

zRating Governance Services

Introduction

Under its label zRating, Inrate provides governance services. zRating has been engaged in improving corporate governance in Switzerland since 2011. We support mostly institutional clients in the exercise of their voting rights by providing transparent and comprehensive voting recommendations and corporate governance research. Clients access voting recommendations, data on corporate governance and generate their own customized voting reports on an online platform. In addition, zRating enters in dialogue with all companies analyzed to clarify positions and improve corporate governance.

Key Benefits

- **Experience** – zRating has been offering comprehensive proxy voting services for Swiss equities since 2011 and we cover all companies of the Swiss Performance Index (SPI);
- **Competence** - Due to its high level of competence in the field of corporate governance and as an expert on Swiss peculiarities, zRating is recognized for its expertise both in practice and in science.
- **Reputation** - zRating represents shareholders' interests undogmatically but consistently. It has achieved a high level of acceptance in the Swiss market with its fact-based and transparent voting recommendations.
- **Influence**- zRating represents around 5% of the votes at the general meetings in Switzerland.
- **Integrity** - zRating is independent and has no conflicts of interest since it does not advise companies or manage assets. The data acquisition and analysis are carried out exclusively in-house. As part of the corporate governance ratings, a systematic dialogue is conducted with the companies with the aim of ensuring quality and improving corporate governance;
- **Awareness** - zRating enjoys a high level of awareness in the Swiss market thanks to its high media presence and the annual Corporate Governance study published annually.
- **Excellent customer support** - Customer-friendly online platform as well as fast and uncomplicated customer support thanks to local presence.

Methodology

Our voting recommendations are based on two documents that are made publicly available on our homepage: the voting guideline and the criterion catalogue. The voting guideline is the authoritative reference for exercising voting and participation rights. The guideline is aligned with the long-term interests of the company and its shareholders. The criterion catalogue is used for evaluating corporate governance. A company's rating can vary from 0 to 100 points. It contains 59 quantitative and qualitative criteria from four categories:

- Shareholders and capital structure
- Shareholders' participation rights
- Composition board of directors/management and information policy
- Compensation and participation model

Through this framework we are able to depict comprehensively the principal-agent problems between shareholders, the Board of Directors and the Executive Board. We update these documents annually and adjusting them to the developments of national and international corporate governance.

Principles

zRating adheres to the following principles in the assessment of corporate governance:

- "One share - one vote" - alignment of cash flow and voting rights
- Contemporary shareholders' participation rights
- Competence, independence and diversity of the Board of Directors
- No clauses for allegedly protecting the management
- Transparent and comprehensible communication and information policy
- Comprehensive consideration of the compensation model

Global solutions for pension funds and institutional investors

	Standard	Pro	Voting
Detailed overview of all general meetings (including documents)	X	X	X
Details on board of directors of all companies	X	X	X
Latest zRatings (corporate governance ratings) of all companies	X	X	X
Voting recommendations for general meetings	X	X	X
Detailed rationale for voting recommendations	X	X	X
Notification of upcoming General Meetings of Shareholders	X	X	X
Delivery of the zRating study	X	X	X
Scanning and archiving of voice behavior		X	X
Generation of voting reports		X	X
Preparation of voting reports in various degrees of detail		X	X
Access for board of trustees and reading accounts possible		X	X
Exercise and supervision of the duty to vote by zRating			X

About inrate

Inrate is a leading independent sustainability ratings provider based in Switzerland. Since 1990, we link our in-depth sustainability analysis with innovative investment solutions for the financial markets. Our ratings are a measure of the impact companies have with their behavior and products on society and the environment as well as their willingness and ability to effectively tackle the corresponding challenges.

Your contact

Christophe Volonté
 Head Corporate Governance
christophe.volonte@inrate.com
 +41 58 344 00 42

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Zurich Office
 Inrate AG
 Binzstrasse 23
 CH-8045 Zürich
 Tel. +41 58 344 00 00
info@inrate.com
www.inrate.com

Geneva Office
 Inrate SA
 Rue de Berne 10
 CH-1201 Genève
 Tel. +41 58 344 00 00
info@inrate.com
www.inrate.com

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