



Proposed Code changes submitted for open referral

The Swedish Corporate Governance Board has presented proposed amendments to the Swedish Corporate Governance Code for open referral until 6 November 2019. The proposed changes include rules for remuneration guidelines and remuneration reports in the light of the updated Shareholder Rights Directive.

The current version of the Swedish Corporate Governance Code, (the "Code"), came into force on 1 December 2016. In view of the time that has elapsed since the latest revisions were made, the Board conducted five roundtables with Code users in 2018 and 2019 in order to identify any need for rule changes. The overall conclusion from these dialogues was that the Code works well in general and that no major changes are required, but that there are reasons to review some of the details within the Code. The structure of the rules regarding the nomination committees were the subject of some discussion, as was well as the role of company boards in the handling of sustainability issues.

Another reason for review of the Code is the EU directive on amendments to the Shareholder Rights Directive. When implementing the updated directive, the legislators gave the Swedish self-regulation bodies the task of considering whether the statutory rules on remuneration guidelines and remuneration reports needed to be supplemented with new Code rules. As the Board announced on 5 June 2019, the Board has initiated work on a new recommendation regarding remuneration in listed companies in order to gather relevant rules and practices into a coherent recommendation. However, as a first step, the Board has chosen to incorporate relevant remuneration rules into the Code. Work on the recommendation is ongoing and is expected to be published in 2020.

The Board's proposed amendments to the Code, (with changes to the current version of the Code marked), as well as a separate document where the proposed changes are explained individually, form the basis of the open referral. The documents are available on the Board's website, www.bolagsstyrning.se.

Comments are welcome and can be submitted by e-mail to info@bolagsstyrning.se or by post to the Swedish Corporate Governance Board, Väpnargatan 8, 114 51 Stockholm. All submissions are to have been received no later than 6 November 2019 in order to be taken into consideration in the further work with the Revised Code. All submitted comments will be published on the Board's website.

After the referral period ends, the Board will take into account the comments received in the referral process and other opinions that have come up in the general debate on the proposed changes before finalising the Revised Code. The aim is for the amendments to take effect from 1 January 2020.

SWEDISH
CORPORATE
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The Swedish Corporate Governance Board is one of four bodies that constitute the Association for Generally Accepted Principles in the Securities Market, which oversees self-regulation within the securities market. For more information, see www.godsedpavpmarknaden.se.

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