

*Press release 5 June, 2019*

## **The Swedish Corporate Governance Board presents amendments to the Swedish Corporate Governance Code and a new recommendation on remuneration – timetable**

**In September 2019, the Swedish Corporate Governance Board (“the Board”) will present proposals for amendments to the Swedish Code of Corporate Governance (“the Code”). In October 2019, the Board will present a new recommendation on remuneration, with a view, following a consultation process, to issuing new rules to come into effect from January 1, 2020.**

In 2018 and 2019, in addition to the comments that are regularly received by its members, the Board has held five round tables with Code users. The discussions on the Code have dealt with issues such as nomination committees, the independence of board directors, internal controls, and companies' sustainability work in the light of profitability goals, but also touched on various details in the Code. The Board intends to present a proposed revised Code for an open referral process in September 2019. The proposal is not expected to involve any major changes to the Code, apart from on remuneration issues (see below).

The Board has initiated work on a new recommendation on remuneration in listed companies. In implementing the updated Shareholders' Rights Directive, which comes into force on June 10, 2019, legislators have handed to the Swedish self-regulation bodies the question of whether to consider complements to the legislative rules on remuneration guidelines and remuneration reports. This is primarily about whether the self-regulation process should require that the guidelines and the report also cover remuneration to other senior executives than those groups included in the proposed legislation, (the CEO, the deputy CEO, board members and deputy board members). The proposed legislation's transitional provisions mean that companies that do not have a broken fiscal year will not need to decide on their first remuneration guidelines under the new rules until the annual general meetings in the spring of 2020, and the first remuneration reports will be presented to the annual general meetings in the spring of 2021.

In addition to this issue, the Board has chosen to take a broader view and intends to also move the relevant parts of the Code's rules on remuneration committees and remuneration, (primarily chapter 9 in the Code), to the recommendation. Additionally, it intends to codify the Swedish Securities Council's current principles regarding incentive programs, (Ruling 2002:1 and subsequent statements), together with any other issues regarding remuneration to senior executives in listed companies. The Board intends to involve leading stakeholders in this work, with a view to presenting a preliminary recommendation proposal in October 2019. The aim is that the recommendation will come into force on 1 January 2020 following the requisite referral process.

# KOLLEGIET

FÖR SVENSK BOLAGSSTYRNING

For further information, please contact:

Björn Kristiansson at [bjorn.kristiansson@bolagsstyrningskollegiet.se](mailto:bjorn.kristiansson@bolagsstyrningskollegiet.se), telephone +46 (0)76-770 37 47,  
or Tobias Hultén at [tobias.hulten@bolagsstyrningskollegiet.se](mailto:tobias.hulten@bolagsstyrningskollegiet.se).

*The Swedish Corporate Governance Board is one of the 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](http://www.godsedpavpmarknaden.se).*

Väpnargatan 8, 114 51 STOCKHOLM  
[www.godsedpavpmarknaden.se](http://www.godsedpavpmarknaden.se)