

Organisation & Management

The MCH Group is under the management of the Board of Directors and the Executive Board of its holding company MCH Group Ltd.

The Board of Directors is responsible inter alia for the company's top management, for determining the corporate strategy and configuring the organisation, the accounting system and financial control, the internal control system, the risk management and financial planning, and also for preparing and conducting the General Meeting.

Details of the membership of the Board of Directors and the specialist committees, and shareholdings of the members of the Board of Directors:

[Annual Report / Board of Directors](#)

The Executive Board appointed by the Board of Directors holds responsibility for the group's operational management.

Details of the membership of the Executive Board and the shareholdings of the members of the Executive Board: [Annual Report / Executive Board](#)

Statutes and Regulations

The Statutes of MCH Group Ltd. were approved by the shareholders of the then Schweizer Mustermesse AG on 14 May 2001, with a view to the merger of Schweizer Mustermesse AG and Messe Zürich AG for international trade fairs and special exhibitions. At the General Meeting of 8 May 2009, §1 of the Statutes was modified for purposes of changing the name of MCH Swiss Exhibition (Holding) Ltd. to MCH Group Ltd. In addition, the Statutes were modified at the General Meeting of 17 May 2010 through §3a "Approved Share Capital". In line with this decision taken by the General Meeting, the share capital of MCH Group Ltd. was increased to CHF 60 065 750 in May 2011.

On 22 May 2014, the General Meeting approved a partial revision of the Statutes taking in not only the changes required by the "Ordinance against abusive remuneration in listed companies" (VegüV) but also additional modifications including the updating of the purpose clause and the deletion of the above-mentioned §3a "Approved Share Capital".

The Statutes, the Organisational Regulations and the Regulations governing the specialist committees are posted in German on the MCH Group website:

Composition of the Board of Directors

The Board of Directors has eleven members. The members of the Board of Directors are generally non-executive members, as per the SIX Swiss Exchange Directive. From 3 August 2018 to 4 September 2018, the Chairman of the Board of Directors, Dr. Ulrich Vischer was responsible for the operational management of the company as the delegate of the Board of Directors. From 4 September 2018 to 31 July 2019, Hans-Kristian Hoejsgaard was interim CEO of the MCH Group.

With the exception of these two transitional arrangements for limited periods, the members of the Board of Directors have never belonged to the operational management of the MCH Group and have no significant business relationships with it. The relations between the representatives of the public sector entities and the company are based on the relationship that exists between these entities and the MCH Group. In addition to other lawyers' offices, the MCH Group also uses the services of Vischer AG in Basel. These mandates are awarded at the standard market rates to lawyers at the office and not to Dr. Ulrich Vischer.

Under the terms of the Statutes, three members of the Board of Directors are appointed by the government of the Canton of Basel-Stadt, one member each by the governments of the Canton of Basel-Landschaft and the Canton of Zurich, and one member by the Zurich City Council. The remaining members are elected by the General Meeting. The term of office of members elected by the General Meeting is one year; re-election is possible.

The Board of Directors constitutes itself, unless the General Meeting has the power to constitute the Board. The General Meeting elects a Chairman of the Board and the members of the Governance, Nomination and Compensation Committee (GNCC) which assumes the function of the remuneration committee, inter alia. Members of the Board of Directors can be elected to the GNCC. The term of office of the Chairman of the Board and the members of the GNCC is one year, and re-election is possible.

All the members of the Executive Board attend the Board of Directors' meetings.

Specialist Committees of the Board of Directors

The Governance, Nomination and Compensation Committee (GNCC) is a specialist committee that advises the Board of Directors on the execution of its duties in the fields of corporate governance, human resources planning at Board of Directors and Executive Board level, and the remuneration policy and remuneration to be paid to the Board of Directors and the Executive Board. It provides the Board of Directors with an appropriate report of its activities and findings at least once a year. The GNCC submits proposals to the Board of Directors on all questions relating to remuneration which are incumbent upon it in its function of remuneration committee as per the provisions of the "Ordinance against abusive remuneration in listed companies" (VegüV). The GNCC has no decision-making powers of its own. Apart from the members of the Board of Directors elected by the General Meeting, the GNCC meetings are also attended by the Group CEO and the Head of Corporate Human Resources. The latter leave the meeting room when issues concerning them are discussed.

The Board of Directors has appointed an internal Audit Committee (AC). The AC is a specialist committee which supports the Board of Directors in supervising the financial and accounting systems, the financial reporting, the auditors and also the risk management and internal control system. The AC has no decision-making powers of its own. Apart from the members of the Board of Directors who sit on the AC, the Chairman of the Board of Directors and the CEO and CFO also attend the AC meetings; for individual items on the agenda, representatives of the statutory auditor are present.

As part of the ongoing strategy process which was launched in summer 2018, the Board of Directors also set up a Strategy Committee in spring 2019 to take a detailed look at all the strategic issues and prepare for the Board's deliberations.

Board of Directors' Meetings

In the 2019 business year, the Board of Directors had seven half-day meetings in February, March, April, May, June, August and November, and two additional two-hour meetings in January and December. The GNCC held seven meetings in the reporting year, in January, February, March (2), June, August and November. The AC held five meetings in the reporting year in January, March, April, August and November. The Strategy Committee held six meetings in the reporting year, in May, June, August (2), October and November. The Board and committees met in their standard composition in each case.

When working out the future strategic orientation, the Board of Directors commissioned consulting firm McKinsey Switzerland to accompany the process and validate the results. In providing information to answer the questions submitted by the AMG Group on 26 November 2019 in conjunction with their request for a special audit of the strategy, the Board of Directors was supported by law firm Homburger AG in examining and objectively assessing the matters raised.

Management and control instruments

The duties and competences of the Board of Directors and the Executive Board are governed by the Statutes, the Organisational Regulations and the Regulations of the specialist committees. Data on the current and expected course of business is recorded continuously in a controlling, planning and information system. The Executive Board draws up regular business reports for submission to the Board of Directors on the basis of this underlying data. In addition, prior to each meeting, the Executive Board compiles a written report for the Board of Directors on the current course of business in the different divisions. If exceptional events occur, the Board of Directors is notified without delay. The Chairman of the Board of Directors maintains constant intensive contact with the Group CEO and Group CFO.

Risk Management and Internal Control System

The MCH Group's risk management deals with financial, strategic, operational and also regulatory risks. The risks are first identified in the MCH Group's different risk centres. During subsequent consolidation, the most important risks for the group are identified and evaluated. These risks are then reduced to acceptable risks where possible through targeted measures for managing them and integrated in the corporate strategy. This process is repeated at least once a year, with new risks being taken up and dealt with promptly. Reconciliation with the corporate strategy is performed at regular intervals.

In the reporting year, the different business risks were identified in group workshops and individual interviews and assessed with regard to their potential level of impact and the probability of their occurrence. The risk assessment was verified by the Audit Committee (AC) and adopted by the Board of Directors.

The most important risks for the MCH Group are described in the following section for the individual risk categories:

Strategic risks

The opportunities identified include consolidation and the growth of internationally leading exhibitions and also further development in the field of digitisation. The MCH Group develops its market presence by selectively aligning its existing trade fair portfolio to customer needs. By integrating risk management in these strategic projects, the company endeavours to optimise the sustainability and value retention of the investments made.

Financial risks

The general economic climate and the development of the individual industries, in particular, has a direct influence on customers' financial standing, the level of marketing investments and foreign currency fluctuations. The MCH Group has initiated various risk management measures for these risks at the strategic, financial and operative level.

Operational risks

The MCH Group has set itself the aim of guaranteeing operational excellence in all matters so as to always achieve maximum satisfaction on the part of its customers, in particular. With the reorganisation it has launched, the MCH Group is focusing on the market conditions that are subject to ever-faster change. The group is also making an active contribution to the continuous improvement of the external framework conditions. In the field of security, the MCH Group is constantly optimising its group-wide processes and thus reducing the residual risk.

Regulatory risks

The increasing regulatory requirements and framework conditions, together with the MCH Group's international development, are increasing both the complexity of the different issues and the exposure of the MCH Group. The MCH Group is continually adapting its organisation to this end, so that possible regulatory risks can be identified at an early stage and the required action triggered in good time.

The MCH Group has a corporate risk management function. Corporate risk management acts as an advisory unit on behalf of the Audit Committee and the Executive Board and supports the group in risk management and in the further development of the internal control system. Over the past business year, corporate risk management has conducted various strategic, financial, operational and regulatory examinations.

The MCH Group's internal control system (ICS) takes in all the processes, methods and measures prescribed by the Board of Directors and Executive Board and constitutes an integral part of risk management and a key element of corporate governance for the MCH Group. It is aimed first and foremost at ensuring the prompt and correct accounting of all business processes and the periodical availability of reliable data on the company's financial position. The key processes and controls, together with their implementation, are verified and documented on a systematic and readily comprehensible basis to this end. When acquisitions are made, we aim to bring the internal control procedures of the acquired entities into line with those of the MCH Group as rapidly as possible.

The MCH Group has extended its ICS to include the effectiveness of business processes and compliance with laws and regulations. The weak points identified in this way are rectified by means of selective actions. The Audit Committee of the MCH Group monitors the ICS.

Information policy

The MCH Group pursues an open communication policy as a matter of principle. It complies with the rules of the SIX Swiss Exchange as far as its information practice is concerned. All the key information may be found on the MCH Group's website:

Reports, ad hoc publications, media releases

Statutes, regulations, agenda
