

Corporate Governance

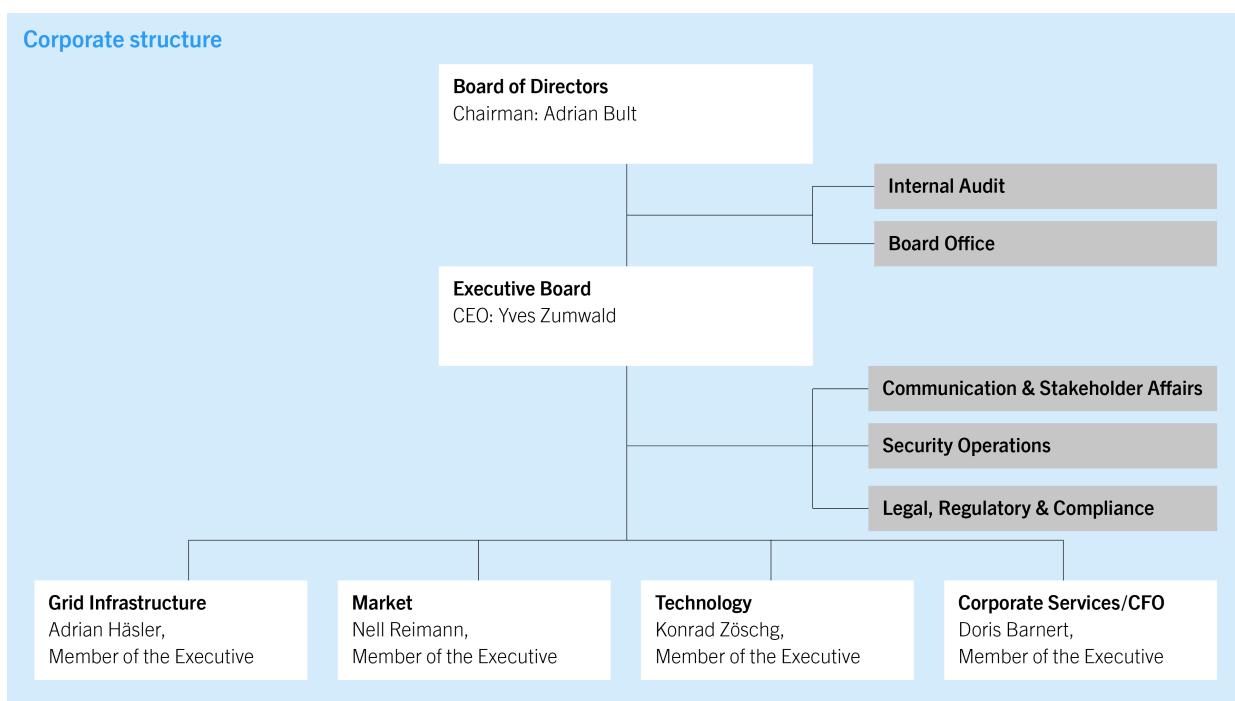
The Board of Directors and the Executive Board of Swissgrid Ltd (hereinafter Swissgrid) place great importance on good corporate governance. The following lists are based on the Swiss Code of Best Practice for Corporate Governance. All information relates to the reporting date of 31 December 2023, unless specified otherwise.

GRI 2-1

Corporate structure and shareholders

Corporate structure

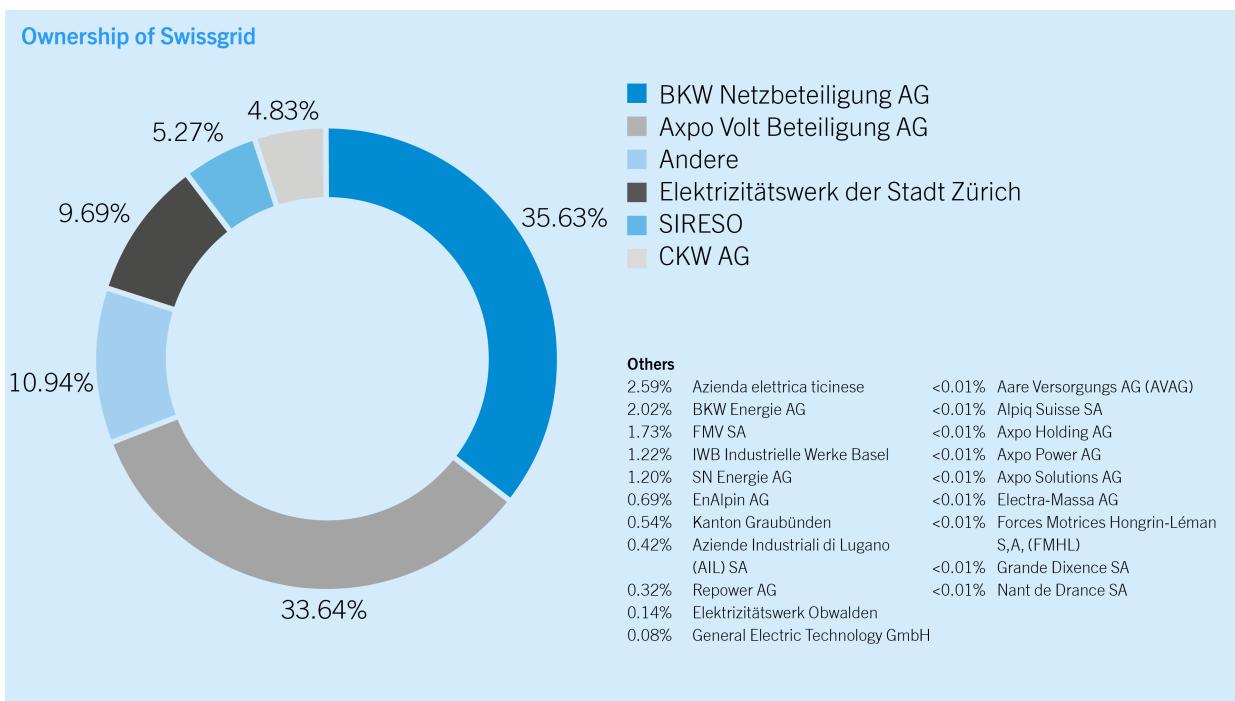
Swissgrid's corporate structure is shown below:



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, 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.

Swissgrid ownership structure

As at 31 December 2023 (all figures rounded). The current shareholder structure can be viewed online at www.swissgrid.ch.



Cross shareholdings

No cross shareholdings currently exist.

Capital structure

Capital and restriction on transferability

The ordinary share capital as at 31 December 2023 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 2023 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.

GRI 2-9

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. Between 2007 and 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 and Amrop Executive Search AG; member of the Board of Directors at Alfred Müller AG, GARAIO REM AG, LUKOWA Group 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, and Vice-Chairwoman since 2022. 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, Helvetia Schweizerische Versicherungsgesellschaft AG and Radar Topco S.à.r.l., Luxembourg (including the Swissport Group); 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 the NZZ company since 2018. He was CEO of CKW AG between 2014 and 2018, and was previously Head of the Energy business unit and member of the Executive Board between 2011 and 2014. He was also a member of the Group management of Axpo Holding between 2014 and 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; member of the Board of Trustees of the Christian Wenk Foundation; Board member of the Swiss Management Association.



Markus Kägi

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

Markus Kägi, owner of Zürcher Notarpatent, has been a member of the Swissgrid Board of Directors since 2019. Between 2007 and 2019, he was 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, Guest Lecturer at the University of Geneva.



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. Between 2011 and 2015, he was Managing Director of Curtiss-Wright Antriebstechnik GmbH in Neuhausen and 3d-Radar in Oslo.

Affiliations Member of the Board of Directors at Rico Sicherheitstechnik AG, Kraftwerke Oberhasli AG (KWO AG) and various other power plant shareholdings of ewz; Chairman of Regiogrid; member of the Board of Directors at the Association of Swiss Electricity Companies (VSE).



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 President of the Union Cycliste Neuchâteloise; 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 between 2000 and 2009. Prior to this, he had held various positions at AET since 1997.

Affiliations Chairman of the Board of Directors of Lucendro SA and Parco eolico del San Gottardo SA; Vice-Chairman of the Board of Directors of Officine Idroelettriche della Maggia SA (Ofima 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 and CC Energie SA; Vice-Chairman of the

Board of Directors of BKW Netzbeteiligung AG; member of the Board of Trustees of the BKW pension fund.

Resignations in the reporting period: none

New elections in the reporting period: none

GRI 2-9, 2-10

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. They may therefore not belong to the boards of any legal entities which are engaged in activities in the fields of electricity production or sales, or are in a service-provision relationship with any such legal entities.

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). Furthermore, the Articles of Incorporation approved by the Federal Council stipulate that the two members designated by the cantons must also fulfil the independence requirements pursuant to Art. 18 Para. 7 of the Electricity Supply Act. They represent the individual national regions and not any publicly owned power supply companies.

The Articles of Incorporation also state that the Board of Directors should endeavour to ensure a level of diversity of its members that is appropriate for the company. The Board of Directors bases its proposal to the General Assembly on a profile of requirements for the Board of Directors as a whole.

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. The members of the Board of Directors can be re-elected at any time. The Board of Directors is self-constituting. It nominates its Chair, Vice-Chair and Secretary, who does not have to be a member of the Board of Directors. The General Assembly grants discharge to members each year.

The current composition of the Board of Directors meets the applicable independence requirements, both for the Board as a whole and for the individual committees.

GRI 2-11, 2-12, 2-13, 2-15, 2-18

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 ten times during the last financial year.

As part of their annual self-evaluation, the Board of Directors and the Executive Board review whether the composition of the individual committees, the understanding of their roles, the selection of agenda items, the conduct of meetings, the culture of discussion and cooperation with other bodies meet the expectations placed on them. The role and requirements profile is also regularly reviewed. By doing this, Swissgrid ensures that the Board of Directors has the necessary knowledge and experience. Following the self-evaluation performed in the previous year, changes were made in the reporting year to the processes for holding Board meetings and for preparing risk reports.

Management of conflicts of interest

Appropriate measures are taken to ensure that potential conflicts of interest are recognised, addressed, disclosed and, if necessary, dealt with at an early stage, both in general and in individual cases, so that they cannot have a decisive influence on the passing of resolutions. These measures include active enquiries by the Chair or the Secretary of the Board of Directors and the adoption of resolutions by means of a double resolution as laid down in the organisational regulations. The affiliations of the individual members of the Board of Directors and the shareholdings of the company and its shareholders are disclosed transparently in this report and on the Swissgrid website. Finally, shareholder relations (incl. those with the majority shareholder) and financial counterparty risks are tracked as part of shareholder/stakeholder management and financial planning/accounting.

Board committees

In order to incorporate the specialist knowledge and broad range of experience of the individual members into the decision-making process in a targeted manner, the Board of Directors has formed three committees to assist with 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. The chairs of the committees report on the progress of the preliminary discussions in the committees at each meeting of the Board of Directors.

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 four times during the last financial year.

Members:

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

Changes in the reporting period: none

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, and supervises the work of the Internal Audit division. 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 in the last financial year.

Mitglieder:

- 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 three times during the last financial year, in particular to evaluate the new member of the Executive Board.

Mitglieder:

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

Changes in the reporting period: none

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.

GRI 2-12, 2-13

Information and control instruments with regard to the Executive Board

Information and control instruments

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

Board:

- At Board meetings, the Executive Board submits all important issues for information 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.
- Internal Audit issues an annual written report for the Board of Directors containing the conclusions of the main audits and audit results from the reporting year, as well as information on key activities and the utilisation of resources.
- The auditor issues an annual written report for the Board of Directors.

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 is responsible for planning and conducting audits throughout the company in accordance with the guidelines of the profession. It has the highest degree of independence. Internal Audit reports to the Board of Directors, while the Finance and Audit Committee takes on operational management tasks. Internal Audit assists the Board of Directors and its Finance and Audit Committee with the fulfilment of statutory and regulatory supervisory and control duties. It also supports the management by pointing out opportunities to improve business processes and controls. It documents audit findings and monitors the implementation of measures. 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. Internal Audit pursues a risk-based audit approach. The audit results are discussed on an ongoing basis at the meetings of the Finance and Audit Committee. The Finance and Audit Committee is informed of findings as well as any associated recommendations and measures at the meetings. Internal Audit 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.

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, Adrian Häsler, Nell Reimann, Konrad Zöschg, Doris Barnert



Yves Zumwald

CEO, born in 1967, Swiss

Yves Zumwald, dipl. Ing., dipl. NDS EPFL in energy, has been CEO of Swissgrid since March 2016. Between 2014 and 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 Energie Group. Before this, he worked at EOS Holding (Energie 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. Early 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), member of the Supervisory Board and Compensation Committee of EPEX SPOT SE.



Adrian Häsler

Head of Grid Infrastructure, born in 1966, Swiss

Adrian Häsler, 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. Between 2007 and 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.



Nell Reimann

Head of Market, born in 1966, Swiss and British

Nell Reimann, dipl. Ing. EPFL, PhD EPFL (Doctorat ès sciences techniques), Executive MBA University of Lausanne, has been a member of the Executive Board since July 2023. From 2019 to 2023, she was Head of System Operations for the control centres in Aarau and Prilly and Deputy Head of Business Unit Market. Nell Reimann joined Swissgrid in 2016 as Head of the System Development department. Prior to that, she took over the engineering department and the operation and management of the high-voltage grid at Romande Energie in 2013. From 2009 to 2013, she was in charge of the Grids department at Alpiq. She started her professional career at EOS, where she was responsible for grid calculations and operational planning.

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



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 Chairman of the Board of Directors of ecmt AG; member of the ICT Committee of ENTSO-E.



Doris Barnert

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

Doris Barnert, dipl. 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. Between 2008 and 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 Equigy.

Changes in the reporting period: Maurice Dierick, Head of Market, as at 30 June 2023

Appointments in the reporting period: Nell Reimann, Head of Market, as at 1 July 2023

GRI 2-19, 2-20

Remuneration

The members of the Board of Directors receive a fixed remuneration (fees and expenses) based on a sliding scale for the Chair, the Vice-Chair, 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. The remuneration paid to the Executive Board and Board of Directors is disclosed in paragraphs 8 and 9 of the notes to the Swiss GAAP FER financial statements and is approved in this form by the General Assembly, as it was in the previous reporting year, without any objections from shareholders.

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. There are no

statutory regulations that differ from the legal provisions.

GRI 2-5

External audit

Mandate and fees

KPMG AG, Basel, acted as the statutory auditor for the financial report issued by Swissgrid Ltd until the end of 2023. The audit mandate was first awarded to KPMG for the 2005/2006 financial year (long year). The auditor in charge, Silvan Jurt, had performed 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 214,000 for the last financial year. Total remuneration of CHF 146,200 was paid for other services. PricewaterhouseCoopers AG, Zurich (PwC) will be proposed to the General Assembly as the new auditor for the 2024 financial year.

The non-financial reporting for the 2023 financial year was audited by PwC (limited assurance audit). Stefan Räbsamen took over as lead auditor. PwC performed a business audit on selected environmental and social aspects of the Sustainability Report. The detailed description of the subject matter and scope of the audit performed, including the audit specifications, can be found in the notes on «Limited Assurance». PwC received remuneration of CHF 30,000 for its activities in the past 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.