

2022 Switzerland Spencer Stuart Board Index Highlights

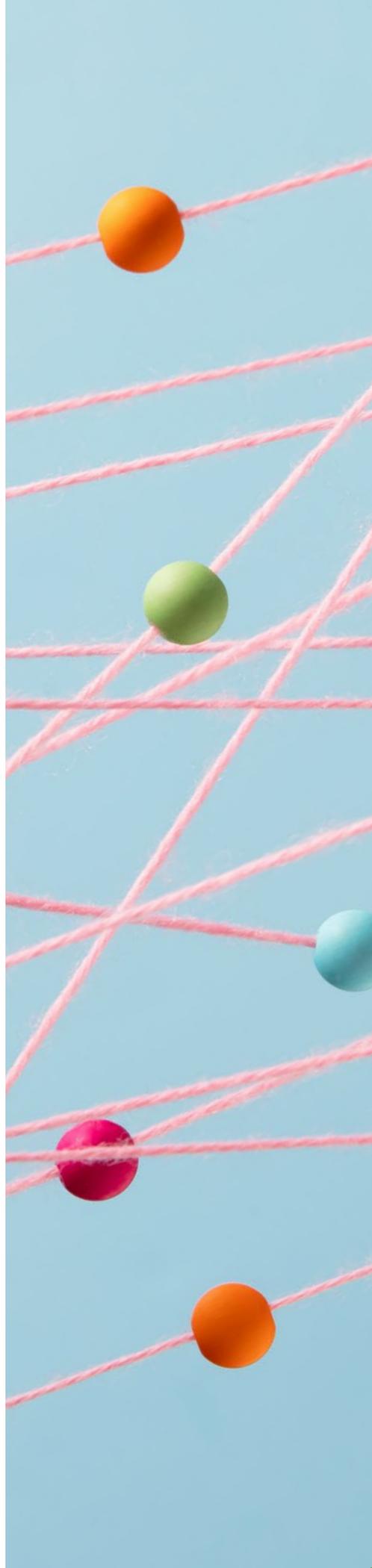
The 2022 *Switzerland Spencer Stuart Board Index* is a survey of the 48 largest public companies with a premium listing on the Swiss Market Index Expanded (SMI Expanded). Some of the most notable findings are highlighted here.

Female representation on boards and executive committees picked up pace

2022 saw a clear uptick in female board representation at 33% and marking a 22% increase from 2021. The same upward trend applies to executive committees, where women now account for 17% of the seats, representing a 55% increase from 2021.

This encouraging development follows in the wake of an amendment to gender quotas for boards (30% women) and executive committees (20% women) for publicly listed companies with more than 250 employees, passed by Switzerland's National Council in 2020.

- » 69% of SMI Expanded boards reached Switzerland's gender quota, which represents a 64% increase over the previous year.
- » 26% of SMI Expanded companies achieved both quotas. 43% of the cohort achieved only the board quota while 8% of companies met the quota only for their executive committee. 23% of companies met neither quota.
- » Three chairs (6%) are women.



33%

of non-executives
are women

69%

of boards met
Switzerland's 30% gender
representation quota

24%

of committee chair roles
are held by women

Women remain underrepresented as committee chairs

The overall trend towards greater gender representation is encouraging and in line with the percentage of female committee membership (35%). However, the number of women chairing committees continues to be low (24%).

- » While 39% of audit committee members are women, only 25% of audit committees have a female chair (22% in 2021).
- » 34% of members on nomination committees are women while 22% of nomination committees have a female chair (13% in 2021).
- » Only in remuneration committees is the ratio of female chairs (35%) in line with overall female board membership (33%).

Governance and board composition

When looking at term limits, we see a stark difference between SMI Mid and SMI companies. While 54% of SMI Mid companies do not have a formalised end point for membership on their boards, 65% of SMI companies do: 25% of SMI boards maintain an age limit; 20% a term limit; 20% have both an age and a term limit.

- » 52% of new appointments do not have prior board experience.
- » 68% of newly appointed directors were foreign in 2022.
- » 75% of chairs are deemed independent. It is noteworthy, however, that 40% of chairs previously served as CEO of the same company.
- » The average tenure for directors is 6.2 years.
- » The average board size in the SMI is 10.6, compared with 8.3 on SMI Mid boards.
- » The average number of committees is 3.5 per board.
- » The average number of scheduled board meetings was eight in 2022 (8.7 in 2021).

Remuneration

Approximately 76% of companies have not changed their retainer fee. As most companies in our sample remunerate directors at least in part by shares, the average total payout is susceptible to changes in average share price.

- » The average non-executive retainer is CHF 190,305.
- » The average chair retainer is CHF 1,176,510.
- » 69% of companies remunerate partially by shares.

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52%

of new appointments
are first-time directors

CHF 190,305

is the average
non-executive retainer

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