

PANORAMIC **CORPORATE GOVERNANCE**

Switzerland



LEXOLOGY

Corporate Governance

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SOURCES OF CORPORATE GOVERNANCE RULES AND PRACTICES

Primary sources of law, regulation and practice

What are the primary sources of law, regulation and practice relating to corporate governance? Is it mandatory for listed companies to comply with listing rules or do they apply on a "comply or explain" basis?

The principal statutory source is the CO, in particular articles 620–763 governing corporations (*Aktiengesellschaft*, AG). For companies listed on the SIX Swiss Exchange as Switzerland's primary stock exchange, the regulatory layer further includes the SIX Exchange Regulation's Directive on Corporate Governance (DCG) and the Listing Rules, which impose disclosure and organisational requirements on a mandatory basis – non-compliance leads to sanctions, not only to obligations to explain the non-compliance.

In contrast, the Swiss Code of Best Practice for Corporate Governance (SCBP) issued by *economiesuisse* operates on a "comply or explain" basis. It is, nevertheless, widely respected as a cornerstone element of Swiss corporate governance soft law. Accordingly, the DCG likewise requires listed companies to disclose deviations from the SCBP in their corporate governance report.

For banks and insurance companies, various Swiss Financial Market Supervisory Authority (FINMA) circulars, including Circular 2017/1 "Corporate governance – banks", set binding supervisory expectations on board composition, risk governance, internal controls, audit and other corporate governance features. The Swiss Financial Market Infrastructure Act (FMIA) and its implementing ordinances regulate, in particular, major shareholding disclosures (article 120 FMIA) and the public takeover framework (articles 125–141 FMIA).

Law stated - 17 August 2026

Responsible entities

What are the primary government agencies or other entities responsible for making such rules and enforcing them? Are there any well-known shareholder or business groups, or proxy advisory firms, whose views are often considered?

The primary actors are:

- the Federal Council and Parliament (legislative function);
- FINMA for supervised financial institutions;
- SIX Swiss Exchange for listed companies;
- the Swiss Takeover Board (UEK) for public takeover matters;
- cantonal commercial registers and the Federal Commercial Registry Office (EHRA);
-

various self-regulatory organisations, in particular in the area of anti-money laundering, which are supervised by FINMA and oversee certain financial intermediaries for compliance with Swiss anti-money laundering (AML) requirements;

- industry associations, such as *economiesuisse* or the Swiss Banking Association, which develop professional standards, codes of conduct and best-practice rules for their respective sectors.

Key shareholder groups and proxy advisory firms include Ethos Foundation, the Swiss Institutional Investors Group, Actares, and internationally active proxy advisors ISS and Glass Lewis. (Ethos Foundation, ISS and Glass Lewis are the most relevant proxy advisory firms in Switzerland. Actares (shareholder association) and the Swiss Institutional Investors Group also exercise influence.)

Law stated - 17 August 2026

RIGHTS AND EQUITABLE TREATMENT OF SHAREHOLDERS AND EMPLOYEES

Shareholder powers

What powers do shareholders have to appoint or remove directors or require the board to pursue a particular course of action? What shareholder vote is required to elect or remove directors?

The general meeting (GM) of a Swiss corporation has the inalienable power to elect and remove members of the board of directors (article 698 paragraph 2 No. 2 Swiss Code of Obligations (CO)). Absent any particular rules defined in the articles of association, an election requires an absolute majority of the votes represented at a particular GM and removal may, likewise, be effected at any time by a simple majority vote without cause (article 705 paragraph 1 CO). Members of the board of directors are elected individually. Shareholders cannot instruct the board of directors on management matters as this is an inalienable power of the board of directors (article 716a paragraph 1 CO). If the board, nevertheless, submits certain business topics or decisions to the GM, any respective vote would be of a non-binding, consultative nature only.

Law stated - 17 August 2026

Shareholder decisions

What decisions must be reserved to the shareholders? What matters are required to be subject to a non-binding shareholder vote?

Swiss law distinguishes between binding shareholder resolutions and consultative votes. The GM has the inalienable powers set out, in particular, in article 698 CO, including the adoption and amendment of the articles of association, election and removal of the board of directors and auditors; approval of the annual report and annual financial statements; allocation of balance-sheet results; and discharge of the board members and other persons entrusted with the management. For listed companies, the GM also has statutory say-on-pay powers: shareholder votes on the aggregate remuneration of the board of directors, executive management and advisory board are binding. Where variable remuneration is

approved prospectively, however, the remuneration report must be submitted to the GM for a consultative, non-binding vote. In addition, companies subject to the respective reporting obligations as per article 964a et seq. CO must submit the report on non-financial environmental, social and governance (ESG) matters to the GM. Although this step is framed as an approval requirement rather than a mere consultative vote, the legal consequences of a negative vote are debated.

Law stated - 17 August 2026

Disproportionate voting rights

To what extent are disproportionate voting rights or limits on the exercise of voting rights allowed?

Swiss law permits the issuance of non-voting shares, called participation certificates and the creation of shares with enhanced voting rights. The latter may be created by stating in the articles of association that voting rights are determined by the number of shares held rather than by the aggregate nominal value of those shares. Shares with enhanced voting rights will, then, have a lower nominal value than other shares, but carry the same voting rights. However, their nominal value may not be less than one-tenth of the nominal value of the other shares – in other words, shares with enhanced voting rights cannot carry more than 10 times the voting power of other shares. In addition, each share must carry at least one vote (article 692 paragraph 2 CO). Finally, the articles of association may also cap the number of votes that may be exercised by holders of multiple shares (article 692 paragraph 2 CO).

Law stated - 17 August 2026

Shareholders' meetings and voting

Are there any special requirements for shareholders to participate in general meetings of shareholders or to vote? Can shareholders act by written consent without a meeting? Are virtual meetings of shareholders permitted?

Participation in the GM in respect of registered shares requires entry in the share register with voting rights (article 689a CO). Since the revised CO entered into force in 2023, Swiss law permits hybrid meetings with electronic participation and fully virtual GMs. Shareholder resolutions may also be passed in writing on paper or in electronic form unless a shareholder or its representative requests oral deliberation (article 701 paragraph 3 CO). Proxy voting is permitted; listed companies must designate an independent proxy (article 689c CO).

Law stated - 17 August 2026

Shareholders and the board

Are shareholders able to require meetings of shareholders to be convened, resolutions and director nominations to be put to a shareholder

vote against the wishes of the board, or the board to circulate statements by dissident shareholders?

Shareholders may request that a GM be convened if they hold, alone or together, at least 5% of the share capital or voting rights in a listed company, or at least 10% in a non-listed company (article 699 paragraph 3 CO). Shareholders may also request that items, including the election of new and the removal of existing directors, be placed on the agenda, or that proposals relating to agenda items be submitted to the GM, if they hold at least 0.5% of the share capital or voting rights in a listed company, or at least 5% in a non-listed company (article 699b CO). The board has limited possibilities to refuse agenda items and motions to be submitted to the GM. Swiss courts tend to adopt shareholder-friendly positions and to, in ambiguous cases, allow such items and motions to be brought forward (BGer 4A_130/2023 (9 October 2023) on the scope of agenda competence vs. board authority).

Law stated - 17 August 2026

Controlling shareholders' duties

Do controlling shareholders owe duties to the company or to non-controlling shareholders? If so, can an enforcement action be brought against controlling shareholders for breach of these duties?

Swiss law does not impose a general fiduciary duty on controlling shareholders towards the company or minority shareholders merely by virtue of their shareholding. Controlling shareholders are, however, subject to the general prohibition of abuse of rights (article 2 CC), and GM resolutions procured through majority control may be challenged if they violate the law or the articles of association, or improperly prejudice shareholders (article 706 CO); particularly serious defects may result in nullity (article 706b CO). For instance, Swiss courts have in certain instances held invalid resolutions on dividends that lacked any sound business rationale and were passed merely to prejudice minority shareholders. In public takeover situations, additional equal-treatment rules apply, including the Best Price Rule under the Swiss Financial Market Infrastructure Act (FMIA) and the Takeover Ordinance (UEK decisions id/3737 (2023), id/3572 (2024) and id/2835 (2024) on the Best Price Rule (articles 32, 10 UEV) ensuring equal treatment of shareholders in public takeovers; see takeover.ch).

Law stated - 17 August 2026

Shareholder responsibility

Can shareholders ever be held responsible for the acts or omissions of the company?

As a general rule, a shareholder's liability is limited to paying the issue price of its shares, and shareholders are not personally liable for the company's obligations (article 680 paragraph 1 CO). Swiss law does not codify a general "piercing the corporate veil" doctrine, but Swiss courts may exceptionally disregard a company's distinct legal personality where certain prerequisites are met, in particular if the legal entity was abused to promote the personal business interests of a shareholder. A shareholder may also be held liable if it effectively acts as an (elected or unelected) corporate body or otherwise engages in conduct giving

rise to liability under general legal, in particular tort, principles. Finally, in the latter cases, the company itself may also hold the shareholder liable for breach of the duties owed by it in that de facto corporate capacity.

Law stated - 17 August 2026

Employees

What role do employees have in corporate governance?

It is a distinctive feature of Swiss corporate law that it does not provide for employee representation on the boards of private-sector companies. Employee representation in the form of works councils may be established voluntarily in enterprises employing at least 50 employees, but this is seldom done. If established, such works councils also have fewer rights and powers than in many other European jurisdictions. Employees do, however, have statutory information and consultation rights in certain circumstances, including business transfers and collective redundancies.

Law stated - 17 August 2026

CORPORATE CONTROL

Anti-takeover devices

Are anti-takeover devices permitted?

Yes, within limits. Structural defences may include percentage limits on the registration of acquirers of listed registered shares (article 685d Swiss Code of Obligations (CO)), voting-right caps or qualified-majority requirements for certain shareholder resolutions. Some traditional defences, such as staggered boards, are of limited relevance for listed companies because board members and compensation committee members must be elected annually and individually (articles 710 paragraph 1 and 733 CO). Once a public tender offer has been announced, the board is subject to takeover-law restrictions and may not take defensive measures that could significantly alter the assets or liabilities of the target without shareholder approval (article 132 Swiss Financial Market Infrastructure Act (FMIA), UEK Circular No. 3) (UEK decisions on defensive measures and the board of directors' duty of neutrality; see UEK Circular No. 3 and decisions id/3978 and id/3795 on takeover.ch).

Law stated - 17 August 2026

Issuance of new shares

May the board be permitted to issue new shares without shareholder approval? Do shareholders have pre-emptive rights to acquire newly issued shares?

Yes, but only within a framework approved by the shareholders. The GM may authorise the board to increase or reduce the share capital within a defined capital band (

for a period of up to five years (articles 653s ff. CO). The GM may also create conditional capital for the issuance of shares upon the exercise of conversion, option or similar rights, or in connection with employee participation rights (articles 653 ff. CO). Existing shareholders generally have statutory pre-emptive rights in a capital increase (article 652b CO) and advance subscription rights in relation to conditional capital. These rights may be restricted or withdrawn (by the GM or, if the GM gives respective authority to the board, by the board) only for important reasons and without improperly advantaging or disadvantaging any shareholder.

Law stated - 17 August 2026

Restrictions on the transfer of fully paid shares

Are restrictions on the transfer of fully paid shares permitted and, if so, what restrictions are commonly adopted?

Transfer restrictions are permitted for registered shares (articles 685a–685g CO). For listed registered shares, the company may refuse registration of the acquirer's voting rights only if the articles provide for a respective limit, or if the acquirer does not declare upon request that the shares were acquired in its own name and for its own account (article 685d CO). For non-listed registered shares, the articles may allow broader refusal grounds, including refusal for good cause or an offer by the company to acquire the shares at their real value.

Law stated - 17 August 2026

Compulsory repurchase rules

Are compulsory share repurchases allowed? Can they be made mandatory in certain circumstances?

Compulsory share repurchases are not available as a general corporate-law mechanism at the company's disposal. However, Swiss law does provide for squeeze-out mechanisms in specific circumstances. Following a public tender offer, a bidder that holds more than 98% of the voting rights in the target company may request the court to cancel the remaining equity securities against payment of the offer price to the remaining shareholders (article 137 FMIA). A squeeze-out may also be implemented through a merger under the Merger Act, where minority shareholders may be forced to accept cash or other consideration instead of shares in the surviving entity, provided the merger is approved by at least 90% of all voting rights; whereby minority shareholders have the right to request a court review of the adequacy of the compensation. Outside those statutory squeeze-out mechanisms, mandatory transfers or repurchases may be provided for contractually, for example in shareholders' agreements, call-option arrangements, leaver provisions or drag-along clauses, but such arrangements bind only the parties to them and do not apply to all shareholders.

Law stated - 17 August 2026

Dissenters' rights

Do shareholders have appraisal rights?

In mergers, demergers and certain other limited circumstances, shareholders may request judicial review of the adequacy of the exchange ratio of their equity stakes in a new legal entity received in exchange for a participation in another legal entity, or of any financial compensation received instead of a new equity participation (see, for example, article 105 Merger Act). Swiss law does not, however, provide for a general "appraisal right" comparable to US law. Depending on the circumstances, shareholders of Swiss companies can challenge GM resolutions (article 706 CO) or rely on respective provisions specifically included in shareholders' agreements.

Law stated - 17 August 2026

RESPONSIBILITIES OF THE BOARD (SUPERVISORY)

Board structure

Is the predominant board structure for listed companies best categorised as one-tier or two-tier?

Switzerland follows a one-tier, or monistic, board model. All directors sit on a single board of directors, and Swiss law does not require a separate supervisory and management board. In practice, in all but small and medium-sized enterprises, the board usually retains overall supervision and strategic responsibility while delegating the entire day-to-day management to an executive management on the basis of organisational regulations, to the extent permitted by article 716b Swiss Code of Obligations (CO).

Law stated - 17 August 2026

Board's legal responsibilities

What are the board's primary legal responsibilities?

Article 716a CO defines the main non-delegable and inalienable duties of the board:

- overall management and giving of directives;
- determination of the company's organisation;
- financial planning, financial control and structuring of the accounting system;
- appointment and removal of persons entrusted with management and representation;
- ultimate supervision of the persons entrusted with management;
- preparation of the annual report, the GM and execution of GM resolutions;
- taking the measures required in the event of imminent illiquidity or capital loss and, in the case of over-indebtedness, notification of the court (articles 725–725b CO); and
- resolutions on capital increases and related amendments.

Specific statutes impose further obligations on the board.

Law stated - 17 August 2026

Board obligees**Whom does the board represent and to whom do directors owe legal duties?**

Directors owe their statutory duties of care and loyalty to the company (article 717 CO). They must safeguard the company's interests in good faith and treat shareholders equally in similar circumstances; they may not prefer the interests of individual shareholders, controlling shareholders or third parties over those of the company. They must also avoid conflicts of interest and, where such conflicts arise, disclose them to the board; the non-conflicted board members must then determine the appropriate measure to address the conflict, which may range from the conflicted director's abstention from the vote only, to abstention from both deliberation and vote, or to other safeguards as warranted in the circumstances (article 717a CO). Creditors are protected indirectly through the board's duties in situations of capital losses, liquidity issues and over-indebtedness (articles 725–725b CO) and the general law of contracts.

Law stated - 17 August 2026

Enforcement action against directors**Can an enforcement action against directors be brought by, or on behalf of, those to whom duties are owed? Is there a business judgement rule?**

The company and individual shareholders may bring liability claims against directors and officers for breaches of their duties (articles 754–756 CO). In an insolvency, creditors may also bring such claims (article 757 CO). Swiss courts recognise a business judgment rule: directors are generally not liable for bona fide business decisions made on an adequately informed basis, through a proper decision-making process, in compliance with the company's internal regulations and free from conflicts of interest, even if the decision later proves disadvantageous. Where these prerequisites are met, Swiss courts are reluctant to review business decisions and thereby substitute their own judgment for that of the original decision makers, and will do so only if the decision fell outside the range of reasonable business judgment.

Law stated - 17 August 2026

Care and prudence**Do the duties of directors include a care or prudence element?**

Yes. Article 717 paragraph 1 CO requires directors to perform their duties with all due care and to safeguard the company's interests in good faith. The duty of care is assessed objectively and in light of the specific circumstances, including the director's role, responsibilities and the nature of the company's business. Directors are therefore

measured against how a reasonably diligent director in the same position, with comparable responsibilities, would have acted.

Law stated - 17 August 2026

Board member duties

To what extent do the duties of individual members of the board differ?

All directors are subject to the same statutory duties of care and loyalty. However, liability is assessed individually, so each director is liable only to the extent that damage is attributable to their own breach of duty. Differences may arise from the allocation of functions within the board: the chair typically has specific procedural responsibilities, such as convening meetings and organising the board's work, while committee members may bear greater responsibility for matters within their assigned remit, such as audit, compensation or risk oversight. Delegation does not release the board from its overall supervisory duties, but it may affect the standard by which an individual director's conduct is assessed.

Law stated - 17 August 2026

Delegation of board responsibilities

To what extent can the board delegate responsibilities to management, a board committee or board members, or other persons?

Article 716b CO permits the board to delegate the company's day-to-day management, in whole or in part, to individual directors, a board committee, the executive management or other third parties, provided this is authorised by the articles of association and implemented through organisational regulations. The board's non-transferable and inalienable duties under article 716a CO cannot, however, be delegated. Even where the day-to-day management is delegated, the board remains responsible for the strategic decisions and related, strategically relevant management tasks and likewise, by law, retains the ultimate supervision over the persons entrusted with the day-to-day management.

Importantly, while Swiss corporate law on its face does not distinguish between listed companies, large non-listed corporations, smaller companies and wholly owned subsidiaries in a group, leading scholars and the Federal Supreme Court (BGer 4A_268/2018) have acknowledged that in the context of wholly owned group subsidiaries, the non-delegable duties catalogue of article 716a CO may be subject to a teleological reduction. Under this approach, the board of a subsidiary retains only residual competences – in particular solvency monitoring, compliance with mandatory law and the formal appointment of management – while acknowledging that overall strategic direction is exercised at the group level. This flexibility allows Swiss corporate governance to be adapted to the concrete circumstances, taking into consideration the applicable rules and the company's position within a group structure.

Law stated - 17 August 2026

Non-executive and independent directors

Is there a minimum number of "non-executive" or "independent" directors required by law, regulation or listing requirement? If so, what is the definition of "non-executive" and "independent" directors and how do their responsibilities differ from executive directors?

Swiss corporate law does not prescribe a general minimum number of independent or non-executive directors. For listed companies, the Swiss Code of Best Practice for Corporate Governance (SCBP) recommends that the majority of the board be independent; independence is generally assessed by reference to whether a director is non-executive, has no recent executive role or lead-auditor role, and has no more than minor business relationships with the company or group. SIX rules require certain disclosures regarding board composition and governance, but do not impose a fixed independence quota, either. Sector-specific rules may go further: for banks, the Swiss Financial Market Supervisory Authority (FINMA) requires at least one-third of the board to be independent and, for certain institutions, a majority of the audit and risk committees to be substantially independent. Independent and non-executive directors have the same statutory duties as other directors and, in addition, those duties imposed by the company's internal policies applicable only to their function (such as a dedicated audit committee charter) or inherent in the specific, additional responsibilities they assume.

Law stated - 17 August 2026

Board size and composition

How is the size of the board determined? Are there minimum and maximum numbers of seats on the board? Who is authorised to make appointments to fill vacancies on the board or newly created directorships? Are there criteria that individual directors or the board as a whole must fulfil? Are there any disclosure requirements relating to board composition?

Swiss law requires at least one director and does not prescribe a statutory maximum. The articles of association may set a fixed number or a minimum and maximum range. Directors are elected by the GM; the board cannot co-opt replacement directors, so vacancies remain open until a new election by the GM. For listed companies, directors are elected individually and annually, and the GM also elects the chair of the board (articles 710 paragraph 1 and 712 paragraph 1 CO). Listed companies must disclose board composition and related governance information under the SIX corporate governance disclosure rules. Large listed companies are also subject to gender representation reporting thresholds: unless each gender represents at least 30% of the board and 20% of executive management, the remuneration report must explain the reasons and measures to improve representation (article 734f CO). The board threshold applies from the 2026 financial year onwards and the executive management threshold from the 2031 financial year onwards.

Law stated - 17 August 2026

Board leadership

Is there any law, regulation, listing requirement or practice that requires the separation of the functions of board chair and CEO? If flexibility on board leadership is allowed, what is generally recognised as best practice and what is the common practice?

Swiss law does not generally require the roles of board chair and CEO to be separated. As a matter of best practice, the SCBP recommends separating the chair and CEO roles, and this is common practice for listed companies and often also applied by larger non-listed companies. If the roles are combined, appropriate checks and balances have to be implemented, typically by appointing one or more independent directors (in practice often a lead independent director), by adopting clear internal policies and procedural rules and, in any case, by complying with the legal provisions applying in cases of conflicts of interest.

Law stated - 17 August 2026

Board committees

What board committees are mandatory? What board committees are allowed? Are there mandatory requirements for committee composition?

Swiss corporate law does not generally require companies to establish board committees. Listed companies, however, must establish a compensation committee, whose members are elected individually by the GM (article 733 CO). Other committees, such as audit, risk, nomination and strategy committees, may be established by the board and are common in listed and larger companies. If required for the adequate management of the company or group, the board may, in order to comply with its general duty of care, be obliged to establish such further committees. The SCBP stresses the importance of establishing the key committees required, in particular audit and compensation committees. SIX rules require disclosure of the board's internal organisation and committee structure, but do not themselves mandate an audit committee or other committees. Sector-specific rules impose additional requirements in certain cases: for banks, FINMA governance rules may, for instance, require audit and risk committees and set minimum standards on independence and expertise, depending on the institution's size and supervisory category.

Law stated - 17 August 2026

Board meetings

Is a minimum or set number of board meetings per year required by law, regulation or listing requirement?

Swiss law does not prescribe a minimum number of board meetings per year, and the SIX listing and corporate governance disclosure rules do not impose a fixed minimum, either. The SCBP recommends that the board meet as often as business requires, generally at least four times per year. In practice, boards of listed companies usually meet more frequently, often around six to 10 times annually depending on the company's size, complexity and circumstances.

Law stated - 17 August 2026

Board practices

Is disclosure of board practices required by law, regulation or listing requirement?

For SIX-listed companies, the Directive on Information relating to Corporate Governance requires disclosure in the annual corporate governance report of board practices and organisation, including the board's internal organisation, the allocation of responsibilities between the board and management, information and control instruments with regard to management, and elements such as risk management, internal control and internal audit, where applicable. In addition, article 716b paragraph 4 CO obliges the board to inform shareholders and creditors who credibly show a protectable interest about the organisational regulations, which complement the articles. The articles of every Swiss company are publicly available on the website of the Swiss commercial register.

Law stated - 17 August 2026

Board and director evaluations

Is there any law, regulation, listing requirement or practice that requires evaluation of the board, its committees or individual directors? How regularly are such evaluations conducted and by whom? What do companies disclose in relation to such evaluations?

Swiss law does not generally require board evaluations and SIX rules do not impose a mandatory evaluation process, either. The SCBP recommends that the board periodically evaluate its own performance, and many larger listed companies conduct annual internal evaluations, sometimes supplemented by external evaluations. Respective disclosure is not generally mandatory and, where made, is usually high-level, often limited to stating that an evaluation or self-assessment took place and summarising the process in broad terms.

Law stated - 17 August 2026

REMUNERATION

Remuneration of directors

How is remuneration of directors determined? Is there any law, regulation, listing requirement or practice that affects the remuneration of directors, the length of directors' service contracts, loans to directors or other transactions or compensatory arrangements between the company and any director?

For non-listed companies, director remuneration is set by the board, subject to directors' duties of care and loyalty and conflict-of-interest rules. In many cases, the compensation is pre-discussed informally with major shareholders or, in subsidiaries of a corporate group, included in the overall remuneration package of the delegated directors representing the group. For external directors, typically flat fees are arranged reflecting the size of the company and the complexity of the mandate. For listed companies, the articles

must contain rules on, among other things, the maximum duration and notice periods of remuneration-related contracts, the principles governing the compensation committee and the mechanics of the GM's vote on remuneration. Given the GM's competence to establish and amend the articles, the shareholders thus determine the broad parameters of board remuneration. The GM must vote annually, separately and bindingly on the aggregate remuneration of the board, executive management and any advisory board. Listed companies are also subject to specific restrictions: prohibited payments include severance payments, advance compensation, transaction bonuses, unjustified non-compete compensation and non-compete compensation exceeding the average remuneration of the preceding three years. In addition, loans, credits, pension benefits outside occupational pension schemes, performance-based remuneration and equity-based awards may be granted only if their principles are set out in the articles of association.

Law stated - 17 August 2026

Remuneration of senior management

**How is the remuneration of the most senior management determined?
Is there any law, regulation, listing requirement or practice that affects the remuneration of senior managers, loans to senior managers or other transactions or compensatory arrangements between the company and senior managers?**

For non-listed companies, remuneration of senior management is generally determined by the board. In principle, there are no legal restrictions regarding the amount of compensation or the structure of the remuneration package, with the exception of certain mandatory rules regarding bonus payments; therefore, careful drafting is required to protect the company. For listed companies, the GM must vote annually, separately and bindingly on the aggregate remuneration of executive management, alongside the votes on board and advisory board remuneration. The compensation committee and board then determine individual compensation packages within the approved framework and in accordance with the articles. The restrictions described above on prohibited compensation, remuneration-related contracts, loans, credits, pension benefits and performance-based or equity-based awards apply equally to executive management and to the board.

Law stated - 17 August 2026

Say-on-pay

Do shareholders have an advisory or other vote regarding remuneration of directors and senior management? How frequently may they vote?

For listed companies, Swiss say-on-pay is primarily binding rather than merely consultative. The GM must vote annually, separately and bindingly on the aggregate remuneration of the board of directors, executive management and any advisory board, with the voting mechanism to be set out in the articles. The vote may be prospective, retrospective or a combination thereof, as determined in the articles. Where variable remuneration is approved prospectively, the subsequent remuneration report must be submitted to the GM for a consultative vote. If a binding remuneration proposal is rejected, the board must submit

a new proposal at the same meeting, convene a new GM or submit the remuneration for retrospective approval, as provided by the articles.

Law stated - 17 August 2026

DIRECTOR PROTECTIONS

D&O liability insurance

Is directors' and officers' liability insurance permitted or common practice? Can the company pay the premiums?

D&O insurance is permitted under Swiss law and is standard practice for Swiss listed companies and many larger privately held companies. The company will generally pay the premiums; for listed companies, it should be considered whether the premium attributable to individual directors forms part of the remuneration subject to the binding GM vote and of the disclosure in the remuneration report, a question on which practice is not uniform and that is usually addressed expressly in the articles or the remuneration report. Coverage typically includes defence costs and civil liability claims, but usually excludes intentional misconduct, criminal fines and other non-insurable sanctions. The precise scope of cover depends on the policy terms. In practice, larger issuers place a primary layer topped by several excess layers, frequently supplemented by dedicated Side A cover that responds directly to individual directors where the company is unable or not permitted to indemnify them. Policies are written on a claims-made basis, so attention needs to be paid to retroactive dates, notification requirements and the purchase of run-off cover on a merger, take-private or delisting; run-off periods of six years are commonly agreed, although this is a commercial compromise that does not cover the full 10-year absolute limitation period under article 760 paragraph 1 Swiss Code of Obligations (CO). In group structures, the parent generally arranges a master policy covering the directors of all group companies, with locally admitted policies where the relevant jurisdiction requires them. Points commonly negotiated include the insured-versus-insured exclusion (which should carve out derivative and insolvency-administrator claims), severability of the application and of exclusions, allocation between insured and uninsured parties, and the size of any US (and in certain cases other jurisdictions) exposure, which materially affects pricing.

Law stated - 17 August 2026

Indemnification of directors and officers

Are there any constraints on the company indemnifying directors and officers in respect of liabilities incurred in their professional capacity? If not, are such indemnities common?

Indemnities for directors and officers are generally permissible under Swiss law. However, they are subject to mandatory law and general corporate-law restrictions. In particular, a company cannot validly indemnify a director or officer for fraud, intentional misconduct or, arguably, gross negligence. Indemnities are more likely to be enforceable for ordinary negligence, defence costs and third-party claims, provided the indemnity is in the company's interest. In practice, particularly for listed and larger companies as well as for fiduciary board

members, indemnities are documented in individual indemnification agreements entered into on appointment; a basis in the articles of association is not required but is occasionally used to put the arrangement beyond doubt. Where the indemnity is concluded with a director who also represents the company, article 718b CO requires it to be recorded in writing. Well-drafted indemnities cover defence costs as incurred, survive the end of the term of office for the duration of the relevant limitation periods, and name the individual's heirs. Because the indemnity is itself a related-party arrangement, it should be approved by the non-conflicted members of the board or by the GM and documented accordingly.

Law stated - 17 August 2026

Advancement of expenses to directors and officers

To what extent may companies advance expenses to directors and officers in connection with litigation or other proceedings against them or in which they will be a witness?

Yes. A Swiss company may generally advance defence costs to directors or officers in connection with proceedings, provided this is consistent with the company's interests and the company is not itself the claimant. Advancement is commonly addressed in or through the company's D&O insurance policy (in which case the insurance, and not the company, will advance the costs). It is typically subject to repayment or adjustment if it is ultimately determined that the director or officer is not entitled to indemnification. In practice, the D&O policy is the primary route and the company's own advancement obligation operates as a backstop where cover is disputed, exhausted or subject to a retention. Advancement is characterised as a purpose-bound loan and is normally made against a written undertaking to repay; repayment is required where a non-covered breach of duty is established, in particular in cases of gross negligence or intentional misconduct. The decision to advance is resolved upon by the non-conflicted board members, in larger companies often on the recommendation of a dedicated committee. Where the interests of the company and the individual diverge – typically once the company itself is considering a claim – separate counsel should be instructed at an early stage, and the insurer's consent to the choice of counsel and to the incurring of costs should be obtained to preserve cover.

Law stated - 17 August 2026

Exculpation of directors and officers

To what extent may companies or shareholders preclude or limit the liability of directors and officers?

Directors' statutory liability cannot be validly excluded in advance to the extent this would undermine mandatory liability rules, in particular for intentional or grossly negligent breaches of duty. Whether the company may prospectively waive claims against directors is doctrinally contested: the traditional view holds that the liability rules are mandatory and a waiver is impossible, while the prevailing modern view permits a waiver for slight negligence provided the company is not in insolvency; a waiver for intentional misconduct or gross negligence is, however, void under article 100 CO. Where the board resolves on a release in favour of its own members, there is an inherent conflict of interest; this conflict may be formally cured

by approval of the non-conflicted board members or by GM approval, though substantive justification remains difficult to establish. The GM may, in any case, retrospectively grant discharge to directors. Discharge releases directors from liability with regard to the company and shareholders who approved the discharge, but only for facts that were disclosed or otherwise known to the shareholders. It does not bind shareholders who did not approve the discharge or creditors, and it does not protect directors in respect of concealed or unknown facts. In practice, discharge is put to the annual GM as a separate agenda item; persons who participated in the management of the company may not vote on it (article 695 CO), so the resolution is in substance carried by the non-executive shareholder base. Shareholders who did not approve the discharge lose their right of action six months after the resolution (article 758 para. 2 CO), which makes the discharge vote a meaningful practical protection despite its limited legal scope. Because the release extends only to disclosed facts, the quality and specificity of the information given to shareholders in the annual report and at the meeting determines how far the discharge in fact reaches; where a particular transaction or incident is significant, it is preferable to address it expressly rather than rely on a general discharge. Discharge is also routinely sought for directors resigning on a change of control or group reorganisation, in each case alongside run-off D&O cover, since discharge alone does not bind creditors or a future insolvency administrator.

Law stated - 17 August 2026

DISCLOSURE AND TRANSPARENCY

Corporate charter and by-laws

Are the corporate charter and by-laws of companies publicly available? If so, where?

Yes. The articles of association are filed with the competent cantonal commercial register and are publicly accessible. For SIX-listed companies, the articles of association must also be made available on the issuer's website under the SIX corporate governance disclosure rules.

Law stated - 17 August 2026

Company information

What information must companies publicly disclose? How often must disclosure be made?

All Swiss companies must comply with ordinary corporate reporting obligations, including the preparation of annual financial statements and, where applicable, an annual report. Listed companies are subject to additional periodic and ongoing disclosure obligations, including ad hoc disclosure of price-sensitive facts, annual and semi-annual financial reporting, an annual corporate governance report, a remuneration report, and disclosure of significant shareholdings (SIX Listing Rules and related SIX rules; article 120 Swiss Financial Market Infrastructure Act (FMIA)). Large Swiss companies that meet the statutory thresholds must also prepare an annual report on non-financial (ESG) matters (articles 964a–964c Swiss Code of Obligations (CO)). In addition, companies subject to the relevant thresholds or risk

criteria may have due diligence and reporting obligations regarding minerals and metals from conflict-affected areas and child labour (articles 964j–964l CO and the related ordinance).

Law stated - 17 August 2026

UPDATE AND TRENDS

Recent developments

Identify any new developments in corporate governance over the past year.

Key 2025/2026 developments include:

- the first effective reporting cycle for the gender representation targets under article 734f Swiss Code of Obligations (CO), with large listed companies required to explain non-compliance with the 30% board threshold from the 2026 financial year and the 20% executive management threshold from the 2031 financial year; and
- the adoption and implementation of the new Federal Act on the Transparency of Legal Entities and the Identification of Beneficial Owners, which introduces a federal transparency register and new duties for Swiss legal entities to identify, verify and report their beneficial owners.

The new transparency register regime enters into force on 1 October 2026 and is intended to give competent authorities access to reliable beneficial ownership information. The register will not be public but will be accessible to certain authorities for anti-money laundering and enforcement purposes. Non-compliance with the new transparency register regime may trigger administrative orders to correct or complete beneficial ownership information and, in certain cases, fines of up to 500,000 Swiss francs. Serious or persistent non-compliance may also lead to measures affecting the legal entity itself or its shareholders, including the temporary loss of financial or membership rights.

Law stated - 17 August 2026

Shareholder engagement and activism

Do companies engage with shareholders? If so, who typically participates in the company's engagement efforts and when does engagement typically occur?

Yes. Shareholder engagement is common among Swiss listed companies and has become more structured in recent years. Engagement is typically led by the board chair, lead independent director, investor relations and, depending on the topic, committee chairs. Institutional investors and proxy advisers, including organisations such as Ethos, ISS and Glass Lewis, are particularly active on governance, ESG, compensation and board-composition matters. Engagement often intensifies ahead of the AGM season but larger issuers increasingly maintain dialogue with key investors throughout the year. Shareholder activism remains less frequent than in the United States or United Kingdom but campaigns relating to board composition, strategy, capital allocation and transactions have become more visible.

Law stated - 17 August 2026

Sustainability disclosure

Are companies required to provide disclosure with respect to corporate social responsibility matters?

Large Swiss public-interest companies must prepare an annual report on non-financial matters if, together with any controlled undertakings, they have at least 500 full-time equivalent employees on annual average and exceed either 20 million Swiss francs in total assets or 40 million Swiss francs in turnover in two consecutive financial years (articles 964a–964c CO). The report must cover environmental matters, social issues, employee matters and measures taken to promote respect for human rights and anti-corruption. In addition, companies meeting the relevant statutory criteria must comply with due diligence and reporting obligations concerning minerals and metals from conflict-affected areas and child labour in their supply chains (articles 964j–964l CO and the related ordinance).

Law stated - 17 August 2026