

„Institutional investors need direct contact with the Board of Directors!“

Review of the 1st Swiss Corporate Governance Dialog

The dialog between investors and issuers on corporate governance is important. Often, it is the only way to clarify company-specific situations and to avoid analyses based on a uniform best-practice approach. The Swiss Corporate Governance Dialogue (SCGD) is set up to explicitly promote this dialog and to present the different views of the market with keynote speeches and panel discussions. At the first SCGD, Eugenia Unanyants-Jackson, Head ESG Research Allianz Global Investors, and Albert M. Baehny, Chairman of the Board of Directors of Geberit and Vice Chairman of the Board of Directors of Lonza, presented their views on the current state of corporate governance. A legal view on governance was presented by Hans-Jakob Diem, Partner at Lenz and Staehlin, who elaborated on the current development of the legislative frame-work in Switzerland. The most important take-aways of the 1st SCGD are:

The creation of corporate value is, in Albert M. Baehny's opinion, a central task of the Board of Directors. In his view, this requirement also justifies extraordinary measures to address extraordinary situations.

From the point of view of an international investor, represented by Eugenia Unanyants-Jackson, Swiss companies often do not provide enough material information on important governance issues. This applies in particular to the composition, competencies and succession planning of the Board of Directors, the handling of shareholder rights, the use of takeover protection, for example by means of restricted transferability or opting-out/up, and of course the calibration of the remuneration model.

This view was shared by Edouard Dubois, Vice-President Investment Stewardship at BlackRock, in a concluding discussion. In his view, Swiss companies are generally too

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modest: they often decide to limit their governance-related disclosure to comply with the minimum legal requirements in Switzerland – this contrasts with the often higher international standards.

Investors agreed, however, that recent years have seen a significant improvement in corporate governance in Switzerland. Yet, in the case of governance engagements with investors, a clear divergence between large and small companies can still be observed.

In his update on the legal framework, Hans-Jakob Diem reminded issuers that an „engagement“ with investors is permissible under Swiss law. The prerequisite is that such conversations do not take place during a blackout period and that no material, non-public information is disclosed.

About Swiss Corporate Governance Dialog

SCGD is an exclusive conference that brings together members of the Board of Directors and Executive Committee of companies listed in Switzerland and representatives of major international and Swiss institutional investors. As a framework program, the SCGD offers insights from leading representatives of issuers and investors as well as a topical presentation on corporate governance legislation and - at the heart of the event – a private platform for individual discussions between companies and investors. A total of ten listed Swiss companies participated in the 1st SCGD. These included small and medium-sized issuers and SMI companies. The investor side was represented by governance specialists from leading international and Swiss asset managers. www.corporategovernance-dialog.ch