

**The Swedish Corporate Governance Board:  
The Board calls on listed companies to provide better information  
and requests feedback on the Code before conducting a review**

**All listed companies have received letters from the Swedish Corporate Governance Board on how they apply the Swedish Corporate Governance Code. The background to this is the Board's survey in spring 2013, which revealed that the level and quality of corporate governance information has declined.**

**After round table discussions with around 40 Code users, the Board believes that the Code works well in general. The Board calls for further comments on the Code in anticipation of an upcoming review.**

In its latest annual report, the Board wrote that many companies application of the Swedish Code of Corporate Governance is flawed and that, for the first time, the quality of information issued by companies had deteriorated, particularly with regard to explanations of deviations and the reasoning of nomination committees.

The Board has therefore sent a letter to all listed companies on the subject of how the Code is applied.

"We want companies to improve their corporate governance information. This is important in order for investors, not least those outside Sweden, to continue to have high confidence in corporate governance in Swedish companies" said Bjorn Kristiansson, Executive Director of the Board.

The Board has held a number of dialogue meetings with Code users and received comments on the Code and how it is applied by companies:

- Owners must take their role in nomination committees seriously and appoint competent nomination committee members. The vast majority, however, wish to preserve the Swedish model of shareholder-appointed nomination committee members.
- The recruitment of women to the boards of listed companies is considered too poor, despite clear wording in the Code. This carries a risk of legislation on gender quotas, which is considered to be a restriction of proprietary rights.
- Risk management in companies could be improved – it is the many risks that are not discovered in time that damage confidence in individual companies and which then indirectly affects all companies.
- The role of the chair of a company board has expanded - but fees have not kept pace with the increased demands.
- Incentive programmes take up too much time - must they really be decided by the shareholders' meeting? Should the company board not perform this function and be made accountable?
- The number of company directorships should be regulated through nomination committees and not by legislation or the Code. A general limitation would primarily affect access to skills and competence for smaller listed companies.
- It would be desirable if the Board could be more active by promoting Swedish interests more strongly in Brussels.

"Our conclusion is that the Code functions adequately in general, but that companies' application of it could be improved, not least with regard to the nomination process", says Hans Dalborg, the Chair of the Swedish Corporate Governance Board. "In short, the people we talked to do not wish to see any major changes in the Code."

The Board now calls for further comments on the Code no later than 15 November 2013. The Board then intends to assess the need for changes in the Code. The conclusions will be presented at a high-level symposium on 4 December 2013.

SWEDISH  
**CORPORATE  
GOVERNANCE BOARD**

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