registered. The handling is considered non-transparent in companies where the board of directors can decide on the registration of nominees. In most cases, nominee registrations are limited to a few percent of the share capital. Registration is also considered unrestricted if, from 3% of the voting rights of a nominee, the identity of individual shareholders must be disclosed from 0.5% of the voting rights.
-------------------	---

Source Current annual report, articles of association

Interpretation The more voting rights are exercised, the better the will of the shareholders is expressed at the general meeting. Since the registration of shares in Switzerland involves a high level of bureaucracy, especially for foreign investors, they often do not participate in the general meeting. Their shares thus become disposable shares and are not entered in the share register, which means that voting rights cannot be exercised. Nominees are a good way of allowing these shareholder votes to be cast at the general meeting without any red tape. Restricting nominee registrations limits shareholder rights. However, due to participation rights, it is legitimate for the company to be informed of the identity of major shareholders who hold their shares through a nominee. Transparent handling of nominee registrations ensures that all shareholders are treated equally.

Scoring Unrestricted registration and transparent handling = 2 points
 Restricted registration or non-transparent handling = 1 point
 Restricted registration and non-transparent handling = 0 points

Impact on voting recommendation

Inrate approves amendments or additions to the articles of association if nominee registrations are restricted or unrestricted without the board of directors being able to grant exceptions.

2.7 Anchoring sustainable value creation as a corporate purpose

Definition Sustainable value creation is anchored in the articles of association as a corporate purpose.

Source Articles of association

Interpretation The anchoring of sustainable (or long-term) value creation as a corporate purpose in the articles of association serves to commit the board of directors and legitimize the company in the eyes of its shareholders.

Scoring Statutory anchoring of sustainable value creation = 1 point
 No statutory anchoring of sustainable value creation = 0 points

Impact on voting recommendation

Inrate approves amendments or additions to the articles of association, in particular if this anchors the goal of sustainable corporate development.

2.8 Opting up/opting out

Definition The standard threshold for triggering the obligation to make an offer of 33 ⅓ % of voting rights is suspended (opting out) or increased to a maximum of 49 % (opting up).

Source SIX Swiss Exchange

Interpretation A one-third stake effectively corresponds to a majority. An investor who acquires a de facto majority in a company and can therefore determine what happens in the company should make a public takeover bid to give the other investors the opportunity to decide whether or not they want to continue as minority shareholders even though there is a majority shareholder.

Scoring No opting up or opting out clause = 4 points
 Opting up with major shareholder > 33 ⅓ % of voting rights, provided that the investment is less than 10 % away from opting up = 2 points
 Opting up clause = 1 point
 Opting out clause = 0 points

Impact on voting recommendation

Inrate approves amendments or additions to the articles of association if existing opting out or opting up clauses that do not protect public shareholders are abolished. Inrate rejects motions to amend or add to the articles of association, in particular if the subsequent introduction of an opting up clause that does not protect public shareholders is proposed. Inrate rejects proposals to amend or supplement the articles of association, in particular if the subsequent introduction of an opting-out clause is requested.

2.9 Statutory basis for non-competition clauses

Definition The articles of association provide that non-competition clauses may be agreed with members of the board of directors or the executive board.

Source Articles of association

Interpretation Employees are knowledge carriers. They can use this knowledge for the benefit of the company, but also against its interests. To protect against this risk, non-competition clauses can be agreed. The employee undertakes to the employer to refrain from any competitive activity after termination of the employment relationship. In our opinion, a non-competition clause is permissible if the compensation for it is reasonable in relation to the value of this service and is within the normal range for the industry. This is the case if the payment is clearly below the normal remuneration.

Scoring No non-competition clause = 2 points
Non-competition clause permissible = 1 point
Non-competition clause not permissible = 0 points

Impact on voting recommendation

Inrate may reject amendments or additions to the articles of association if non-competition clauses last longer than 12 months or if the associated compensation also includes variable remuneration components and is not within the normal range for the industry. In addition, the non-competition clause should not apply to non-executive board members.

2.10 Exit rules for long-term incentive plans

Definition Rules for the treatment of variable remuneration in long-term incentive plans in the event of the departure of members of the executive board.

Source Current annual report

Interpretation Long-term incentive plans are widespread. As a rule, share allocations are made contingent on the achievement of targets over a period of three years. If members of the executive board leave the company voluntarily or involuntarily, or in the event of a change of control, it is relevant for shareholders to know what benefits will be paid out under the current incentive plans.

Scoring Exit rules are described = 1 point
Exit rules are not described = 0 points

Impact on voting recommendation

Inrate supports motions and initiatives to abolish change of control clauses. The introduction of change of control clauses or excessively long non-competition clauses for members of the board of directors and executive management is not accepted and will result in the non-election or rejection of re-election of the relevant board members. In extreme cases, Inrate reserves the right to refuse discharge.

2.11 Term of office of the auditors

Definition Term of office since the initial election of the auditors.

Source Current annual report

Interpret The auditors must be independent and form their audit opinion objectively. Their independence must not be compromised either in fact or in appearance. The lead auditor must not have a close relationship with a member of the board of directors, another person in a decision-making position, or a significant shareholder. A long-standing business relationship between the audit firm and the company may compromise independence.

Scoring Auditor has been in office for ≤ 10 years = 1 point
Auditor has been in office for > 10 years = 0 points

Impact on voting recommendation

Inrate may reject the election of the auditor if the auditor can be proven to have made specific and relevant errors, if the mandate has been in place for more than 24 years, taking into account the current mandate of the lead auditor, or if no evidence of a change of lead auditor has been provided in the last seven years.

2.12 Audit fees in relation to non-audit fees

Definition Audit fees are understood to be audit fees and audit-related expenses. Non-audit fees are fees for other services such as tax, transaction, and management consulting.

Source Current annual report

Interpret The auditor must be independent and form an objective opinion. Independence must not be compromised either in fact or in appearance. This independence may be called into question if, in addition to the actual audit engagement, additional engagements are accepted that could lead to the auditor's economic dependence. The potential conflict of interest is particularly pronounced in the case of corporate finance services (M&A, capital market transactions) and tax consulting. Furthermore, additional non-audit fees must be disclosed in detail. The margins for additional assignments are significantly higher than for audit services. The audit firm has a legitimate interest in continuing these lucrative assignments. It is therefore important that the additional non-audit fees do not exceed 50% of the audit fees.

Scoring Non-audit fees exceed 50% of audit fees = 0 points
In all other cases = 1 point

Impact on voting recommendation

Inrate may reject the choice of auditor if the auditor can be proven to have made specific and relevant errors, if the mandate has been in place for more than 24 years, taking into account the current mandate of the lead auditor, or if no evidence of a change of lead auditor has been provided in the last seven years. In addition, Inrate rejects the election of the auditor if the additional fees not related to the audit mandate ("non-audit fees") exceed 50% of the audit fees.

2.13 Information on the independent proxy and voting process

Definition The only permissible form of institutional proxy voting is through the independent proxy, who must be elected by the Annual General Meeting. The independence of the independent proxy must not be impaired either in fact or in appearance and is governed by the independence provisions for auditors under stock corporation law.

Source Questionnaire or annual report

Interpret In order to perform and interpret their duties, independent proxies may not have any significant direct or indirect business relationships with the company or any of its subsidiaries. Shareholders should be informed about the independence of the proxy and the voting process. For example, it is essential that no information about voting behavior reaches the board of directors during the response phase, which is why a separate response channel is important.

Scoring Response to questionnaire or information in the annual report = 1 point
No response to questionnaire and no information in the annual report = 0 points

Impact on voting recommendation

Inrate may reject the election of the independent proxy and his or her deputy if there are grounds for doubting their independence or if no information is disclosed to assess their independence. In addition, the election may be rejected if voting secrecy has been violated.

2.14 Handling of additional and amendment motions and unannounced agenda items

Definition The proxy form for the Annual General Meeting gives shareholders the opportunity to vote against additional and amendment motions as well as against unannounced agenda items proposed by the Board of Directors and shareholders.

<i>Source</i>	Proxy card for the Annual General Meeting
<i>Interpretation</i>	In the event that additional or amended motions to the published agenda or motions pursuant to Art. 700 para. 3 of the Swiss Code of Obligations are submitted at the general meeting of shareholders or by the board of directors, shareholders should have the opportunity to vote against such motions. The majority of shareholders of listed Swiss companies transfer their voting rights to the independent proxy in advance of the AGM. In this case, it is not possible to form an opinion on motions submitted during the General Meeting. It is therefore important that shareholders are able to reject such motions.
<i>Scoring</i>	Option to vote against additional/amendment motions and unannounced agenda items = 1 point No option to vote against additional/amended motions and unannounced agenda items = 0 points

Impact on voting recommendation

Inrate generally rejects motions that are proposed during the general meeting or that were not included on the agenda prior to the general meeting.

3 Composition of the Board of Directors/Executive Board

3.1 Size of the Board of Directors

<i>Definition</i>	Number of members on the Board of Directors.
<i>Source</i>	Current annual report, taking into account new appointments and re-elections.
<i>Interpretation</i>	The board should be small enough to enable efficient decision-making and large enough to allow its members to contribute experience and knowledge from different areas to improve complementarity within the board.
<i>Scoring</i>	SMI: 5 to 12 members = 2 points SMI Mid: 5 to 9 members = 2 points Ex SMI Expanded: 5 to 7 members = 2 points Fewer than 5 members or more than 7, 9, or 12 members = 0 points

Impact on voting recommendation

For smaller companies (ex SMI Expanded), Inrate considers a maximum of 7 members to be appropriate. For companies in the SMI Mid and SMI, the board should consist of a maximum of 9 and 12 members, respectively. If the number of members exceeds the aforementioned maximum sizes, Inrate weighs up the interests with regard to independence, professional competence, diversity, number of third-party mandates, and meeting attendance.

3.2 Competencies on the board of directors

<i>Definition</i>	Presence of the following competencies on the board of directors: industry-specific expertise, CEO experience, international experience, experience in emerging markets, financial knowledge, legal training, experience in M&A, experience in digitalization, experience in listed companies, experience in sustainability. To assess these competencies, the relevant professional and educational backgrounds must be evident in the published CVs of the board members. In combination with the definition of relevant starting points for each competency, this enables a sound comparison between the companies being evaluated.
<i>Source</i>	Current annual report, other sources
<i>Interpretation</i>	The board of directors plays an important strategic role. For this reason, it should be composed of individuals who bring different areas of expertise to the board.
<i>Scoring</i>	All competencies present = 3 points 1 skill missing = 2 points 2 competencies missing = 1 point More than 2 competencies missing = 0 points

Impact on voting recommendation

See 3.7 Independence of the board of directors

3.3 Proportion of women on the board of directors

<i>Definition</i>	Number of women on the board of directors in relation to the total size of the board.
<i>Source</i>	Current annual report, taking into account new appointments and re-elections.
<i>Interpretation</i>	The board of directors should include both female and male members. The scoring is based on the guidelines set out in the revision of stock corporation law.
<i>Scoring</i>	Proportion of women $\geq 30\%$ = 2 points Proportion of women 20% to 30% = 1 point Proportion of women $< 20\%$ = 0 points

Impact on voting recommendation

See 3.7 Independence of the board of directors

3.4 Number of committees

<i>Definition</i>	Number of committees or subcommittees appointed by the board of directors.	
<i>Source</i>	Current annual report	
<i>Interpretation</i>	Board committees conduct in-depth analyses of specific areas or personnel matters and submit their findings to the full board for decision-making as part of its supervisory and control function. The VegüV mandates the establishment of a compensation committee. The Swiss Code recommends the use of an audit committee, a compensation committee, and a nomination committee. Large-cap companies often have additional committees. However, too many committees devalue the position of the board as a whole and of the members outside the committees. The importance of the entire board is reduced because many decisions have already been made in the committees. This devaluation is not in the interest of good corporate governance because the entire board can only fulfill its responsibilities to a limited extent. The entire board remains responsible for mistakes in the area of non-transferable and irrevocable powers, even if certain tasks can be delegated to a committee.	
<i>Scoring</i>	SMI: Up to 4 committees = 1 point More than 4 committees = 0 points	SMI Mid & Ex SMI Expanded: Up to 3 committees = 1 point More than 3 committees = 0 points

Impact on voting recommendation

Inrate assesses the independence status of the president or chairperson when appointing members to the compensation committee or other functional committees. This person must not be objectively dependent.

3.5 Limitation on committee size

<i>Definition</i>	The articles of association stipulate a maximum number of members on the board of directors.
<i>Source</i>	Current annual report, Articles of Association
<i>Interpretation</i>	The limitation on the size of the board restricts the maximum number of members of the Board of Directors. Once this limit has been reached, the company prevents shareholders from proposing new members for election to the Board of Directors. Since the VegüV came into force, members of the Board of Directors must be elected annually and individually. This gives shareholders more freedom to shape the composition of the Board of Directors. Limiting the size of the board is positive in terms of the effects of an overly large Board of Directors. However, it is still possible to use this instrument as a defense mechanism, unless the plurality principle is applied. This principle states that if more candidates stand for election at a general meeting than the statutory limit allows, those persons who receive the most votes are elected.

Scoring Limitation of committee size ≤ 9 members = 1 point
 No limit on committee size = 0 points

Impact on voting recommendation

Inrate supports proposals to amend the articles of association, particularly if the size of the board of directors is limited to 7 members for smaller companies (outside the SMI Expanded) and to 9 or 12 members for companies in the SMI Mid and SMI respectively . It is important to note that, in the case of multiple candidates, the absolute voting result (plurality principle) is decisive for the composition of the board.

3.6 Limitation of third-party mandates (board of directors)

Definition Number of permissible third mandates for members of the board of directors.

Source Articles of association

Interpretation According to VegüV, the articles of association must contain provisions on the maximum number of third-party mandates permitted for members of the board of directors. The supplementary report states that the number of mandates must be specified or determinable. There is no requirement to differentiate between the materiality of mandates. The only condition is that the mandate must be for a management or administrative body of legal entities that are required to be entered in the commercial register or a corresponding foreign register. In addition to professional and social skills, experience, and willingness to learn, Inrate also considers sufficient availability when appointing members to the board of directors. Assessing the materiality of a third-party mandate is therefore very important in order to estimate the associated effort and time commitment.

Scoring ≤ 10 third-party mandates, of which a maximum of 5 are in listed companies = 1 point
 > 10 third-party mandates and/or more than 5 in listed companies = 0 points

Impact on voting recommendation

Inrate supports motions to amend and supplement the articles of association if the number of permissible, material third-party mandates for members of the board of directors in the highest management or administrative bodies of legal entities that are required to be entered in the commercial register or a corresponding foreign register is normally limited to a maximum of five third-party mandates. Mandates in associations, charitable foundations, employee welfare foundations, or associations are not considered significant. Mandates in own legal entities are not counted as third-party mandates. Multiple mandates in different legal entities of third-party companies that are under the same economic control are considered one third-party mandate. Inrate may grant exceptions if credible reasons for a higher mandate limit are provided. If amendments to the articles of association are not divided according to subject matter or freedom of design, Inrate will weigh up the interests on a case-by-case basis.

3.7 Independence of the board of directors

Definition Inrate distinguishes between three different statuses of independence. The following characteristics are possible: "objectively dependent," "subjectively dependent," or "independent."

A member is considered "independent" if none of the following criteria are met.

A member of the board of directors or candidate is considered "**objectively dependent**" if:

- a.) they are also a member of the executive management;
- b.) they are a shareholder with more than 3% of the capital or votes;
- c.) they are a representative of a shareholder with more than 3% of the capital or votes;
- d.) they are related to the founding family or a member of the Executive Board;
- e.) they are a member of the executive board of another company in which members of the board of directors of the company concerned are members of the board of directors (cross-ownership);
- f.) he is or was a partner of the current auditors;
- g.) he does not represent the interests of the company's shareholders (representative of other stakeholders, e.g., employee representative).

A member of the board of directors or candidate is considered **"subjectively dependent"** if:

- h.) he or she has a potential conflict of interest with another mandate at another company;
- i.) they were a member of the executive board in the past (for a limited period of time);
- j.) he was a partner of the current auditors;
- k.) he or she has significant direct or indirect business relationships with the company or one of its subsidiaries in addition to the mandate. When assessing the significance of business relationships, Inrate takes into account the volume and scope of the transactions and whether they are part of normal business activities;
- l.) he has been in office for more than 15 years;
- m.) it must be assumed that financial and social independence is not guaranteed or that he or she is a representative of a shareholder.

Source Current annual report and other available sources, taking into account new and re-elections

Interpretation The majority of the board of directors should consist of independent members so that it can act impartially. Inrate may consider reassessing the independence status at any time. This is particularly the case if the company can demonstrate that the scope of any business relationships is insignificant. Furthermore, an independent member of the board of directors should not lose their status if they have taken over executive management on an interim basis for a maximum of 12 months in a specific case of a transitional solution.

Scoring

- More than 75% of the members of the board of directors are independent = 4 points
- 66% to 75% of board members are independent = 3 points
- 50% to 66% of board members are independent = 2 points
- Less than 50% of board members are independent = 0 points

Impact on voting recommendation

Inrate requires expertise, social skills, experience, a willingness to learn, a proven track record, and sufficient available time for board membership. Where an individual assessment allows, candidates are evaluated according to their suitability within the board of directors of the company concerned. Information about the candidates must be made available to shareholders in good time. Inrate normally relies on the working methods of the nomination committee.

When appointing members to the Board of Directors, Inrate assesses the impact of the election on the following priorities:

1. Independence of the Board of Directors
2. Size of the Board of Directors
3. Professional competence
4. Diversity
5. Number of significant third-party mandates and participation in meetings
6. Membership in relevant committees
7. Term of office and age

At least half of the members of the board of directors should be independent. Major shareholders must be adequately represented on the board. Major shareholders should also be involved in a functioning shareholder democracy. This also benefits public shareholders, as both their transactions and conflicts of interest must be disclosed.

Inrate pays attention to the effects of new elections or resignations of members of the board of directors. Only in special cases or where the current situation of the company does not allow otherwise can a temporary dependence of the board be accepted. The company must plausibly explain the temporary necessity.

3.8 Independence of the chair of the compensation committee

Definition Independence status of the chair or chairperson of the compensation committee.

Source Current annual report, taking into account new elections and re-elections.

Interpretation The VegüV does not stipulate any requirements regarding the independence of members. The Swiss Code recommends that companies propose independent members for election. Board members who are significant shareholders or represent such shareholders should only serve as members. Members of the Compensation Committee are exposed to conflicts of interest with members of management or executive board members, as their task is to determine compensation. The independence of the chair is therefore of great importance.

Scoring Independent = 1 point
Subjectively dependent = 1 point
Objectively dependent = 0 points

Impact on voting recommendation

Inrate assesses the independence status of the president or chairperson when appointing members to the compensation committee or other functional committees. This person must not be "objectively dependent." A major shareholder could assert excessive interests of their own vis-à-vis public shareholders or members of the executive board. Inrate may reject the election of candidates to the compensation committee if the candidate is a member of the executive board of another company in which members of the board of directors of the company concerned are members of the executive board (cross-ownership).

3.9 Third-party mandates of the Chairman of the Board of Directors

Definition Number of significant third-party mandates held by the current Chairman of the Board of Directors. Third-party mandates are mandates in the highest management or administrative bodies of legal entities that are required to be entered in the commercial register or a corresponding foreign register. Mandates in associations, charitable foundations, employee welfare foundations, or associations are not considered significant. Mandates in own legal entities are not counted as third-party mandates. Multiple mandates in different legal entities of third-party companies that are under the same economic control are considered one third-party mandate. The following counting applies: CEO = 1, Chairman of the Board of Directors = 0.5, and Member of the Board of Directors = 0.25 (mandates in listed companies count double).

Source Current annual report, including additional sources

Interpretation According to Art. 716a of the Swiss Code of Obligations, the members of the board of directors are responsible for the overall management of the company as a non-transferable task. This requires committed individuals with sufficient skills and sufficient time available. In the event of unexpected occurrences, the Chairman of the Board of Directors in particular must be able to perform his or her duties with full commitment and a correspondingly high time commitment. Individuals who hold several board mandates and are already heavily involved in their professional careers are unlikely to be able to muster the necessary resources in such cases.

Scoring Chair of the board has more than one additional significant third-party mandate = 0 points
Chair has 1 or fewer additional significant third mandates = 1 point

Impact on voting recommendation

Inrate supports motions or amendments to the articles of association if the number of permissible, significant third mandates held by members of the board of directors is limited to a maximum of five third mandates. Inrate may reject the election of candidates for the chairmanship if the candidate holds too many significant third mandates. These should not exceed five.

3.10 Number of Board of Directors meetings

Definition The number of meetings or conference calls held by the Board of Directors.

Source Current annual report

Interpretation The board of directors should be kept informed of developments within the company in a timely manner so that it can define the implementation of the strategy and monitor the actions of the executive management. To this end, the entire board must be in close contact with the executive management. To ensure this, at least six board meetings should be held per financial year. The Swiss Code recommends that companies hold at least four meetings.

Scoring Number of meetings ≥ 6 = 1 point
 Number of meetings < 6 = 0 points

Impact on voting recommendation

Normally no direct impact. In extreme cases, Inrate may reject the discharge of the governing bodies or individual members if the frequency of meetings of the board of directors and/or relevant committees is not commensurate with the strategic or operational challenges. Insufficient attendance at meetings by individual members may also lead to rejection.

3.11 Duration of board meetings

Definition The total duration of meetings or conference calls of the entire board of directors calculated in whole days.

Source Current annual report

Interpretation The board of directors bears a great deal of responsibility and is elected annually by the shareholders. In line with their remuneration, they should devote an appropriate amount of time to this important role.

Scoring Meeting duration ≥ 6 days = 1 point
 Meeting duration < 6 days = 0 points

Impact on voting recommendation

Normally no direct impact. In extreme cases, Inrate may reject the discharge of the governing bodies or individual members if the frequency of meetings of the Board of Directors and/or relevant committees is not commensurate with the strategic or operational challenges. Insufficient attendance at meetings by individual members may also lead to rejection.

3.12 Information on meeting duration and individual meeting attendance

Definition The annual report contains information on the duration of meetings and the individual meeting attendance of the members of the board of directors.

Interpretation Board members must have sufficient time to fulfill their board duties. If board members are often absent from meetings, they are not performing their duties adequately. Shareholders should therefore be informed about individual meeting attendance.

Source Current annual report

Scoring Information on meeting duration and individual meeting attendance available = 2 points
 Information on meeting duration or individual meeting attendance available = 1 point
 No information available on individual meeting attendance = 0 points

Impact on voting recommendation

If a board member has a large number of significant third-party mandates and a low attendance rate at meetings, Inrate may reject their re-election.

3.13 Self-evaluation of the board of directors

Definition The board of directors conducts regular self-evaluations. If a self-evaluation is conducted, it should be reported transparently in the annual report.

Source Annual report

Interpretation Through regular self-evaluation, the board of directors conducts an assessment process of the performance ("board performance") and effectiveness of the entire board, its committees, and individual members. In addition, the composition of the board in terms of competencies and diversity can be evaluated at the same time, and a renewal process can be initiated. Board members should thus anticipate mandatory changes due to age or term limits.

Scoring Self-evaluation available and described = 1 point
Self-evaluation not available or insufficiently described = 0 points

Impact on voting recommendation

See 3.7 Independence of the board of directors

3.14 Term limits for the board of directors

Definition The company provides for a term limit for members of the board of directors.

Source Articles of association, organizational regulations

Interpretation A term limit serves to ensure the continuous renewal of the board of directors and prevents dependencies arising from long-term board membership in a company.

Scoring Term limit of maximum 15 years in place = 1 point
No term limits or term limits exceeding 15 years = 0 points

Impact on voting recommendation

See 3.7 Independence of the board of directors

3.15 Dual role of Chair of the Board of Directors/CEO

Definition The roles of Chairman of the Board of Directors and CEO are held by the same person.

Source Current annual report, taking into account any changes after the balance sheet date.

Interpretation As the highest body of the company, the board of directors is responsible, among other things, for actively monitoring the management. To enable this monitoring, the chairmanship of the board of directors and the management should therefore be divided between two different persons. Combining both functions is not conducive to the board of directors' role. The chairman of the board of directors who is also the chairman of the management has a very strong influence on the company and the board of directors. Since the Chairman of the Board of Directors is responsible for providing information to the entire board, it is difficult for the other members to act as a counterweight, even if there is a lead director. As a temporary solution in the event of a vacancy or crisis situation, combining the two roles may make sense, but this should be eliminated after a one-year transition period. The Swiss Code also clearly rejects the dual mandate.

Scoring No dual role of Chairman/CEO = 1 point
Dual role of Chairman/CEO = 0 points

Impact on voting recommendation

In principle, Inrate assesses the election of the chair of the board of directors independently of the candidate's independence status. Inrate welcomes the separate election of the membership and chair functions at the general meeting.

3.16 Proportion of women in management

Definition Number of women in management in relation to the total size of the body.

Source Current annual report.

Interpretation The management board should include both female and male members. Without voluntary consideration of a proportion of women in management, there is a risk that corresponding obligations will be enacted by law.

Scoring No points

Impact on voting recommendation

Normally no direct impact.

3.17 Limitation of third-party mandates (management)

<i>Definition</i>	Number of permissible third mandates for members of the executive board.
<i>Source</i>	Articles of association
<i>Interpretation</i>	According to VegüV, the articles of association must contain provisions on the maximum number of third-party mandates permitted for members of the executive board. The supplementary report states that the number of mandates must be specified or determinable. There is no requirement to differentiate between the materiality of mandates. The only condition is that the mandate must be for a management or administrative body of legal entities that are required to be entered in the commercial register or a corresponding foreign register. A member of the Executive Board should devote themselves fully to their operational duties. However, a third-party mandate can also be a valuable experience.
<i>Scoring</i>	0 or 1 listed third-party mandate = 1 point ≥ 2 listed third-party mandates = 0 points

Impact on voting recommendation

Inrate supports proposals to amend and supplement the Articles of Association if the number of permissible, significant third-party mandates for members of the Executive Board in the highest management or administrative bodies of legal entities that are required to be entered in the commercial register or a corresponding foreign register is normally limited to a maximum of one third-party mandate. Mandates in associations, charitable foundations, employee welfare foundations, or associations are not considered significant. Mandates in own legal entities are not counted as third-party mandates. Multiple mandates in different legal entities of third-party companies that are under the same economic control are considered one third-party mandate. Inrate may grant exceptions if credible reasons for a higher mandate limit are provided. If amendments to the articles of association are not divided according to subject matter or freedom of design, Inrate will weigh up the interests on a case-by-case basis.

3.18 Third-party mandates of the CEO

<i>Definition</i>	Number of significant third-party mandates held by the incumbent CEO. Only mandates from companies and joint ventures are counted. Foundation board mandates or association activities are not taken into account. Mandates exercised ex officio, e.g., at subsidiaries, are also not taken into account. The following counting applies: Chairman of the Board of Directors = 0.5 and member of the Board of Directors = 0.25 (mandates in listed companies count double).
<i>Source</i>	Current annual report, including other sources
<i>Interpretation</i>	The CEO is contractually bound to the company. Therefore, the burden of a third-party mandate must be assessed much more strictly than in the case of the Chairman of the Board of Directors. If the CEO's company supports the mandate for training purposes, we consider it appropriate to reimburse this fee to the company.
<i>Scoring</i>	CEO has 0.5 additional significant third-party mandates or fewer = 1 point CEO has more than 0.5 additional significant third-party mandates = 0 points

Impact on voting recommendation

Inrate supports motions to amend or supplement the articles of association if the number of permissible, significant third-party mandates held by members of the executive board is limited to a maximum of one mandate (excluding subsidiaries and "Ich-AG"). Inrate also supports provisions in the articles of association that aim to ensure that the remuneration earned by members of the executive board for their additional activities is reimbursed to the company.

4 Remuneration and participation models for the board of directors/executive board

4.1 Total remuneration of the Board of Directors in CHF

<i>Definition</i>	The total salary of all members of the Board of Directors is examined. If members of the Executive Board are represented on the Board of Directors and the remuneration for their activities
-------------------	--

on the Board of Directors is not reported separately, it is allocated to the remuneration of the Executive Board. In the case of executive members of the Board of Directors, the remuneration is allocated in full to the Board of Directors.

Source Current annual report

Scoring No points. However, points are awarded for remuneration in relation to EBITDA (see 4.14 Total remuneration of the Board of Directors/Executive Board in relation to EBITDA).

Impact on voting recommendation

Proposals on remuneration policy (consultative or binding) may be rejected if the information presented in the remuneration report is not transparent or the compensation model is not explained in a comprehensible manner. In addition, the remuneration report may be rejected if it does not comply with the law or the articles of association or does not provide for an absolute or relative limit. The use of remuneration components with a strong leverage effect or with too short-term a structure and inappropriate allocation criteria may also result in a negative stance. The proportionality of the remuneration policy to the company's earning power is of central importance. A holistic assessment is carried out, which may also take into account any actual or potential damage to reputation resulting from the compensation model.

4.2 Variable component of the Board of Directors

Definition This refers to the proportion of variable remuneration components in the total remuneration of the Board of Directors. Remuneration for specific committee activities is considered fixed remuneration.

Source Current annual report

Interpret The remuneration of board members faces the dilemma that, on the one hand, it should not affect their independence, but on the other hand, it must ensure that their interests are as closely aligned as possible with those of the shareholders. It therefore seems obvious that board members should only receive fixed remuneration components in cash or share allocations. The revised Swiss Code explicitly recommends this remuneration structure.

Scoring No points

Impact on voting recommendation

See 4.1 Total remuneration of the board of directors in CHF

4.3 Total remuneration of the Chairman of the Board of Directors in CHF

Definition The total remuneration of the Chairman of the Board of Directors.

Source Current annual report

Interpretation The compensation should reflect the workload and risk associated with the position. For chairpersons of the board of directors who are also members of the executive board, the compensation is allocated to the executive board unless the company specifies a different allocation. The next highest compensation on the board of directors is then considered the total compensation of the chairperson of the board of directors.

Scoring **SMI**

Total remuneration of Chairman of the Board of Directors up to CHF 1,000,000 = 2 points
Total compensation for chairpersons between CHF 1,000,000 and 2,000,000 = 1 point
Total remuneration of Chairman of the Board of Directors above CHF 2,000,000 = 0 points

SMI Mid

Total remuneration of the chairperson up to CHF 450,000 = 2 points
Total remuneration of the chairperson between CHF 450,000 and 900,000 = 1 point
Total remuneration of the chair of the board of directors above CHF 900,000 = 0 points

Ex SMI Expanded

Total remuneration of the chairperson up to CHF 200,000 = 2 points

Total remuneration of the chairperson between CHF 200,000 and 350,000 = 1 point

Total remuneration of the chair of the board of directors above CHF 350,000 = 0 points

Impact on voting recommendation

See 4.1 Total remuneration of the Board of Directors in CHF

4.4 Total remuneration of the Executive Board in CHF

Definition The total salary of all members of the Executive Board is examined. If members of the Executive Board are also members of the Board of Directors and the remuneration for their activities on the Board of Directors is not reported separately, it is allocated to the remuneration of the Executive Board. In the case of executive members of the Board of Directors, the remuneration is allocated in full to the Board of Directors.

Source Current annual report

Scoring No points. However, points are awarded for remuneration in relation to EBITDA (see 4.14 Total remuneration of the Board of Directors/Executive Board in relation to EBITDA).

Impact on voting recommendation

Proposals on remuneration policy (consultative or binding) may be rejected if the information presented in the remuneration report is not transparent or the compensation model is not explained in a comprehensible manner. In addition, the remuneration report may be rejected if it does not comply with the law or the articles of association or does not provide for an absolute or relative limit. The use of remuneration components with a strong leverage effect or with too short-term a structure and inappropriate allocation criteria may also result in a negative stance. The proportionality of the remuneration policy to the company's earnings power is of central importance. A holistic assessment is carried out, which may also take into account any actual or potential damage to reputation resulting from the compensation model.

4.5 Variable component for executive management

Definition This refers to the proportion of variable remuneration components in the total remuneration of management.

Source Current annual report

Interpretation Numerous studies have shown a positive correlation between performance-related pay and corporate success. A market-based fixed salary should be supplemented by variable cash compensation, provided that the company's results allow this. We also believe that a balanced compensation model with a variable salary component has a positive effect on corporate success.

Scoring Variable component present = 1 point
No variable component = 0 points

Impact on voting recommendation

See 4.4 Total remuneration of the Executive Board in CHF

4.6 Total compensation of CEO in CHF

Definition The total remuneration of the CEO. In the case of chairpersons of the board of directors who are also members of the executive board, the remuneration is allocated to the executive board unless the company specifies a breakdown.

Source Current annual report

Interpretation Remuneration should reflect the success, effort, and risk of the position. The limits and gradations were chosen by Inrate because the team considers remuneration in these ranges to be appropriate. If the highest remuneration in the Executive Board does not belong to the CEO, the highest reported remuneration is used for the assessment.

Scoring

SMI

Total compensation for CEO up to CHF 3,600,000 = 3 points
Total compensation for CEO between CHF 3,600,000 and 5,000,000 = 2 points
Total compensation of CEO between CHF 5,000,000 and 10,000,000 = 1 point
Total compensation of CEO above CHF 10,000,000 = 0 points

SMI Mid

Total CEO compensation up to CHF 1,500,000 = 3 points
Total CEO compensation between CHF 1,500,000 and 3,000,000 = 2 points
Total CEO compensation between CHF 3,000,000 and 6,000,000 = 1 point
Total compensation of CEO above CHF 6,000,000 = 0 points

Ex SMI Expanded

Total CEO compensation up to CHF 700,000 = 3 points
Total CEO compensation between CHF 700,000 and 1,100,000 = 2 points
Total CEO compensation between CHF 1,100,000 and 2,000,000 = 1 point
Total compensation of CEO above CHF 2,000,000 = 0 points

Impact on voting recommendation

See 4.4 Total remuneration of the Executive Board in CHF

4.7 Shareholding per member of the Executive Board

Definition The amount of pure shareholding in the company in CHF that each member of the Executive Board holds or represents on average.

Source Current annual report

Interpretation Share ownership increases the interest of members of the Executive Board in the long-term success of the company.

Scoring Shareholding per member of the Executive Board greater than CHF 300,000 = 1 point
Shareholding per member of the Executive Board less than CHF 300,000 = 0 points

Impact on voting recommendation

Normally no impact

4.8 Classic share program VR

Definition Under a share program, members of the board of directors receive part of their compensation (fixed or variable) through a classic share ownership program or have the option to purchase shares. Synthetic share ownership plans are also classified as classic share programs if they do not entail any subsequent adjustments or leverage effects.

Source Current annual report

Interpretation In their role as shareholders, members of the board of directors have an additional interest in the long-term success of the company. We welcome the allocation of ordinary shares. By purchasing shares, members of the board of directors place themselves on an equal footing with their shareholders.

Scoring Share program for board members = 1 point
No share program or an option or option-like program for board members = 0 points

Impact on voting recommendation

See 4.1 Total remuneration of the Board of Directors in CHF

4.9 Relative or absolute remuneration caps

Definition The articles of association provide for relative (e.g., as a percentage of fixed compensation) or absolute (in CHF) compensation caps for members of the board of directors or executive management. The total variable compensation may not exceed five times the fixed compensation.

<i>Source</i>	Articles of association, annual report
<i>Interpretation</i>	Remuneration caps increase the predictability of a remuneration system. For companies that have opted for a prospective approval mechanism, setting an absolute maximum amount is unavoidable. Relative remuneration caps usually refer to the fixed salary. In our opinion, shares held by members of the board of directors or executive management, through which they are fully exposed to economic opportunities and risks, should not be affected by caps. This also applies if these remunerations are paid in advance.
<i>Scoring</i>	Exists and is not higher than 5 times the fixed remuneration = 1 point Not present = 0 points

Impact on voting recommendation

Inrate may reject amendments or additions to the articles of association if the associated compensation policy does not provide for an absolute or relative limit.

4.10 Management participation programs

Definition Under a traditional share program, members of the executive board receive part of their compensation in shares or have the option to purchase shares. Synthetic share participation plans are also classified as traditional share programs if they do not allow for any subsequent adjustments and do not result in significant leverage. Members of the executive board receive part of their compensation (fixed or variable) in such instruments as part of an option or option-like participation program, or have the option to purchase them.

Source Current annual report

Interpretation Like the members of the board of directors, members of the executive board also have an interest in the long-term success of the company as shareholders. In addition, by purchasing shares, members of the executive board place themselves on the same level as their shareholders and tend to be more understanding of their concerns. The structure of options or option-like participation programs often involves leverage and can therefore create false incentives for members of the executive board. This could lead to a focus on short-term success for the company, which is not in the interests of shareholders who think long term.

Scoring Share program = 2 points
Equity program with performance targets but without strong leverage = 1 point
No share program or an option or option-like program = 0 points

Impact on voting recommendation

Inrate recommends that companies use traditional share participation programs without leverage, time limits, or expiry dates. Such long-term participation programs can be approved prospectively.

4.11 ESG criterion in the remuneration system

Definition Sustainability criteria and ESG criteria are available as target values for variable remuneration.

Source Current annual report

Interpretation Corporate decisions that strengthen the long-term viability of companies and reduce reputational risks can be encouraged through appropriate incentive mechanisms in remuneration systems. ESG criteria can act as a lever for focusing on sustainable action. Valid (specific, measurable, and relevant) targets should be formulated.

Scoring An ESG criterion is disclosed in the remuneration report and both the weighting and the exact target value are comprehensible → **Present and measurable = 2 points**
An ESG criterion is disclosed in the remuneration report, but the weighting and/or the exact target value is unclear. → **Present but not measurable = 1 point**
No ESG criterion is disclosed in the remuneration report = 0 points

Impact on voting recommendation

Inrate approves amendments or additions to the articles of association, in particular if this anchors the goal of sustainable corporate development.

4.12 Minimum shareholding

Definition There are rules requiring members of the executive board and/or board of directors to hold a certain number of shares or a certain value of shares. This share is usually reported in relation to the base salary.

Source Current annual report

Interpret An alignment of interests between principal and agent can be achieved by linking the agent's assets to the share price. Rules on minimum share ownership serve to ensure that agents must build up and maintain a share portfolio.

Scoring Rules in place = 1 point
Rules not in place = 0 points

Impact on voting recommendation

Inrate recommends that companies use traditional share ownership programs without leverage effects, time limits, or expiry dates. Such long-term share ownership programs can be approved prospectively.

4.13 Long-term orientation of the remuneration model

Definition The compensation model is geared towards the long term. Share programs are subject to a minimum lock-up period of three years. Option programs are subject to a minimum lock-up period of five years.

Source Current annual report

Interpretation The compensation model should be geared toward sustainable success. With short-term incentive systems, there is a risk that the system can be undermined by one-sided optimization measures. We consider a time horizon of at least three years for stock programs and at least five years for options to be long term. Performance shares are synthetic shares that have option characteristics. We have outlined the disadvantages of options in another criterion (see 4.10 Management participation programs). In this criterion, we assess their long-term nature. Option programs with a term of at least five years are considered long-term.

Scoring Long-term = 1 point
Not long-term = 0 points

Impact on voting recommendation

See 4.1 Total remuneration of the Board of Directors in CHF and 4.4 Total remuneration of the Executive Board in CHF

4.14 Total remuneration of the Board of Directors/Executive Board in relation to EBITDA

Definition The compensation of the members of the Board of Directors and Executive Board in relation to EBITDA/gross profit.

Source Current annual report

Interpretation The compensation paid to members of the board of directors and executive management should be in healthy proportion to the company's operating performance. For this reason, the payout ratio is considered here as a percentage of EBITDA (operating profit before interest, taxes, depreciation, and amortization). The higher the payout to executives, the less profit and thus dividends accrue to shareholders. For banks, gross profit is used instead of EBITDA. Large-cap companies with correspondingly higher absolute EBITDA are relatively advantaged by this criterion. However, this is offset by the consideration of the absolute compensation of

the chairman of the board of directors and CEO. See 4.3 Total remuneration of the Chairman of the Board of Directors in CHF , 4.6 Total compensation of CEO in CHF .

Scoring Compensation less than 3% of EBITDA = 1 point
Compensation greater than 3% of EBITDA = 0 points

Impact on voting recommendation

See 4.1 Total remuneration of the Board of Directors in CHF and 4.4 Total remuneration of the Executive Board in CHF

4.15 Transparency Remuneration model

Definition The compensation and participation model for the management bodies is disclosed and the information presented is transparent and clearly laid out. In particular, the allocated shares are disclosed at their actual market value and not at their tax value. The assumptions used to value any options are disclosed transparently in the compensation report and described in the Articles of Association. This also applies to the criteria used to calculate variable compensation.

Source Current annual report

Interpretation The transparency of the compensation and participation model contributes to a better understanding of the company. Shareholders need to know what successes the board of directors and management are being rewarded for. The compensation report should set out the key criteria used to calculate the variable compensation components.

Scoring High transparency = 2 points
Medium transparency = 1 point
Low transparency = 0 points

Impact on voting recommendation

See 4.1 Total remuneration of the Board of Directors in CHF and 4.4 Total remuneration of the Executive Board in CHF

4.16 Comprehensibility of the remuneration model

Definition The remuneration model is explained in a way that is understandable and comprehensible to investors. A subjective assessment is made by the responsible analyst at Inrate.

Source Current annual report

Interpretation The comprehensibility of the compensation and participation model contributes to a better understanding of the company. Shareholders need to know what successes the board of directors and management are being rewarded for. The compensation and participation model should be understandable to familiar shareholders.

Scoring High comprehensibility = 2 points
Average comprehensibility = 1 point
Low comprehensibility = 0 points

Impact on voting recommendation

See 4.1 Total remuneration of the Board of Directors in CHF and 4.4 Total remuneration of the Executive Board in CHF

5 Sustainability and information policy

5.1 ESG Impact Rating

Definition Sustainability assessment according to the Inrate ESG Impact Rating. ESG stands for Environment, Social and Governance. These are the three main areas on which a company's sustainability assessment is based. Inrate's sustainability analyses measure the social and environmental impact of products and services throughout their entire life cycle – from procurement and production to use and disposal. Companies are analyzed and rated according to the following

categories: A ("sustainable or in transition to sustainability"), B ("on the path to sustainability"), C ("not sustainable, but with little impact on society and the environment") or D ("not sustainable").

Source Inrate AG

Interpretation Companies should align their business activities with long-term value creation, taking into account opportunities and risks. The Inrate ESG Impact Rating is a key metric for assessing sustainable corporate development.

Scoring Sustainable (A or B) = 1 point
Not sustainable (C or D) = 0 points

Impact on voting recommendation

Inrate supports motions if they lead to improvements and strengthen corporate governance and/or sustainability performance. Inrate may refuse to grant discharge to the executive bodies if there are concrete indications of harmful illegal or immoral behavior that could cause lasting damage to the company's reputation. Inrate may also refuse to grant discharge if a company does not score any points in the sustainability assessment (category 5.1).

5.2 Involvement in controversies

Definition Assessment of involvement in controversies according to Inrate Controversy Involvement. Inrate Controversy Involvement is Inrate's assessment of companies' involvement in controversial business practices (e.g., human rights violations, corruption, etc.) in the areas of environment, society, and governance. Controversial business practices are identified through weekly media screening and annual company screening and assessed according to their severity. Controversial business practices are given a time discount. The Inrate Controversy Involvement represents the summary of all controversial business practices of a company and is rated according to the following categories: "Very high," "High," "Medium," "Low," "Insignificant."

Source Inrate AG

Interpretation Companies should avoid violations of laws and standards (e.g., international treaties, embargoes, sanctions, etc.) and behave ethically (e.g., no human rights violations, no corruption, etc.). Companies' involvement in such controversial business practices is recorded and assessed by Inrate Controversy Involvement.

Scoring No or insignificant involvement in controversies = 1 point
Involvement in significant controversies = 0 points

Impact on voting recommendation

See 5.1 ESG Impact Rating

5.3 Human rights policy

Definition Existence of a human rights policy whereby companies commit to upholding and protecting human rights. The policy should declare their support for the principles of the United Nations Universal Declaration of Human Rights. The Universal Declaration of Human Rights affirms principles to which every human being is entitled (e.g., protection from discrimination, prohibition of torture and slavery, freedom of expression and assembly). Several documents based on the Universal Declaration of Human Rights address corporate responsibility, e.g., the UN Guiding Principles on Business and Human Rights.

Source Company website

Interpretation According to the UN Guiding Principles on Business and Human Rights, companies have a responsibility to respect human rights and there is a right to redress in the event of human rights violations by companies. Companies commit to these principles by means of a human rights policy. Respect for human rights is a key prerequisite for sustainable development.

Scoring Human rights policy in place = 1 point
No human rights policy in place = 0 points

Impact on voting recommendation

See 5.1 ESG Impact Rating

5.4 Information on CO2 targets e n

Definition The existence of targets for reducing CO2 emissions (Scope 1, 2, and/or 3). CO2 is the most significant greenhouse gas contributing to the anthropogenic greenhouse effect. Targets may also include other greenhouse gases such as methane or nitrous oxide. A reduction target is then reported in the form of CO2 equivalents (CO2-eq). CO2 targets can relate to Scope 1 emissions (direct emissions from the company, e.g., use of fossil fuels or the company's own vehicle fleet), Scope 2 emissions (indirect emissions from the generation of purchased energy), and/or Scope 3 emissions (indirect emissions resulting from the activities of the company's value chain but not owned or controlled by it).

Source Company website

Interpretation CO2 emission targets are an indication that a company actively monitors, manages, and attempts to reduce its greenhouse gas emissions. Reducing CO2 emissions is key to limiting the consequences of global warming for people and the environment.

Scoring Information on CO2 targets with tracking or target achievement available = 1 point
No information on CO2 targets available or insufficient tracking of targets = 0 points

Impact on voting recommendation

See 5.1 ESG Impact Rating

5.5 Non-financial reporting

Definition Non-financial reporting should follow a recognized international standard (e.g., GRI, ESRS) and be (partially) audited externally by an independent auditing firm.

Source Current annual report, sustainability report, or other publicly available documents

Interpretation Non-financial reporting in accordance with a recognized international standard increases the comparability of ESG disclosures. In addition, external auditing of non-financial reporting increases the credibility of the disclosed data and targets.

Scoring Non-financial reporting follows a recognized standard and has been (partially) externally audited = 1 point
Non-financial reporting does not follow a recognized standard and/or has not been externally audited = 0 points

Impact on voting recommendation

See 5.1 ESG Impact Rating

5.6 Sanction decisions by SIX

Definition SIX Exchange Regulation carries out the tasks specified by federal law and the rules issued by the Regulatory Board and monitors compliance with them. It imposes sanctions to the extent that the regulations grant it this authority, or submits sanction requests to the Sanctions Commission. Properly imposed fines, reprimands, or settlements during the last three years apply.

Source SIX Exchange Regulation

Interpretation Listing on the SIX Swiss Exchange entails various obligations, and SIX Exchange Regulation checks that these are carefully complied with. Violations of these obligations harm public shareholders and other market participants because they are borne by the shareholder.

Scoring No points

Impact on voting recommendation

Normally no direct impact. Inrate may reject the discharge of the governing bodies or individual members if the board of directors or executive management can be accused of serious shortcomings, particularly with regard to the non-transferable duties of the board of directors or executive management. It is also possible to refuse discharge if the communicated objectives cannot be met.

5.7 Whistleblower reporting offices

Definition Specific internal or external reporting channels (e.g., telephone or online channels) provided by the employer for whistleblowing or reporting identified misconduct.

Source Current annual report or other publicly available documents

Interpretation Abuses, irregularities, or conduct that is damaging to the business, dishonest, or unethical in companies are often identified by employees or other persons with access to information. It should be possible to report suspicious circumstances to an appropriate body. Whistleblowing as a warning system is therefore an important tool in corporate governance for risk reduction. The identity of the whistleblower or informant must be treated confidentially.

Scoring Whistleblower reporting centers available = 1 point
Whistleblower reporting centers not available = 0 points

Impact on voting recommendation
Normally no direct impact.

5.8 Articles of association on the website

Definition The company's articles of association are published on the website.

Source Company website

Interpretation The articles of association form the basic law of a company. They are required by law for both stock corporations and other forms of companies and must contain certain minimum information. Shareholders, and potential shareholders in particular, can obtain information about the applicable statutory rules within the company at any time. The revised Swiss Code recommends that companies publish their articles of association on their website in written or electronic form at all times.

Scoring No points

Impact on voting recommendation
Normally no direct impact. However, the question arises as to how an invitation to the AGM can be analyzed without the current articles of association being accessible electronically.

5.9 Code of Conduct on the website

Definition The company's code of conduct is published on the website.

Source Company website

Interpretation Shareholders, and potential shareholders in particular, can find out about the company's ethical standards at any time. The Code of Conduct describes these principles and values, making it an important document in any sustainability strategy.

Scoring Code of Conduct is published on the website = 1 point
Code of Conduct is not published on the website = 0 points

Impact on voting recommendation
Normally no direct impact.

5.10 Organizational regulations on the website

Definition The organizational regulations are published on the website.

<i>Source</i>	Company website
<i>Interpretation</i>	According to the articles of association, the organizational regulations are an important document in which all issues that do not need to be included in the articles of association can be regulated, particularly for the top management level. Upon request, the board of directors must inform shareholders in writing about the organization of management.
<i>Scoring</i>	Organizational regulations are published on the website = 1 point Organizational regulations are not published on the website = 0 points
<i>Impact on voting recommendation</i>	
Normally no direct impact.	

5.11 Information content of the AGM minutes

<i>Definition</i>	The detailed minutes of the ordinary general meeting should contain information on voting results, including abstentions, and information on comments made. Each agenda item should be listed with the detailed voting result in percent and absolute numbers.
<i>Source</i>	Company website
<i>Interpret</i>	Shareholders must be able to understand how resolutions were reached. In particular, detailed minutes of resolutions show the quorums at which decisions were made and contain information about comments made by shareholders.
<i>Scoring</i>	Minutes of the AGM are published with complete voting results, including abstentions and information about comments made = 1 point AGM minutes are published with incomplete voting results (without abstentions) and/or do not contain any information about comments made = 0 points
<i>Impact on voting recommendation</i>	
Normally no direct impact. However, the question arises as to how shareholders can follow the results and resolutions of a general meeting without access to informative minutes of the meeting in electronic form.	

5.12 Ad hoc -Publicity Rating

<i>Definition</i>	strique GmbH systematically evaluates the capital market communications of listed Swiss companies using the Ad Hoc Publicity Rating, based on ad hoc announcements, other media releases, and the events announced therein. The ad hoc publicity rating consists of two components. The announcement rating (A rating) evaluates the number of press releases published (including ad hoc announcements). The Event Rating (E-Rating) evaluates the number of economically significant events announced therein. The Ad Hoc Publicity Rating ultimately consists of 2/3 of the E-Rating and 1/3 of the A-Rating.
<i>Source</i>	strique GmbH
<i>Interpretation</i>	Companies listed on SIX are required to publish price-sensitive events immediately in order to bring all interested market participants to the same level of information. Examples of typically price-sensitive events include the publication of financial figures, personnel changes at the executive and board level, and acquisitions. However, SIX does not provide a definitive list of events that require an ad hoc announcement. It is therefore at the discretion of the companies to decide whether or not an event is price-sensitive. Price-sensitive events are those that could change the price of a share beyond normal trading fluctuations. The strique E-Rating provides information on how often a company informs market participants about typically price-sensitive events. In addition, companies use press releases to provide information on other matters that are more or less price-sensitive. In order to take account of these individual disclosure practices and company-specific circumstances, the strique A rating also records the number of press releases published (including ad hoc announcements). The higher the rating, the more extensively the company informs the public about its business activities on an ongoing basis.

Scoring Above-average ad hoc publicity rating within the peer group (based on index membership) = 1 point
 Below-average ad hoc publicity rating within the peer group (based on index membership) = 0 points

Impact on voting recommendation
Normally no direct impact.