

## Media Release

24 September 2010

### SIX Exchange Regulation

SIX Swiss Exchange Ltd  
Selnaustrasse 30  
P.O. Box  
CH-8021 Zurich

T +41 58 854 2675

F +41 58 854 2710

[pressoffice@six-group.com](mailto:pressoffice@six-group.com)

[www.six-exchange-regulation.com](http://www.six-exchange-regulation.com)

### **SIX Swiss Exchange Ltd Sanction Commission reprimands Sulzer Ltd**

**The SIX Swiss Exchange Ltd Sanction Commission has reprimanded Sulzer Ltd for breaching the disclosure provisions of the Directive on Information Relating to Corporate Governance in its 2008 annual report and for failing to meet a regular reporting obligation.**

According to the Directive on Information Relating to Corporate Governance (the Directive), issuers must publish certain information relating to their corporate governance in their annual report. The Sanction Commission found that Sulzer Ltd (Sulzer) had breached the rules in its annual report for 2008 by omitting some of the required information.

The Directive demands among other things, that details be given of the content and method for determining the compensation paid to the members of the board of directors and executive board. These details must be provided in a form that is clear and comprehensible for market participants. The Sanction Commission decided that Sulzer's description of its compensation systems for the board of directors and the executive board was too brief and that further statements needed to be added. In particular, Sulzer had used terms in connection with compensation that were not explained in further detail, and it also omitted certain information regarding the weighting of compensation components.

The Sanction Commission identified further minor breaches concerning the information on changes in capital during one of the previous three reporting years and the description of non-audit services.

As a secondary point in addition to the above breaches of the regulations regarding corporate governance, the Sanction Commission also criticized Sulzer for failing to meet a regular reporting obligation. Sulzer did not inform SIX Exchange Regulation correctly of a change in the chairman of its board of directors.

In considering the sanction, the Sanction Commission has taken into account the gravity of the breach, the degree of fault and the issuer's sensitivity to a penalty.

SIX Exchange Regulation's Directive Corporate Governance (DCG) obliges issuers to publish key aspects regarding their top management, including the composition of the highest governing bodies, how they interact and how they are compensated, the auditing body and the shareholders' participation rights. This information helps investors to assess the properties of securities and the quality of issuers.

For more information on corporate governance, please visit:

[http://www.six-exchange-regulation.com/obligations/governance\\_en.html](http://www.six-exchange-regulation.com/obligations/governance_en.html)

Information on reporting obligations can be found at:

[http://www.six-exchange-regulation.com/obligations/reporting\\_en.html](http://www.six-exchange-regulation.com/obligations/reporting_en.html)

This sanction decision and earlier sanctions relating to corporate governance and regular reporting obligations can be found at:

[http://www.six-exchange-regulation.com/enforcement/sanction\\_decisions\\_en.html](http://www.six-exchange-regulation.com/enforcement/sanction_decisions_en.html)

Should you have any questions, please feel free to contact Werner Vogt, Head Media Relations.

Phone: +41 58 854 2675

Fax: +41 58 854 2710

E-mail: [pressoffice@six-group.com](mailto:pressoffice@six-group.com)

### **SIX Exchange Regulation**

SIX Exchange Regulation performs the functions assigned under Swiss federal law and enforces and monitors compliance with the rules laid down by the Regulatory Board. SIX Exchange Regulation imposes sanctions in so far as it is authorised to do so by the regulations, or submits sanction requests to SIX Swiss Exchange's Sanction Commission.

SIX Exchange Regulation's independence from SIX Swiss Exchange's operating business is guaranteed by its direct subordination to the Chairman of the Board of Directors of SIX Group. SIX Exchange Regulation consists of the divisions Listing & Enforcement, responsible for regulating issuers, and Surveillance & Enforcement monitoring trading.

### **Sanction Commission**

The Sanction Commission can impose sanctions on natural and legal persons who/which are subject to the General Conditions of SIX Swiss Exchange, the Listing Rules and the Additional Rules. It is composed of between five and eleven members. The Chairman of the Sanction Commission and half of its members are elected by the Regulatory Board, with the remaining members appointed by the Board of Directors of SIX Group Ltd.