

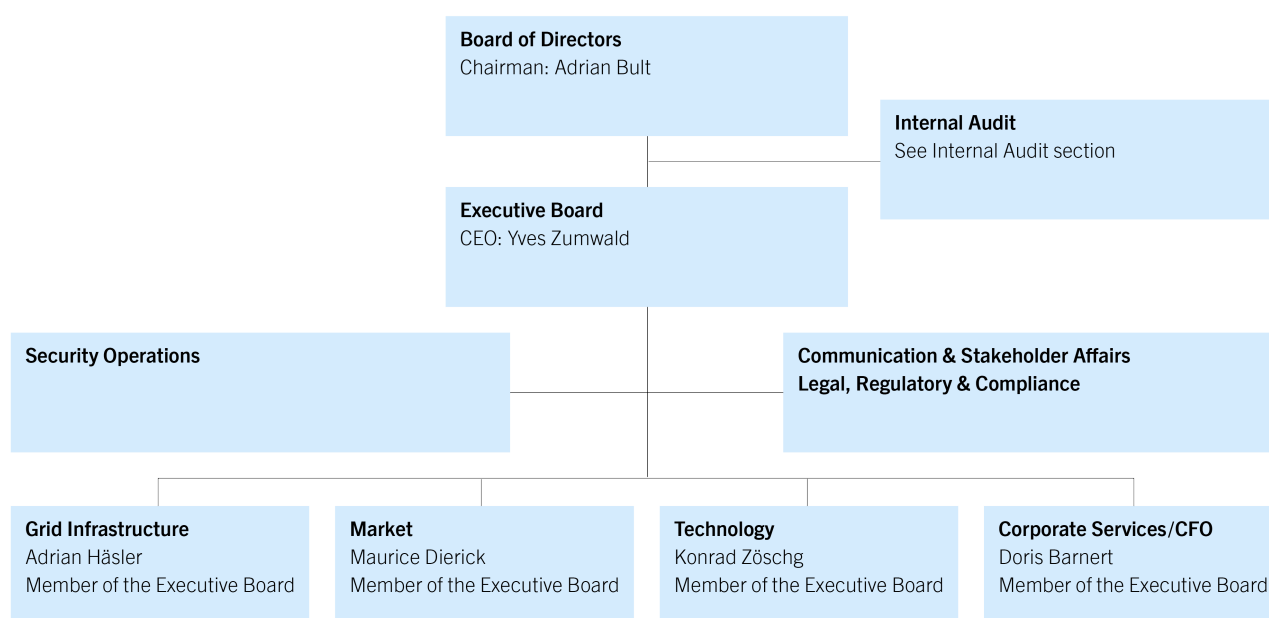
# Corporate Governance

The Board of Directors and the Executive Board of Swissgrid Ltd (hereinafter Swissgrid) place great importance on good corporate governance. The following lists are based on the Swiss Code of Best Practice for Corporate Governance. All information relates to the reporting date of 31 December 2022, unless specified otherwise.

## Corporate structure and shareholders

### Corporate structure

Swissgrid's corporate structure is shown below:



The shareholdings of Swissgrid are listed in paragraph 12 of the notes on the statutory financial statements. Swissgrid holds 100% of the shares in the non-consolidated subsidiary Pronovo AG. In accordance with Art. 64 of the Energy Act, Pronovo AG is the responsible enforcement agency for guarantees of origin, the feed-in tariff system (FTS and CRF), one-off remuneration activities and additional cost financing. It is also responsible for the collection of grid premiums in this respect. Pronovo AG prepares separate annual reports, which can be accessed at [www.pronovo.ch](http://www.pronovo.ch).

### Shareholders

The following companies are Swissgrid shareholders as at 31 December 2022: Aare Versorgungs AG (AVAG), Alpiq Suisse SA, Axpo Power AG, Axpo Solutions AG, Azienda elettrica ticinese, Aziende Industriali di Lugano (AIL) SA, BKW Energie AG, BKW Netzbeteiligung AG, CKW AG, Electra-Massa AG, Elektrizitätswerk der Stadt Zürich, Elektrizitätswerk Obwalden, EnAlpin AG, Engadiner Kraftwerke AG, FMV SA, Forces Motrices de Mauvoisin SA, Forces Motrices Hongrin-Léman S.A. (FMHL), General Electric Technology GmbH, Grande Dixence SA, IWB Industrielle Werke Basel, the Canton of Graubünden, Kraftwerke Linth-Limmern AG (KLL), Kraftwerke Mattmark AG, Kraftwerke Sarganserland

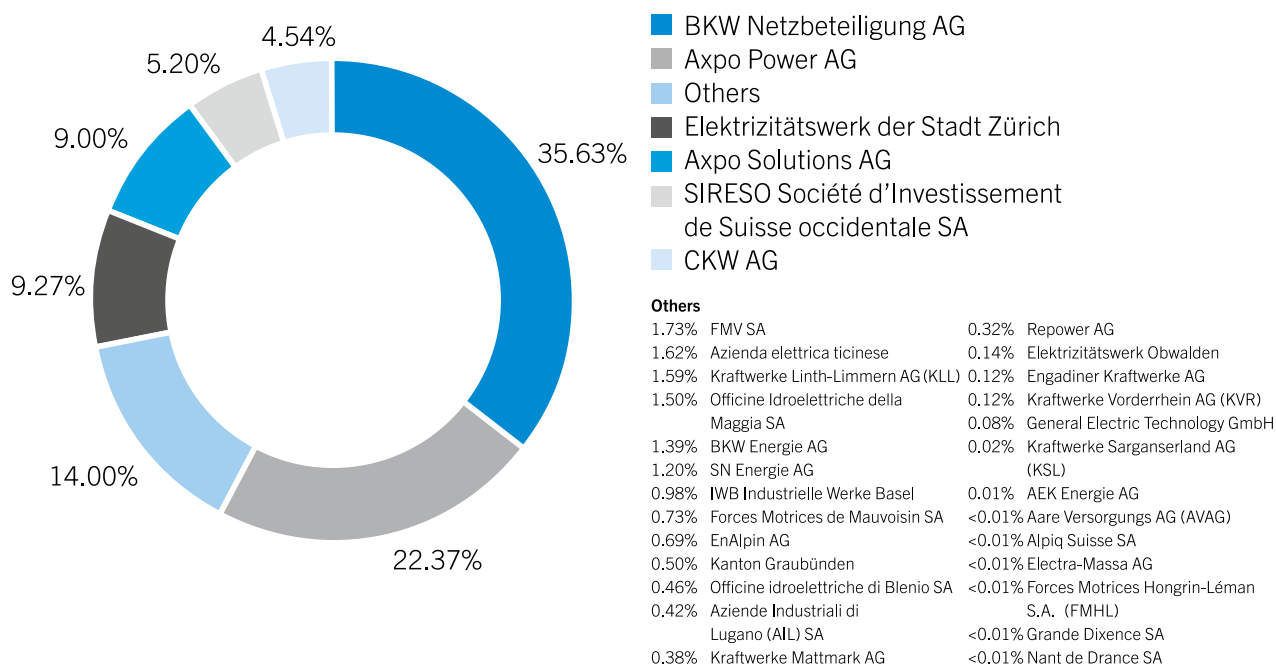
AG (KSL), Kraftwerke Vorderrhein AG (KVR), Nant de Drance SA, Officine Idroelettriche della Maggia SA, Officine idroelettriche di Blenio SA, Repower AG, SIRESO Société d'Investissement de Suisse occidentale SA and SN Energie AG. Together, they hold 100% of Swissgrid's share capital as at 31 December 2022. Swissgrid is directly or indirectly majority-owned by the cantons and the municipalities. The current shareholder structure can be viewed online at [www.swissgrid.ch](http://www.swissgrid.ch).

## Cross shareholdings

No cross shareholdings currently exist.

## Swissgrid ownership structure

As at 31 December 2022 (all figures rounded)



## Capital structure

### Capital and restriction on transferability

The ordinary share capital as at 31 December 2022 consists of 334,495,151 registered shares with a nominal value of CHF 1 per share (divided into 167,247,576 A registered shares and 167,247,575 B registered shares). The conditional share capital as at 31 December 2022 consists of a maximum of 112,939,487 fully paid-up registered shares (half A registered shares and half B registered shares), each with a nominal value of CHF 1. The conditional share capital relates to received convertible bonds that Swissgrid used to finance the transfer of the transmission grid. Creditors can exercise conversion rights over a maximum of 20 years. Shareholders have no pre-emptive rights. Shareholder advance subscription rights are also excluded, as the convertible bonds are financing the takeover of grid companies transferred as contributions in kind or individual system elements, or the simple and rapid improvement of Swissgrid's capital resources.

No authorised capital exists. According to Art. 18 Para. 5 of the Electricity Supply Act, the company's shares may not be listed on a stock exchange. The Board of Directors maintains a share register listing the names and addresses of the owners and beneficiaries. Only shareholders or beneficiaries listed in the share register are recognised by the company and are authorised to exercise their shareholder

rights. The status of the entries in the share register on the 20th day prior to the General Assembly is decisive for determining entitlement to participation and representation at the General Assembly. According to Art. 18 Para. 3 of the Electricity Supply Act, the majority of the share capital and the associated voting rights must be directly or indirectly held by the cantons and municipalities. In the event of share transfers (sale, gift, exercise of pre-emptive rights and purchase rights, etc.), these majorities must be retained. If an intended transaction breaches one of these majority ownership requirements, the Board of Directors must not grant its approval. There are no participation or profit-sharing certificates and no options were issued.

### Capital changes

Further information on the share capital and capital changes in the last two years is shown in the statement of changes in equity in the Swiss GAAP FER financial statements.

## Board of Directors

Members of the Board of Directors, additional activities and affiliations



From top left to bottom right: Adrian Bult, Regula Wallimann, Felix Graf, Markus Kägi, Martin Koller, Benedikt Loepfe, Claude Nicati, Roberto Pronini, Stefan Witschi



## Adrian Bult

Chairman, independent member, born in 1959, Swiss

Adrian Bult, lic. oec., has been a member of the Swissgrid Board of Directors since 2006 and its Chairman since 2012. From 2007 to 2012, he was a member of the Executive Board (COO) at Avaloq Evolution AG. Until 2007, he was the Head of IT Telecom PTT and was later a member of the Group management of Swisscom, initially as CIO, then as CEO Swisscom Fixnet and finally as CEO Swisscom Mobile. Before this, he sat on the Executive Board of IBM Switzerland.

**Affiliations** President of the Bank Council at Basler Kantonalbank; Chairman of the Board of Directors at AdNovum AG, Nevis Security AG, GARAIO REM AG and Amrop Executive Search AG; member of the Board of Directors at Alfred Müller AG and SWICA.



## Regula Wallimann

Vice Chairwoman, independent member, born in 1967, Swiss

Regula Wallimann, lic. oec. HSG, has been a member of the Swissgrid Board of Directors since 2017. She has been an independent financial advisor since April 2017. Prior to this, she worked for KPMG AG for 24 years. Between 2003 and 2017, she was the Global Lead Partner responsible for auditing international companies and managed audit teams in the areas of tax, IT and treasury and compliance, among others.

**Affiliations** Member of the Board of Directors at Straumann Holding AG, Institut Straumann AG, Adecco Group AG, Helvetia Holding AG, Helvetia Schweizerische Lebensversicherungsgesellschaft AG and Helvetia Schweizerische Versicherungsgesellschaft AG; member of the Executive Committee of the Institute for Accounting, Controlling and Auditing ACA-HSG at the University of St. Gallen.



## Felix Graf

Board of Directors, independent member, born in 1967, Swiss

Felix Graf, Dr. sc. Nat. ETH (physics), has been a member of the Swissgrid Board of Directors since 2022. He has been CEO of NZZ since 2018. He was CEO of CKW AG from 2014 to 2018, and was previously Head of the Energy business unit and member of the Executive Board from 2011 to 2014. He was also a member of the Group management of Axpo Holding from 2014 to 2018. Prior to this, he held senior positions at Teleclub, Swisscom and McKinsey.

**Affiliations** Chairman of the Board of Directors of DAAily platforms AG; Vice Chairman of the Board of Directors of The Market Media AG; member of the Board of Directors of SwissMediaForum AG and CH Media Holding AG; Board member of the Swiss Management Association.



## Markus Kägi

Board of Directors, cantonal representative, born in 1954, Swiss

Markus Kägi, member of the Zurich Notary Bar, has been a member of the Swissgrid Board of Directors



since 2019. From 2007 to 2019, he served as a Councillor of the Canton of Zurich and Head of the Building Department. In 2012/2013 and 2017/2018, he also served as President of the Government of the Canton of Zurich. Prior to this, from 1996 to 2007, he was the ombudsman for the Canton of Zurich and, from 2005 to 2007, Chairman of the European Ombudsman Institute. From 1991 to 1996, he was a member of the Cantonal Council of Zurich, taking over as Chairman in 1995/1996.

**Affiliations** None.



## Martin Koller

Board of Directors, industry representative, born in 1978, Swiss

Martin Koller, lic. oec. Publ. University of Zurich, Dr. sc. ETH (economics), has been a member of the Swissgrid Board of Directors since 2022. He has held various positions within the Axpo Group since 2012, where he has been Head Group Strategy & Economics since 2022. Between 2007 and 2010/2012 respectively, he worked as an economist for Swiss Post and for ETH Zurich.

**Affiliations** Expert Fellow at Swiss Economics.



## Benedikt Loepfe

Board of Directors, industry representative, born in 1967, Swiss

Benedikt Loepfe, dipl. El.-Ing. (graduate electrical engineer) ETH, has been a member of the Swissgrid

Board of Directors since 2021. Since September 2020, he has served as Director of the electricity company of the City of Zurich (ewz). Prior to this, he headed the Grids business unit (2014 – 2019) and the Energy business unit (2019 – 2020) at ewz. From 2011 to 2015, he was Managing Director of Curtiss-Wright Antriebstechnik GmbH in Neuhausen and 3d-Radar in Oslo.

**Affiliations** Chairman of the Board of Directors of Smart Grid Solutions AG; member of the Board of Directors at Rico Sicherheitstechnik AG, Kraftwerke Oberhasli AG (KWO AG), Officine Idroelettriche die Blenio SA (Ofible SA), Officine Idroelettriche della Maggia SA (OFIMA SA), Kraftwerke Hinterrhein AG (KHR AG) and various other power plant shareholdings of ewz.



## Claude Nicati

Board of Directors, cantonal representative, born in 1957, Swiss

Claude Nicati, lic. iur., lawyer, has been a member of the Swissgrid Board of Directors since 2014. He works as an independent lawyer at the Etude d'avocat-e-s NVLE law firm. From 2009 to 2013, he served as Councillor of the Canton of Neuchâtel and Head of the Regional Planning department. From 1997 to 2001, he was the examining magistrate for the Canton of Neuchâtel, and finally, from 2001 to 2009, Deputy Federal Public Prosecutor. Before this, he held various senior positions in municipal and cantonal police departments.

**Affiliations** Board member at Caritas, Fondation «Aide aux Enfants», Fondation PlanetSolar and the Ordre des Avocats Neuchâtelois; Secretary of the Criminal Commission of the International Union of Lawyers (UIA).



## Roberto Pronini

Board of Directors, industry representative, born in 1968, Swiss

Roberto Pronini, Dr. Ing. ETH, has been a member of the Swissgrid Board of Directors since 2021. He has been a Director (CEO) of Azienda Elettrica Ticinese (AET) since 2009, and was Vice-Director of AET from 2000 to 2009. Prior to this, he had held various positions at AET since 1997.

**Affiliations** Chairman of the Board of Directors of Officine Idroelettriche Blenio SA (Ofible SA), Lucendro SA and Parco eolico San Gottardo SA; member of the Board of Directors at Ritom SA and various other power plant shareholdings of AET; member of the Board of Directors at the Association of Swiss Electricity Companies (VSE) and the Swiss Water Management Association (SWV); member of the National Committee CIGRE.



## Stefan Witschi

Board of Directors, industry representative, born in 1970, Swiss

Stefan Witschi, dipl. El.-Ing. FH Biel, MBA in Integrated Management, has been a member of the Swissgrid Board of Directors since 2021. Since 2015, he has been Head of Distribution Grid Management and a member of the Grids Executive Board at BKW Energie AG. Prior to this, he had held various positions at BKW Energie AG since 1996.

**Affiliations** Chairman of the Board of Directors of NIS AG; Member of the Board of Directors at AEK



Energie AG, Onyx Energie AG and CC Energie SA; Member of the Board of Trustees at the BKW Pension Fund; Chairman of the VSE Network Management Commission, Member of the VSE Commission for Regulatory Affairs.

### **Resignations in the reporting period**

Isabelle Moret, as at 18 May 2022

Kerem Kern, as at 18 May 2022

### **New elections in the reporting period**

Felix Graf, as at 18 May 2022

Martin Koller, as at 18 May 2022

### **Election and term of office**

The Board of Directors is comprised of at least three elected members. The majority of members and the Chairman must meet independence requirements in accordance with Art. 18 Para. 7 of the Electricity Supply Act. As a rule, the Board of Directors is elected at the Annual General Assembly for one year at a time. The term of office for the members of the Board of Directors ends on the day of the next Annual General Assembly. All cantons together have the right to delegate and recall two members to/from the company's Board of Directors (Art. 18 Para. 8 of the Electricity Supply Act). The members of the Board of Directors can be re-elected at any time. The Board of Directors is self-constituting. It nominates its Chairman, Vice Chairwoman and the Secretary, who does not have to be a member of the Board of Directors.

### **Internal organisation**

The Board of Directors is responsible for the overall management of the company and for supervising the management of the company. It represents the company externally and takes care of all matters that are not assigned to another corporate body according to law, regulations or the Articles of Incorporation. The Board of Directors can, subject to the legal guidelines on independence (Art. 18 Para. 7 of the Electricity Supply Act), transfer the management of the company or individual parts thereof, as well as the representation of the company, to one or more persons, members of the Board of Directors or third parties, who do not have to be shareholders. It issues the organisational regulations and arranges the corresponding contractual relationships. The powers of the Board of Directors and the Executive Board are defined in the organisational regulations. The members of the Board of Directors do not exercise any executive roles within Swissgrid. The Board of Directors met eleven times during the last financial year.

### **Board committees**

In order to incorporate the specialist knowledge and broad range of experience of the individual members in the decision-making process, or to report as part of its supervisory duty, the Board of Directors formed three committees to assist in management and control activities in close collaboration with the Executive Board: the Strategy Committee, the Finance and Audit Committee, and the Staff and Compensation Committee. The tasks and powers of the Board committees are set out in detail in the organisational regulations.

### **Strategy Committee**

The Strategy Committee supports the Board of Directors in the strategy process. It advises on the strategic principles on behalf of the Board of Directors and reviews the strategy for the Board of

Directors on a regular basis. The committee presents its view on proposals that relate to strategic issues. The Strategy Committee met five times during the last financial year and undertook a study trip to visit a foreign transmission system operator.

Members:

- Adrian Bult (Chairman, since 2012)
- Claude Nicati (since 2014)
- Roberto Pronini (since 18 May 2021)
- Martin Koller (since 18 May 2021)

Changes in the reporting period:

- Kerem Kern (resignation as at 18 May 2022)

### **Finance and Audit Committee**

The Finance and Audit Committee supports the Board of Directors in its supervisory role, i.e. with regard to the integrity of the accounts, the fulfilment of legal provisions, and the competence and services of the external auditors. The Finance and Audit Committee assesses the suitability of financial reporting, the internal control system and the general monitoring of business risks. It ensures that there is ongoing communication with the external auditors concerning the financial position and the course of business. It supervises the Internal Audit division's work. It makes the necessary preparations relating to the appointment or discharge of external auditors and the organisation and management of the Internal Audit division. The Finance and Audit Committee met six times during the last financial year.

Members:

- Regula Wallimann (Chairwoman, since 2017)
- Adrian Bult (since 2021)
- Stefan Witschi (since 2021)

Changes in the reporting period:

none

### **Staff and Compensation Committee**

The Staff and Compensation Committee draws up principles for all compensation components of the members of the Board of Directors, the CEO and the members of the Executive Board, and submits a proposal to the Board of Directors accordingly. The committee defines the compensation of the CEO and the members of the Executive Board. The basis for this decision is the compensation concept approved by the Board of Directors. The committee presents its view on the changes to the Executive Board that are proposed by the CEO. It also ensures that succession planning is in place for the Board of Directors and the Executive Board. The Staff and Compensation Committee met six times during the last financial year.

Members:

- Markus Kägi (Chairman since 2022, as member since 2019)
- Felix Graf (since 18 May 2022)
- Benedikt Loepfe (since 2021)
- Regula Wallimann (since 18 May 2022)

Changes in the reporting period:

- Isabelle Moret (resignation as at 18 May 2022)
- Kerem Kern (resignation as at 18 May 2022)

### **Ad hoc committees**

The Board of Directors may appoint ad hoc committees for specific tasks. It did not set up any such committee in the last financial year.

## **Information and control instruments with regard to the Executive Board**

### **Information and control instruments**

The Board of Directors has the following instruments for monitoring and supervising the Executive Board:

- At Board meetings, the Executive Board submits all important issues for discussion or resolution.
- A financial report to the Board of Directors is compiled quarterly, and contains key figures on business performance together with comments from the Executive Board.
- At every ordinary Board meeting, the CEO submits a written report on business operations that addresses subjects such as grid operations, ancillary services, grid construction projects, relevant developments in Switzerland and Europe, and key performance indicators (KPI).
- Regular reporting also takes place on recurring issues. This applies in particular to the implementation of the corporate strategy.
- The risk report is discussed with and approved by the Board of Directors every six months.
- The auditor issues an annual written report for the Board of Directors (see also the comments in the external audit section).

### **Internal control system**

The internal control system has an important role as part of corporate management and monitoring, and covers all procedures, methods and measures mandated by the Board of Directors and the Executive Board that serve to ensure the correct execution of the business processes with regard to financial management and accounting at Swissgrid. The internal operational controls are integrated into the operating procedures. They are implemented while work is being carried out or take place immediately before or after a procedure. Internal checks do not come under a separate function, but are integrated into the processes. The internal control system at Swissgrid is implemented at all levels of the organisation and demands a high level of personal responsibility from employees.

### **Internal audit**

The Internal Audit division reports to the Board of Directors, while the Finance and Audit Committee takes on operational management tasks. The Internal Audit division provides independent and objective audit and advisory services on behalf of the Board of Directors and the Finance and Audit Committee. These services are designed to add value and to improve business processes. It gives the Board of Directors and the Finance and Audit Committee assurance that corporate governance is undertaken, that processes are complied with and that potential weaknesses are identified. The duties, powers and responsibilities of the Internal Audit division are regulated in separate regulations.

The Board of Directors approves the Internal Audit division's audit planning annually upon request by the Finance and Audit Committee. The Internal Audit division pursues a risk-based audit approach. The Internal Audit division's audit results are dealt with at the Finance and Audit Committee meetings on an ongoing basis. The Finance and Audit Committee is informed of findings as well as any associated recommendations and measures at the meetings. The Internal Audit division also maintains a follow-up process to monitor and ensure that the agreed actions are implemented in a timely and effective

manner.

The Internal Audit division performed ten audits during the year under review. In addition, the Internal Audit division submits an annual Activity Report to the Board of Directors.

### **Risk management**

Risk management is an integral part of effective and prudent corporate management for Swissgrid. Swissgrid's risk management covers the entire organisation, not including its subsidiaries and shareholdings, takes account of established standards (ISO 31000, COSO Enterprise Risk Management Framework) and satisfies the internal requirements of corporate governance as well as the requirements under Swiss law. Additional information on the implementation of the risk assessment can be found in the Management Report.

## Executive Board

Members of the Executive Board, additional activities and affiliations



From top left to bottom right: Yves Zumwald, Doris Barnert, Maurice Dierick, Adrian Häsler, Konrad Zöschg



## Yves Zumwald

CEO, born in 1967, Swiss

Yves Zumwald, Dipl.-Ing., Dipl. NDS EPF in energy, has been CEO of Swissgrid since March 2016. From 2014 to March 2016, he was a member of the Executive Board and Head of Grid Operations. From 2009 to 2014, he was a Board member and Director of the Sales division at the Romande Énergie Group. Before this, he worked at EOS Holding (Énergie Ouest Suisse), where he was responsible for grid usage and grid access, before serving as a member of the Executive Board with responsibility for the Infrastructure department at EOS Réseau. Earlier on in his professional career, he worked at EOS and Orange Communications.

**Affiliations** Member of the Assembly of the European Network of Transmission System Operators (ENTSO-E); a member of the Supervisory Board and Compensation Committee of EPEX SPOT SE; Chairman of the Board of Directors of the procedural companies (see also paragraph 12 of the notes on the statutory financial statements).



## Doris Barnert

CFO, Head of Corporate Services, born in 1969, Swiss

Doris Barnert, architect (ETH Zurich), holds a master's degree in Corporate Finance from the Institute of Financial Services Zug (IFZ) and an Executive MBA from the University of St. Gallen (HSG), and has been a member of the Executive Board since April 2017. From 2008 to 2017, she was the CFO and



member of the Executive Board of Solothurner Spitäler AG. From 2006 to 2008, she was the Head of Finances for the Western Switzerland route in the SBB's Infrastructure division. Prior to this, she managed various projects in the Infrastructure division. She began her professional career in architecture.

**Affiliations** Member of the Board of Directors at Skyguide; member of the Supervisory Board at TSCNET Services GmbH; member of the Board of Directors of the procedural companies (see also paragraph 12 of the notes on the statutory financial statements).



## Maurice Dierick

Head of Market, born in 1964, Dutch

Maurice Dierick, Dipl.Ing. Maschinenbau (graduate mechanical engineer), has been a member of the Executive Board since June 2016. Prior to this, he was the Head of the Grid Infrastructure department at Swissgrid. From 2012 to 2015, he worked on behalf of Ernst & Young at Western Power in Australia, among others. From 2004 to 2012, he worked as an independent consultant, sometimes in cooperation with consulting companies such as Pöyry (now AFRY), supporting various transformation projects in the field of asset management at German, French and Swiss power supply companies. Before this, he worked as an engineer at major industrial companies in France and Germany until he switched to consulting in 1998, finally for Cap Gemini Ernst & Young in the Netherlands.

**Affiliations** Board member of the European Network of Transmission System Operators (ENTSO-E).



## Adrian Häslar

Head of Grid Infrastructure, born in 1966, Swiss

Adrian Häslar, Dipl. Elektroingenieur (graduate electrical engineer) HTL, Executive MBA HSG, has been a member of the Executive Board since April 2019. Previously, he was the Head of the Grid Delivery department at Swissgrid. From 2007 to 2017, he was a member of the Hydropower Division management at Axpo Power AG and Head of the Technical Support business unit, which was responsible for planning, building and servicing hydropower plants. Prior to this, he headed the Secondary Systems department at Nordostschweizerische Kraftwerke AG for seven years. He started his career at Kraftwerke Oberhasli AG as the Head of Operational Management.

**Affiliations** Deputy Chairman of the Specialist Commission for High Voltage Issues.



## Konrad Zöschg

Head of Technology, born in 1976, Swiss

Konrad Zöschg, Telecom Engineer HTL and Industrial Engineer FH, has been a member of the Executive Board since 2021. Before joining Swissgrid, he worked as Head ICT/CIO at Flughafen Zürich AG for seven years. Between 2005 and 2014, he held various management positions within IT there in the area of aviation, building and security systems. Earlier in his career, he gained international experience at Acterna and its successor company Nexus Telecom AG. In 2020, he was awarded the Swiss CIO Award as best CIO of the year.

**Affiliations** None.

### Changes in the reporting period:

none

## Remuneration

The members of the Board of Directors receive a fixed remuneration (fees and expenses) based on a sliding scale for the Chairman, the Vice-Chairwoman, the Chairs of the committees and the other Board members. Remuneration for the members of the Executive Board consists of a basic salary (including lump-sum expenses) and a variable salary component that is dependent on achieving company and

personal targets. The amount of remuneration for members of the Executive Board is determined by the Staff and Compensation Committee within the framework defined by the Board of Directors. Payments to the Executive Board and the Board of Directors are disclosed in paragraphs 8 and 9 of the notes to the Swiss GAAP FER financial statements.

## Rights of participation

Shareholders' rights to assets and rights of participation are governed by law and the Articles of Incorporation. The Articles of Incorporation can be viewed online at [www.swissgrid.ch](http://www.swissgrid.ch). There are no statutory regulations that differ from the legal provisions.

## External audit

### **Mandate and fees**

KPMG AG, Basel, acts as the statutory auditor for Swissgrid Ltd. The audit mandate was first awarded to KPMG for the 2005/2006 financial year (long year). The auditor in charge, Silvan Jurt, is new to the role since the 2022 financial year. The auditor is appointed at the General Assembly for a one-year term. For its function as auditor, KPMG received remuneration of CHF 165,000 for the last financial year.

### **Information instruments**

Every year, the Finance and Audit Committee evaluates the effectiveness of the auditor. The members of the committee use their knowledge and experience garnered from holding similar positions in other companies to evaluate the audit. They also base their evaluation on the documents provided by the auditor, such as the comprehensive report and the verbal and written statements on individual aspects in connection with accounting, the internal control system and the audit.