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Women in the boardroom: A global perspective

November 2011

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Introduction

The Deloitte Global Center for Corporate Governance ("the Global Center") is pleased to present an overview of a number of current initiatives around the world, both legal and regulatory, to increase the number of women serving on corporate boards. The topic of boardroom diversity is a long-standing one, and there have been a number of approaches to increase the diversity of those serving as executive and nonexecutive directors over the last decade, from voluntary initiatives, to 'comply or explain' initiatives aligned with local corporate governance codes, to required disclosure about diversity policies, to legal requirements with specific quotas.

In a 2010 United Nations publication "Women's Empowerment Principles: Equality means business" sufficient participation of women in decision-making and governance at all levels was stated as a means to empower women worldwide. More than 100 CEOs, including Deloitte Touche Tohmatsu Limited (DTTL) CEO Jim Quigley, affirmed the DTTL's commitment to the empowerment of women, and the importance of diversity and inclusion to its business strategy, by signing the CEO Statement of Support for the Principles.

From a corporate governance perspective, including more individuals with different backgrounds on boards of directors could improve these boards' functioning; harnessing strength from a variety of backgrounds, experiences, and perspectives allows boards to bring a more diverse perspective to problems. Gender is one factor in this context and as the specific question of quotas for women on boards has arisen in several jurisdictions over the last few years, the Global Center seeks to understand the state of play in regulation in this area around the world. Each of the countries in this report has taken steps — some large, some small — to increase the participation of women in their country's boardrooms. We plan to continue to follow these developments over the coming months and years, and we expect the present report to be only the first of many as more countries undertake similar reforms.

Moreover, to introduce the review, we present the views of three prominent directors on this topic, representing companies and organizations in North America, Europe, and Asia. Still, we agree with the goal behind quotas: to advance and increase numbers of women leading and overseeing management at public companies. The numbers of women serving in these roles is a new indicator of an organization's openness to diversity of thought in its board and executive team. It is to this end we dedicate this research, and we look forward to many more updates — with many more countries and higher numbers — in future years.

Global perspective

Jane Diplock AO is a company director. She sits on the boards of Singapore Exchange Limited and Australian Financial Services Group Pty Limited. She also sits on the International Advisory Committee of the CSRC (the Chinese Securities Regulator) and the International Advisory Council of the Center for Financial Regulation. Finally, she is an Ambassador for the International Integrated Reporting Committee and was formerly the Chairman of the New Zealand Securities Commission and Chairman of the Executive Committee of IOSCO (the International Organization of Securities Commissions). The opinions expressed in this foreward are Jane Diplock's personal opinions. The opinions provided herein do not represent the views and opinions of DTTL and its network of member firms.

Foreword by Jane Diplock

The debate about the role of women in the business life of the 21st century has quite rapidly transformed itself. We have seen the transformation of the discourse from a discussion on the basis of equity and human rights, via bottom line correlations to a question of productivity.

During the last century, arguments for gender equality in the workplace were largely based on the concept of equality of opportunity and promotion on merit; it was argued it was the "right" thing to do, but the actual participation rate of women at the top of corporate structures remained largely unchanged.

More recently, a number of studies were carried out to see if there was evidence that more women on boards or in senior roles, actually increased the bottom line. Extensive research has suggested correlation between the financial bottom line and the proportion of women on boards or in senior management. The Conference Board of Canada, Catalyst, independent consultancies and many others showed there is a direct positive correlation and attempted to argue that gender diversity was not only the "right" thing to do, but the "bright" thing to do.* Still, many at the top of the world's corporations did not seem persuaded, some noting the correlation but challenging the causation, and change still moved glacially.

Suddenly, all around the world, the perspective on this issue has changed significantly. Governments, perhaps challenged by the pressures of the global financial crisis, or driven by other competitive pressures have begun to look through a slightly different lens — that of productivity. A recent investment banking study on Australian business reported that an increase of up to 12 percent in productivity of Australian business could be achieved if the gender gap were eliminated.** The ASX has required gender ratios to be reported by listed companies and action plans to be developed to address gender imbalances. Malaysia has set a target of 30 percent of women on boards of listed companies within 5 years; Norway has imposed quotas and a number of counties in the EU are threatening them if business does not lift its game in this respect.

The question of targets versus quotas is a very difficult one. Anecdotally, it has been suggested that the call to action in Australia has been energized by an implied threat of quotas and business has responded.

My own view is that business should see that this issue is no longer about equal opportunity, or even merely a matter of choice. It is clearly a matter of good governance. There are few more important decisions for the future prosperity of an enterprise than the choice of the members who make up the governance team.

If the current cohort of business leaders continues to put their heads in the sand and ignore the issue, as many have successfully done up to now, some intervention in the interests of shareholders and other stakeholders may well be necessary. The development of targets with a relatively short timeframe underpinned by the implied threat of quotas, or quotas, may be necessary to inspire some business managers to action.

In my opinion, quotas should not be the first intervention of choice. Critics worry that it may result in inappropriate appointments. The fear that quotas will encourage the appointment of under-qualified or token appointments does not appear to be borne out in those jurisdictions where quotas currently apply. Even so, to my mind interventions or compulsion should only be imposed where absolutely necessary. The question to be asked is: will business understand and adopt this aspect of good governance in a timely way or not?

The fact that we are finally seeing an increase in the pace of change in many countries around the world is very heartening. Gender balance is likely to benefit the companies that do adopt it. It is increasingly being recognized as a badge of good governance and therefore desirable. Investors should demand it. If this progress continues and disclosure and targets work, then there may be no need to impose quotas. If it does not and the pace slackens then it may be that quotas may need to be imposed in the interests of good governance and productivity.

This new focus embraces the earlier approaches in a new and more urgent application and is one which appears to have gained global traction. Increasingly, gender balance is seen as an important element in good corporate governance and increasingly important in international competitiveness.

Jane Diplock
New Zealand

*The Conference Board of Canada: *Insights You Can Count On*; May 2002 < http://www.europeanpwn.net/files/women_on_boards_canada.pdf>.
***Australia's Hidden Resource: The Economic Case For Increasing Female Participation*, Goldman Sachs, 26 November 2009.

Liselott Kilaas is Managing Director of Aleris AS in Norway and Denmark. She holds a M. Sc. degree in mathematical statistics from the University of Oslo, Norway and an MBA from IMD in Lausanne, Switzerland. Aleris is a leading private provider of healthcare in the Nordic region. Ms. Kilaas is also the Deputy Chairman of the board of Telenor ASA and a member of the Norwegian Central Bank´s Executive Board. The opinions expressed in this foreward are Liselott Kilaas's personal opinions. The opinions provided herein do not represent the views and opinions of DTTL and its network of member firms.

Foreword by Liselott Kilaas

At irregular intervals when corporate governance is debated, the issue of increased female board participation surfaces. Some countries, including the one I come from, promote female board participation through corporate law changes. However, legislative measures are viewed by many as controversial and tend to polarize opinions; either you are for or utterly against - there seems to be limited scope for middle ground. The counter argument runs that without stimulating measures, progressing towards more balanced board participation between the sexes is happening at an unacceptably slow pace.

Increased female board participation must, of course, never be an end in itself; tangible benefits must be associated with such increased participation:

More women should sit on company boards because board diversity is required more than ever. With the wave of globalisation, tackling unanticipated competition and understanding new and different cultures and business climates have become imperative even in the most mundane of businesses. In several respects, the old company "universe" has exploded in size and complexity; severely stretching the skills, experience and insights of the board.
More women should sit on boards because of the evolving role of the corporate board. Again, we do not have to look back more than one decade to find that current requirements to how a board should function have changed dramatically. The key word here is corporate governance and a redefinition of what constitutes good practise in this respect. In essence, the scope of the board's oversight has increased significantly. Further, the processes by which the oversight is being exercised have become better defined and more rigorous. All of this requires a broader skillset and wider perspective in the board. Again, there is an implied need for more board diversity.

There is no hiding that men and women, even with similar educational backgrounds, often differ in their perspectives. The female perspective is neither necessarily better, nor more insightful, but different. Frequently, it will be based on experience from a network different from that of male board colleagues. Furthermore, the way women process issues often seem at least as rigorous and diligent as that of men. Finally, I would contend that the presence of women on the board contributes to an atmosphere in which it is easier to pose the simple questions that often are the hardest to ask.

Ultimately, board diversity is about combining alternative and complementary views that in the end, lead to better board decisions. In this context, increasing female board participation is but one of several measures, but certainly an important one.

Liselott Kilaas
Norway and Denmark

Maggie Wilderotter has been Chairman and Chief Executive Officer of Frontier Communications Corporation (NYSE: FTR) since January 2006, having joined as President, Chief Executive Officer and a member of the Board of Directors in November 2004. She is also a director of Procter & Gamble and Xerox Corporation. On October 4, 2010, President Barack Obama appointed Mrs. Wilderotter Vice Chair, President's National Security Telecommunications Advisory Committee. The opinions expressed in this foreward are Maggie Wilderotter's personal opinions. The opinions provided herein do not represent the views and opinions of DTTL and its network of member firms.

Foreword by Maggie Wilderotter

I was on a panel recently and the "power of three" kept coming up. A subsequent article in ***Directors & Boards*** for the third quarter of 2011 noted, "It is said one woman is a token, two is a presence and three is a voice." I agree; the need for critical mass in areas traditionally underrepresented — boardrooms, the C-Suite — even the Supreme Court of the United States — is vital if we expect to see systemic improvements.

Is there a secret to cracking the code and getting to the Power of Three? Not if you have faith in yourself and your abilities. Once you add value, the results will open doors. Profits have no gender!

I sat on my first board of directors when I was just 28, and I pretty much invited myself to sit at that table. I sought the support of key customers and others in positions to advocate for me, and they did. I then made a promise to myself, which I have kept, to never leave a board unless another woman remained.

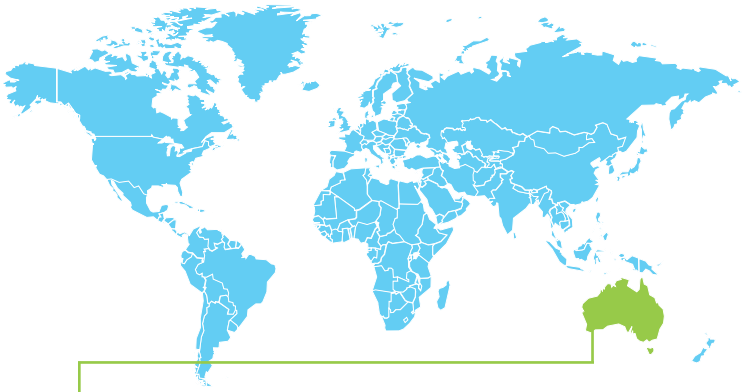
As I gained more experience and joined other boards, I saw the influence wielded by the board nominating committee. That's the feeder pool for many C-Suite positions. A nominating committee that values women and diversity can dramatically change a company's Board, leadership and culture.

Every day I get calls from around the world asking, "Do you know someone qualified to sit on our board?" I ***always*** do. I am a real networker, so I always have dozens of qualified and diverse candidates to suggest for board memberships. Companies tend to keep coming to the same well for board talent, but there are so many other great people out there! Recommending qualified women and diverse candidates is a great way to pay back the debt I owe those who mentored me. It's more, actually: It is part of our social contract as women!

I recently taped a segment with my sister Denise Morrison, who is President and CEO of Campbell Soup, for the New York Stock Exchange's This Week in the Boardroom. In it, we asked women interested in joining a board, and companies seeking great women for the board or C-Suite, to contact us. We'll make sure to get the word out, and that will change things faster and for the better. We all know that we are well past the time where this should be an issue. It should just be the way things are. It boils down to respect, common sense and good business.

Maggie Wilderotter
United States

Country profile
Australia



Quotas
There are currently no gender quotas for women on boards or in senior management positions.

Other initiatives
The Corporate Governance Code, known as the "ASX Corporate Governance Council Corporate Governance Principles and Recommendations", was re-issued on 30 June 2010 by the ASX Corporate Governance Council and now contains a number of new recommendations relating to gender diversity.

As of 1 January 2011, companies listed on the Australian Securities Exchange are now required to:

- Adopt and publicly disclose a diversity policy.
- Establish measurable objectives for achieving gender diversity and assess annually both the objectives and progress towards achieving them.
- Disclose in each annual report the measurable objectives for achieving gender diversity and progress towards achieving them.
- Disclose in each annual report the proportion of women employees in the whole organization, in senior executive positions, and on the board.
- Disclose the mix of skills and diversity for which the board is looking to achieve in membership of the board.

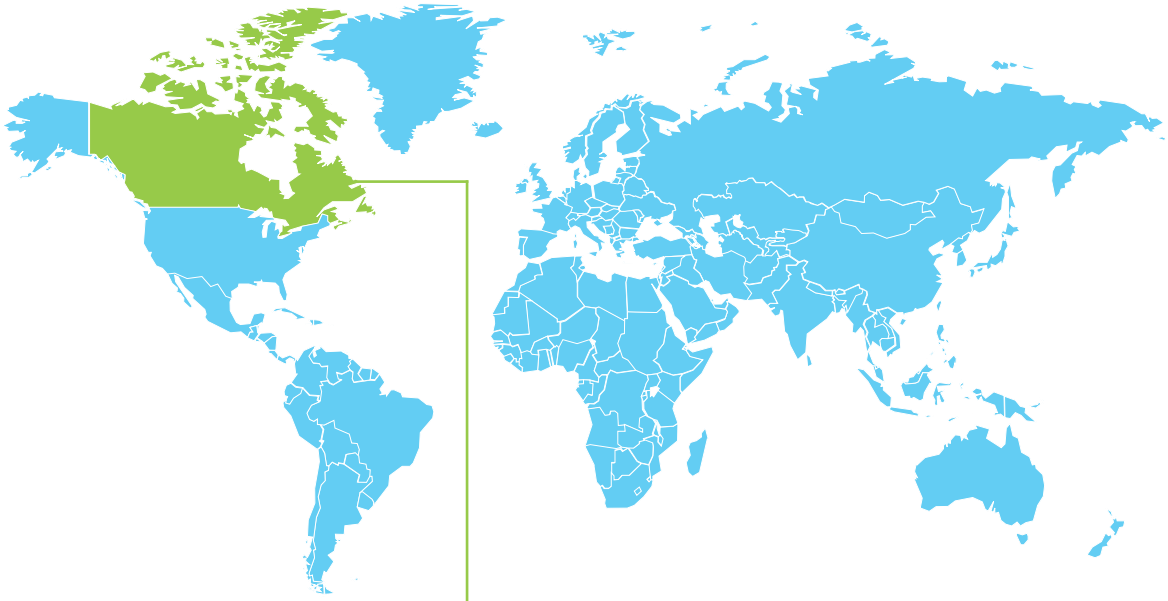
While compliance with the new recommendations is not mandatory, companies who choose not to comply must provide an explanation in each annual report as to why they have not.

In August 2011, the Australian Institute of Company Directors released a report on the impact of the ASX requirements. Between 1 January and 31 December 2010 the percentage of women on ASX200 boards increased from 8.3 percent to 10.7 percent, and (as at June 2011) to 12.5 percent*. This increase is explained by the appointment of 59 women directors in 2010 compared with 10 in 2009, and 33 women so far in 2011*. These outcomes demonstrate the impact of greater board scrutiny arising from the ASX requirements, and the trend can be expected to continue as the requirements start to have direct impact on boards reporting over the next twelve to 18 months.

The numbers
Women comprise **12.5 percent** of board directors on ASX 200 companies*
Women serving on a sample of 197 listed companies: **10.9 percent****
Women directors on a sample of the 100 largest domestic companies by market capitalization: **11.2 percent*****

*McIntyre, A., (2011) Tomorrow's boards. Creating balanced and effective boards, Australian Institute of Company directors.
**Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.
***Provided by Korn/Ferry International, from the report *Mind the Gap: Half of Asia's Boards Have no Women, a Risky Position for Governance and Growth*, copyright 2011, The Korn/Ferry Institute.

Country profile
Canada



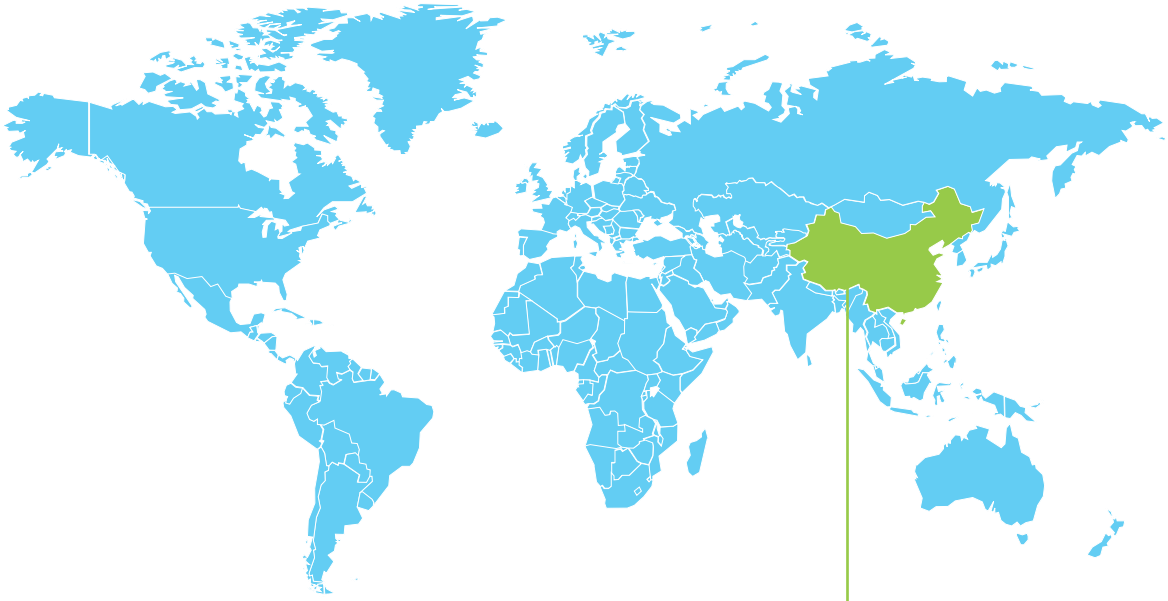
Quotas
There are currently no gender quotas for women on boards or in senior management positions.

Other initiatives
The Canadian Board Diversity Council ('the Council') was launched in November 2009 with the goal of improving diversity on boards, including gender diversity. The Council will target Financial Post 500 organizations and federal agencies, commissions, and crown (state) corporations. Founding members include organizations that are leaders in diversity and corporate governance in the private, public, and not-for-profit sectors. The Council has also received funding from the Canadian Government.

The numbers
Women serving on a sample of 131 listed companies: **12.9 percent***

*Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.

Country profile
China



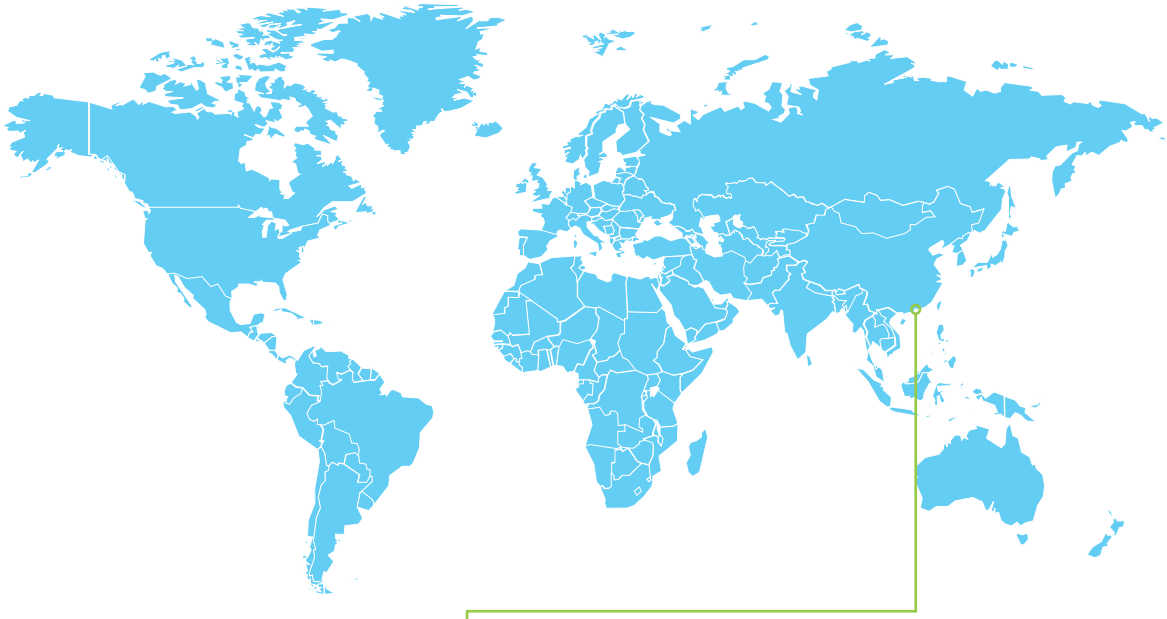
Quotas
There are currently no gender quotas for women on boards or in senior management positions.

Other initiatives
China's Corporate Governance Code (Code of Corporate Governance for Listed Companies in China) does not mention gender as a desirable quality or background to board candidates.

The numbers
Women serving on a sample of 97 listed companies: **8.5 percent***
Women directors on a sample of the 100 largest domestic companies by market capitalization: **8.1 percent****

*Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.
**Provided by Korn/Ferry International, from the report *Mind the Gap: Half of Asia's Boards Have no Women, a Risky Position for Governance and Growth*, copyright 2011, The Korn/Ferry Institute.

Country profile
Hong Kong



Quotas
There are currently no gender quotas for women on boards or in senior management positions.

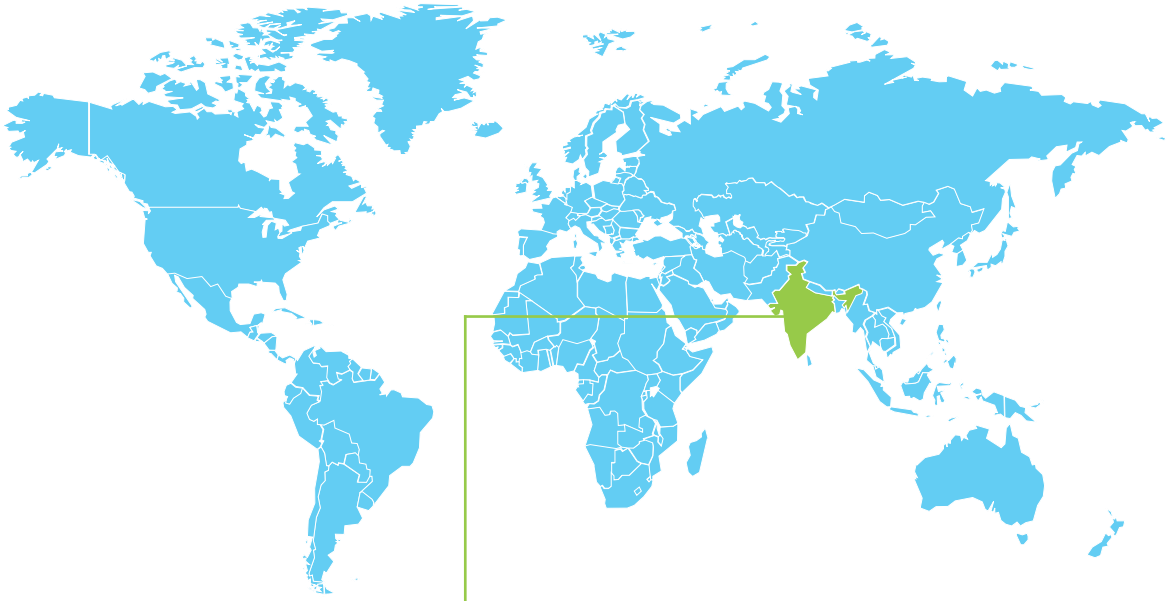
Other initiatives
Hong Kong's Corporate Governance Code (Appendix 14 Code on Corporate Governance Practices) for listed companies does not mention gender as a desirable quality or background to board candidates.

Community Business has published the "First Women on Boards: Hang Seng Index 2009" report, which analyzes the representation of women on the corporate boards of Hong Kong's top companies, as listed on the Hang Seng Index, with a view to highlight the importance of gender diversity. This research aims to raise awareness of gender diversity at board level as a business issue and encourage business leaders to think about the composition of their boards so that they may more accurately reflect the marketplaces and stakeholders that they serve.*

The numbers
Women serving on a sample of 74 listed companies: **9.4 percent****
Women directors on a sample of the 100 largest domestic companies by market capitalization: **8.6 percent*****

*Provided by Community Business, *First Women on Boards: Hang Seng Index 2009*, November, 2009.
**Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.
***Provided by Korn/Ferry International, from the report *Mind the Gap: Half of Asia's Boards Have no Women, a Risky Position for Governance and Growth*, copyright 2011, The Korn/Ferry Institute.

Country profile
India



Quotas

The Ministry of Corporate Affairs proposes to make it mandatory for companies having five or more independent directors on a board to have at least one female independent director. The proposal would be part of the Companies Bill 2009, which is expected to be tabled in the current session of Parliament.

Other initiatives

India's Corporate Governance Code (Clause 49 of the Listing Agreement) for listed companies as well as voluntary guidelines on Corporate Governance by the Ministry of Corporate Affairs do not mention gender as a desirable quality or background to board candidates.

The numbers

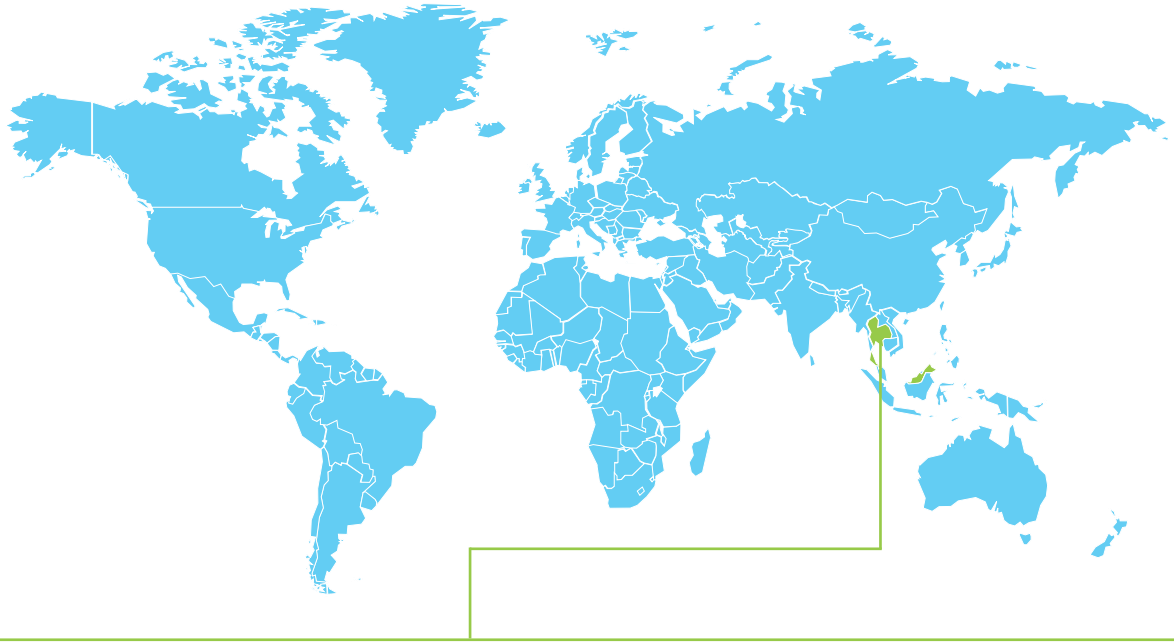
At present, out of 1,112 directorships of 100 companies listed on the Bombay Stock Exchange, only **59 positions or 5.3 percent** are held by women; these directorships are held by 48 different women*

Women serving on a sample of over 61 listed companies: **4.8 percent****

Women directors on a sample of the 100 largest domestic companies by market capitalization: **4.7 percent*****

*Provided by Standard Chartered Bank: *Women on Corporate Boards in India 2010*, March, 2010.
**Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.
***Provided by Korn/Ferry International, from the report *Mind the Gap: Half of Asia's Boards Have no Women, a Risky Position for Governance and Growth*, copyright 2011, The Korn/Ferry Institute.

Country profile
Malaysia



Quotas

On 27 June 2011, Prime Minister Datuk Seri Najib Tun Razak announced that the Malaysian Cabinet approved legislation where corporate companies must achieve at least 30 percent representation of women in decision-making positions in the private sector, to promote gender equality.*

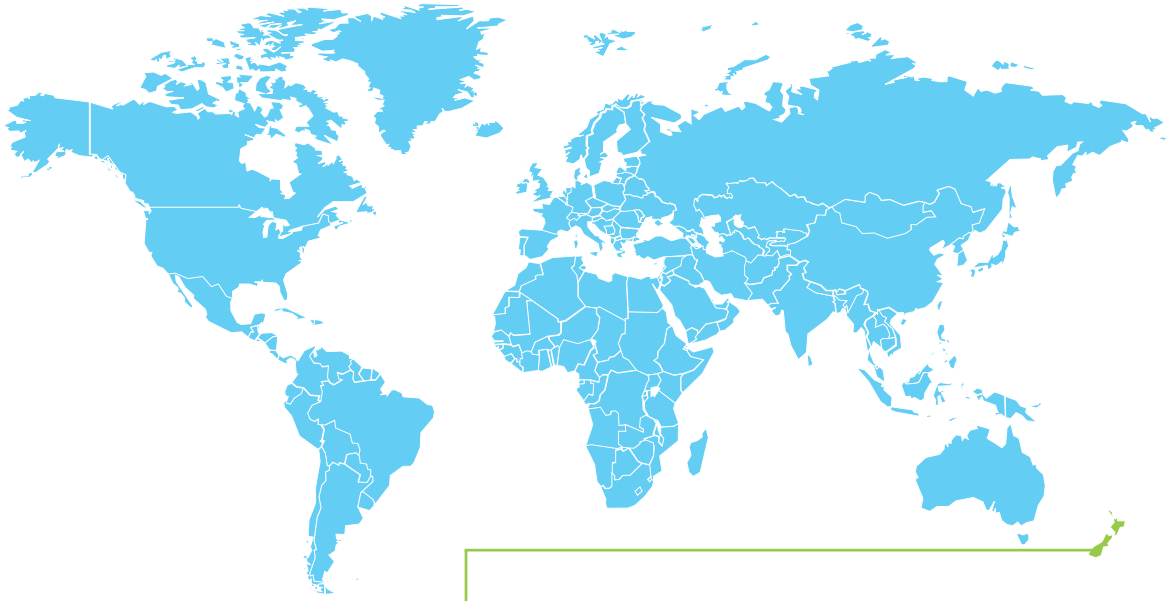
Corporate firms have five years to comply with the new regulation. This approved legislation is an extension of a similar government policy introduced in 2004 for civil services that resulted in the number of women working in government agencies growing from 18.8 percent that year to 32.2 percent last year.**

The numbers

Women serving on a sample of 28 listed companies: **6.3 percent*****
Women directors on a sample of the 100 largest domestic companies by market capitalization: **7.8 percent**†
According to a Central Bank of Malaysia analysis, only **91 women (13.0 percent)** served as members of the board of directors of the board in 2010 in government-linked companies. Women accounted for **7.6 percent** of board members representing the 200 companies listed on the Malaysian Stock Exchange in November 2010.††
Bank Negara confirms that only **45 women or 6 percent** were appointed as board members of financial institutions as of April 2011, and **7 percent** in the insurance sector.†††

**More women now on board*, <http://thestar.com.my/news/story.asp?file=/2011/7/26/nation/9173750&sec=nation>, July 26, 2011.
***Malaysia mandates 30 percent women representation in corporate's boardroom level posts,* <http://www.chinadaily.com.cn/xinhua/2011-06-27/content_3018200.html>, June 27, 2011.
***Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.
†Provided by Korn/Ferry International, from the report *Mind the Gap: Half of Asia's Boards Have no Women, a Risky Position for Governance and Growth*, copyright 2011, The Korn/Ferry Institute.
††*Cabinet approves 30 percent women as decision makers in corporate sectors – PM,* <http://www.pmo.gov.my/?menu=newslist&news_id=7689&news_cat=13&page=1731&sort_year&sort_month>, June 27, 2011.
†††*PM: 30 percent of corporate decision makers must be women,* <http://thestar.com.my/news/story.asp?file=/2011/6/27/nation/20110627131533&sec=nation>, June 27, 2011.

Country profile
New Zealand



Quotas

There are currently no gender quotas for women on boards and in senior management positions.

Other initiatives

Publicly listed companies will come under new pressure to promote women to boards and management under proposed new stock exchange rules. New Zealand stock exchange chief executive Mark Weldon informed that the stock exchange will be proposing new rules that will require all publicly listed companies to declare how many women and minorities they have in senior roles and as directors.*

The New Zealand Shareholders' Association announced in mid-2010 that it will make diversity on boards one of its three priorities.

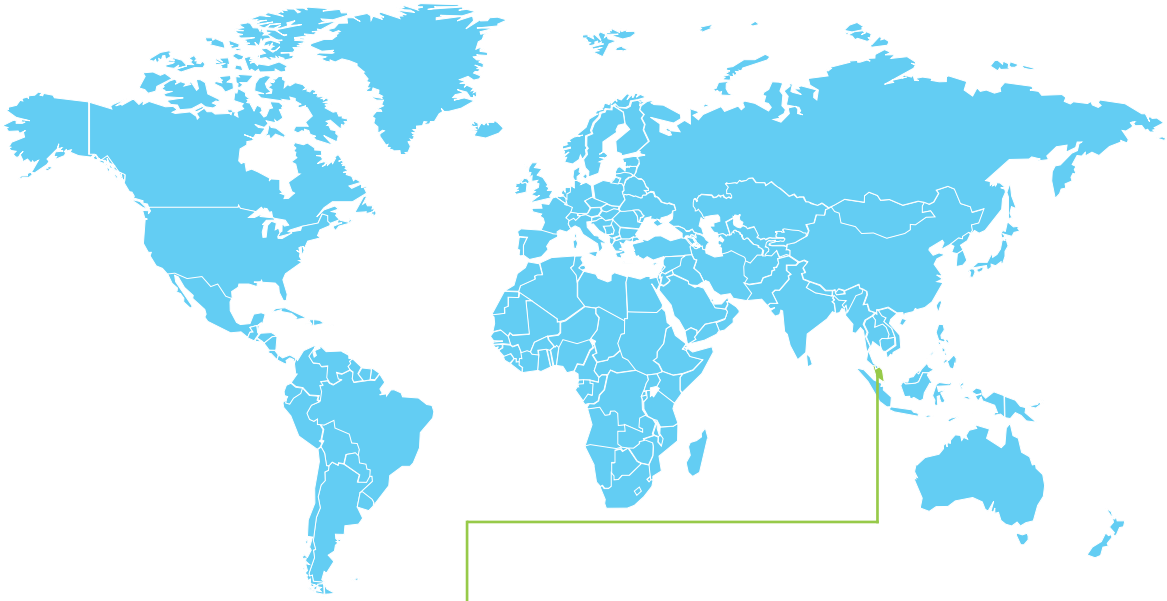
The numbers

Women serving on a sample of 10 listed companies: **12.0 percent****

Women directors on a sample of the 100 largest domestic companies by market capitalization: **7.5 percent*****

**NXZ talks tough on women*, <http://www.listener.co.nz/current-affairs/business/nzx-talks-tough-on-women/>.
**Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.
***Provided by Korn/Ferry International, from the report *Mind the Gap: Half of Asia's Boards Have no Women, a Risky Position for Governance and Growth*, copyright 2011, The Korn/Ferry Institute.

Country profile
Singapore



Quotas
There are currently no gender quotas for women on boards or in senior management positions.

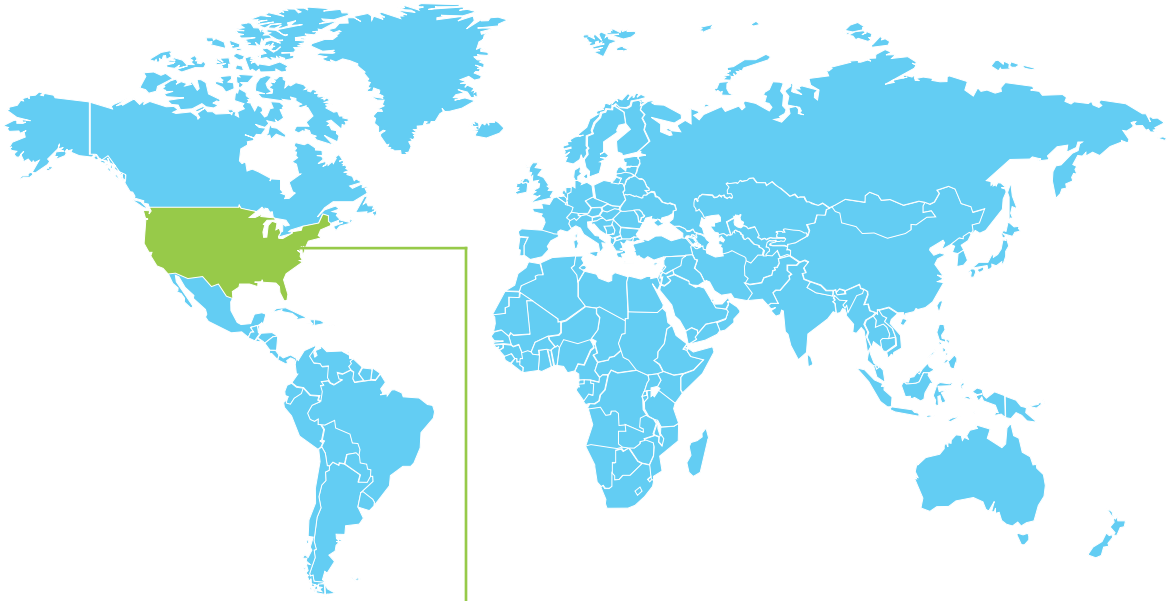
Other initiatives
Singapore's Corporate Governance Code (Code of Corporate Governance 2005) does not mention gender as a desirable quality or background to board candidates.

BoardAgender, an outreach arm of the Singapore Council of Women's Organizations (SCWO) Women's Register initiative that was launched this year, aims to provide a forum in Singapore to facilitate the advancement of more women into senior leadership roles and the boardroom. It has brought together over 50 leaders and organizations — on its way to working up to 100 BoardAgender Champions — who recognize the contributions of female talent in the workplace and in boardrooms.

The numbers
Women serving on a sample of 51 listed companies: **7.3 percent***
Women directors on a sample of the 100 largest domestic companies by market capitalization: **6.4 percent****

*Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.
**Provided by Korn/Ferry International, from the report *Mind the Gap: Half of Asia's Boards Have no Women, a Risky Position for Governance and Growth*, copyright 2011, The Korn/Ferry Institute.

Country profile
United States



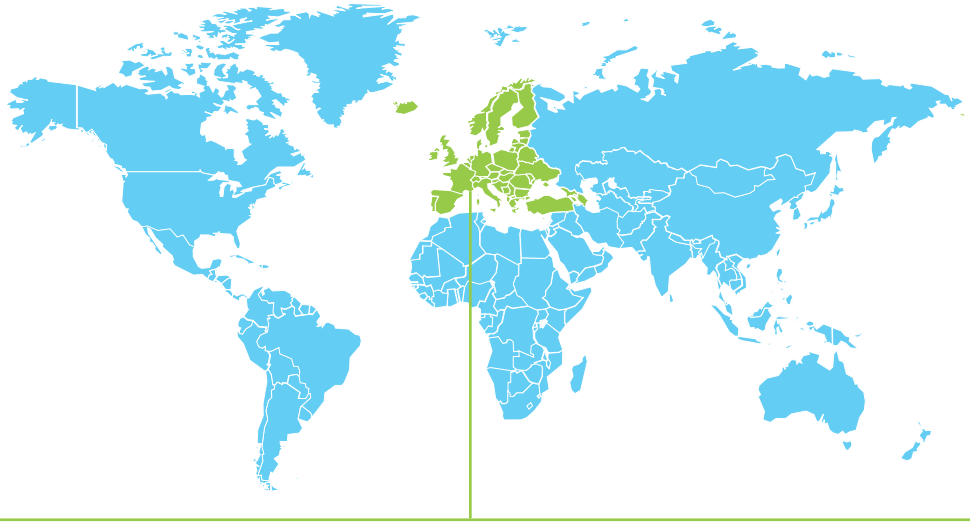
Quotas
There are currently no quotas for women on boards or in senior management positions.

Initiatives
In December 2009, the SEC approved a rule that would require disclosure of whether, and if so how, a nominating committee considers diversity in identifying nominees for director. If the nominating committee or the board has a policy with regard to the consideration of diversity in identifying director nominees, the rule requires disclosure of how this policy is implemented and how the nominating committee or the board assesses the effectiveness of its policy. The SEC rule does not define diversity, but instead, allows companies to define the term. Therefore, diversity can include, but not be limited to, gender, background, race, and education.

These rules were effective 28 February 2010.

The numbers
Women serving on Fortune 500 company boards: **15.7 percent***
Women serving on a sample of 1,763 listed companies: **12.3 percent****

*Provided by Catalyst, from the *2010 Catalyst Census: Fortune 500 Women Board Directors*.
**Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.



Background and numbers

The European Union is taking steps to guarantee the equality between women and men, as mentioned in the Treaty of Rome of 1957. Viviane Reding, European Commissioner, has proposed legislation requiring a 30 percent rate by 2015, expanding to 40 percent by 2020.*

On the International Women's day (8 March 2012) the European Commission will assess if "credible self regulatory initiatives were developed to enhance women's participation in decision making".**

European countries understand that there is still work required to increase the number of women serving on boards. According to research performed by Russell Reynolds and the European Professional Women's Network, as of October 2010, 12 percent of board memberships were held by women in Europe.***

Among the European countries, Norway has the greatest number of female directors, having 35.6 percent women serving on boards.†

Quotas and other initiatives

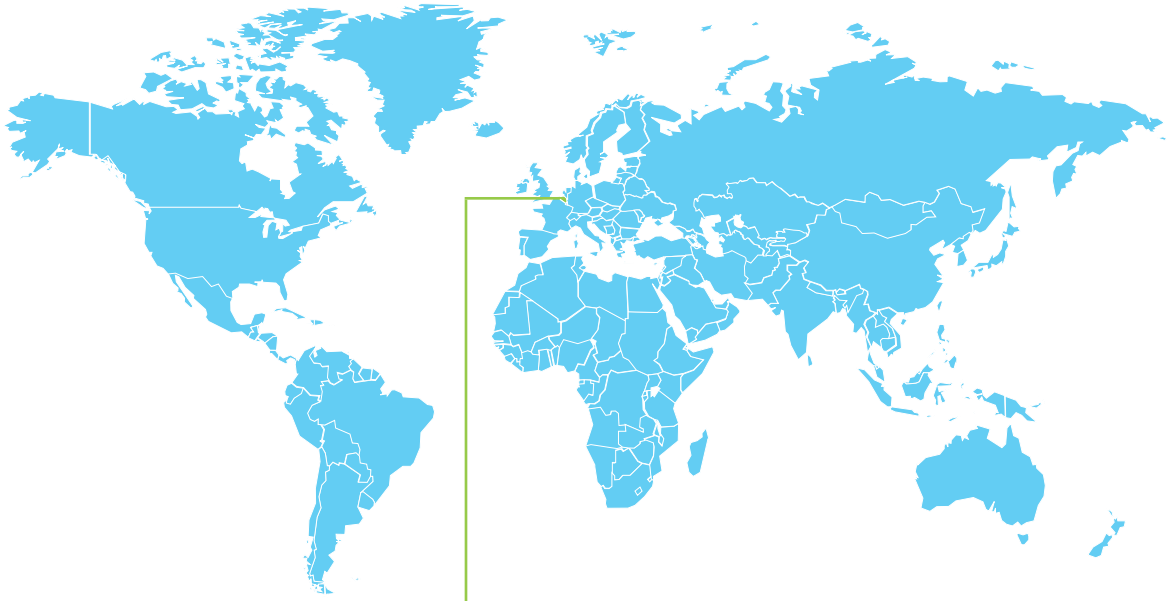
France has passed a law in January 2011 which established that 40 percent of executive board members of the largest publicly traded companies (quoted on the stock exchange, or those with more than 500 employees, with a turnover exceeding 50 million Euros over the previous three years) will be female by 2016.**

Among other European countries, there are equal access legislations being considered, along with an increased focus on board membership and codes of corporate governance, having a profound impact on diversity in the boardroom.

Many European countries are maintaining a focus on diversity in the boardroom, especially from a gender perspective. Michel Barnier, the European Commissioner, states that "...it's not only a question of fairness. The presence of women in the leadership of a country or a region or a business is a question of good governance".††

**The EU proposes law to help up more women to boards*, <http://economicsnewspaper.com/policy/spain/the-eu-proposes-law-to-help-up-more-women-to-boards-25454.html>.
**"Help Wanted: Women for Europe's Boards" by Timothy Hindle, *Briefings on Talent and Leadership* magazine. Copyright 2011 The Korn/Ferry Institute.
****Fourth Bi-annual EuropeanPWN BoardWomen Monitor 2010 in partnership with Russell Reynolds Associates,* <http://www.europeanpwn.net/files/4th_bwm_2010_press_release.pdf>, October 4, 2010.
†GovernanceMetrics International, *Women on Boards Report, March, 2011*
††*Davies Review Not Expected to Recommend Quotas for Women On Boards* <http://yourlossbook.com/2011/02/davies-review-women-on-boards-no-quotas/>, February 13, 2011.

Country profile
Belgium



Quotas

The Belgian law on gender diversity (minimum 1/3 male directors and 1/3 female directors) has been approved on 28 July 2011, and published on 14 September 2011.

In the context that directors mandates are usually for a six years period (maximum allowed), the quota is to be respected from the first day of the 6th fiscal year following the publication of the law.

This obligation is to be applied by listed companies. For some public companies, the same rule will be applied but commencing with the first fiscal year following the publication of the law.

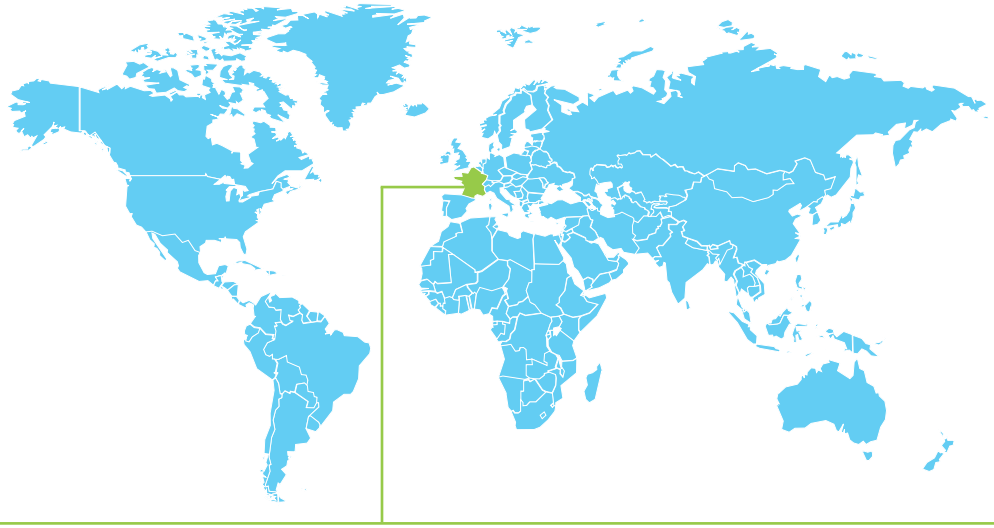
Other initiatives

In May 2009, the Ministry of Equal Chances of the Flemish Region, along with specific Chambers of Commerce and the Belgian Institute of Directors, established a program to promote the representation of women on company boards and in management positions. The program includes coaching initiatives and the establishment of a public database of male and female director candidates.

The numbers

Women serving on a sample of 24 listed companies: **7.7 percent***

*Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.



Quotas

In January 2011, the French law was modified and quotas were introduced in order to improve the representation of women on boards of both listed and non-listed companies.

Effective 1 January 2017:

- The proportion of women and men directors should not be below 40 percent in (1) companies whose shares are admitted to trading on a regulated market and (2) non-listed companies with revenues or total assets over 50 million euros employing at least 500 persons for three consecutive years.
- When the board includes eight directors or less, the difference between the number of directors of each gender should not be higher than two.
- Any irregular director appointment means that no directors' fees can be paid to anyone until the situation is regularized.

During the transitional period to 1 January, 2017, such companies whose shares are admitted to trading on a regulated market have to:

- Reach a first step of 20 percent by the first AGM following 1 January 2014.
- Appoint at least one board member of the other gender at the first AGM held after January 2011 appointing a director if a gender is not represented at the board as at the date the law was enacted.

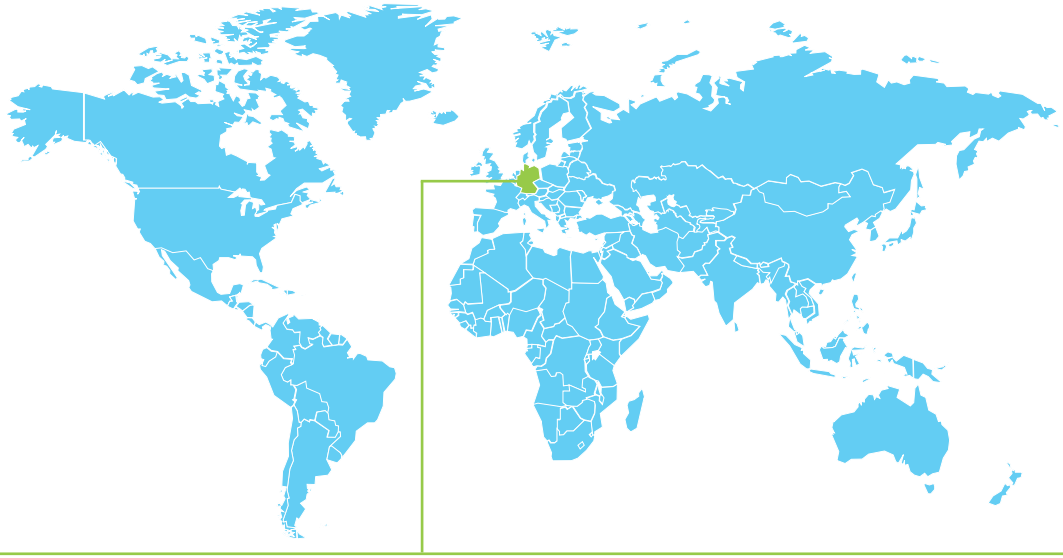
AFEP-MEDEF had anticipated this legislative move in April 2010 by amending their Corporate Governance Code applicable to companies whose securities are admitted to trading on a regulated market adding to other recommendations in the Code in relation to the line-up of the board of directors. Although compliance with the Code is not mandatory, the reasons for non compliance have to be explained in the annual report. This applies notably to the companies which will not be able to reach the 20 percent threshold by April 2013 or the 40 percent threshold by April 2016 as the AFEP-MEDEF code has also adopted a steps approach, with deadlines which are one year ahead of the law.

The numbers

Women serving on CAC 40 listed companies: **20.8 percent***
Women serving on the SBF 80 listed companies: **14.7 percent***
Women serving on the SBF 120 listed companies: **17.07 percent***
Women serving on a sample of 101 listed companies: **12.7 percent****

*Analysis performed by Deloitte France, 31 July 2011, updated 20 September 2011.
**Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.

Country profile
Germany



Quotas
There are currently no gender quotas for women on supervisory or management boards.

Other initiatives
The German Corporate Governance Code, which applies to listed companies, was updated in 2010 and now contains recommendations aimed at promoting greater female representation on Supervisory and Management Boards. Specifically, the code states that:

- The Management Board shall take diversity into consideration when filing managerial positions and, in particular, aim for an appropriate consideration of women.
- The Supervisory Board shall respect diversity and, in particular, incorporate appropriate consideration of women when appointing the Management Board.
- The Supervisory Board shall specify concrete objectives regarding its composition which shall, in particular, stipulate an appropriate degree of female representation.

While compliance with the recommendations is not mandatory, noncompliance must be disclosed annually.

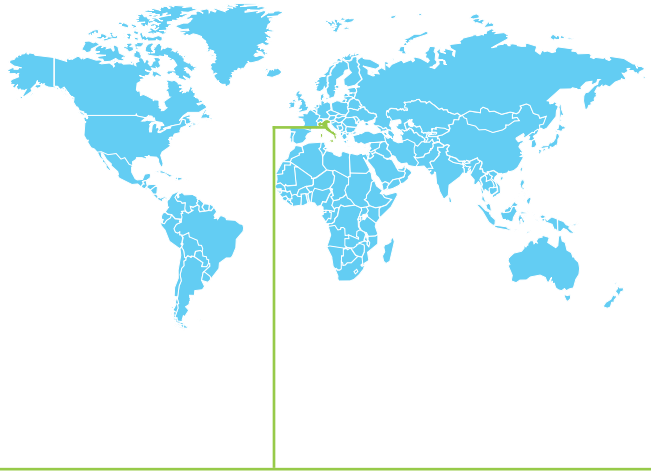
In March 2010, Deutsche Telekom AG became the first DAX 30 company to introduce its own gender quotas, requiring 30 percent of management positions worldwide to be filled by women by the end of 2015.

DAX 30 companies pledged to promote women at all levels following a meeting with Minister for Families Kristina Schroeder and other ministers. An outline of a quota plan to increase the ratio of women on management boards to 30 percent by 2013 was developed — an idea the companies resisted.

The numbers
Women serving on a sample of over 600 listed companies: **8.2 percent***
Women serving on a sample of 81 listed companies: **11.2 percent****

*Provided by Institut für Unternehmensführung, University of Karlsruhe. From the 2008 study *Women in Management Positions; Status Quo in German Business*.
**Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.

Country profile
Italy



Quotas

On 12 August 2011, law 120 "Gender Balance on the Boards of Listed Companies" became effective on 12 July 2011. This law provides amendments to the text related to financial intermediation (Legislative Decree 24 February 1998, n°58).

The approval arrives two years after the presentation of the first bill by Lella Golfo, member of Parliament and chairman of the Bellisario Foundation, and co-author Alessia Mosca, member of the Democratic Party.

For companies listed on regulated markets and companies to public scrutiny, the law provides the following points:

- The less represented gender should get at least a fifth for the first term and a third for the others, of the seats on the Boards of Directors and Audit Committees.
- The criteria of apportionment will apply for the three consecutive terms after the entrance of the law.
- The provisions of the law apply from the first renewal of the board of directors and its committees following 12 August 2011.

With the approval of the law, the renewal of the Board of Directors and Audit Committees must be in compliance with the criteria established by the rule.

In the event that the listed company should disregard the provisions of the law, the Consob (Commissione Nazionale per le Societa' e la Borsa) will intervene in the first instance by requiring adjustments to the law within a maximum period of four months. If the company does not adapt in due time, Consob will apply a fine (a minimum of EUR 100.000 to a maximum of 1 million Euros for the Board, and a minimum of EUR 20,000 to a maximum of EUR 200,000 for Audit Committees) and will require compliance with the law within three months of the sanction. If the failure continues the Board of Directors or Audit Committee will be replaced.

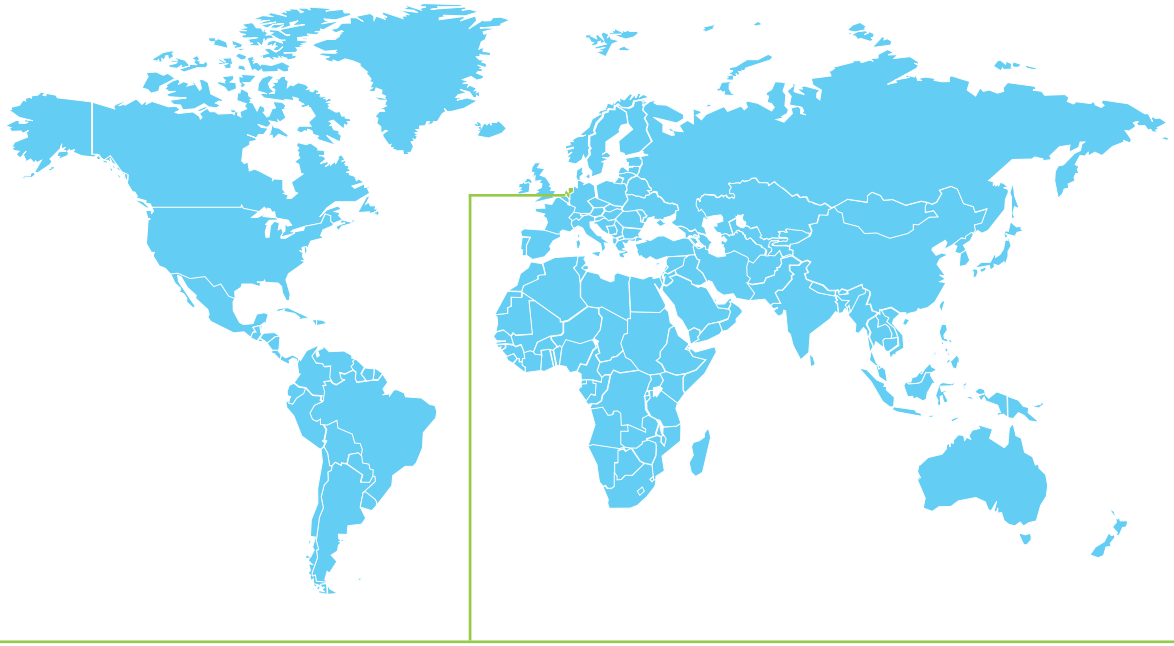
A specific regulation will be adopted by decree of the President of the Republic to oversee compliance of public companies with the law.

The numbers

Women serving on a sample of over 52 listed companies: **3.7 percent***
Women as a percentage of a sample of 4200 directors: **6.2 percent****

*Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.
**As cited in Santella, P., Drago, C., & Polo, A. (2008). '*Directorships by director in Italy with gender 1998-2006*,' University of Naples Federico II.' Based on data from CONSOB (Commissione Nazionale per le Società e la Borsa), the Italian National Securities and Exchange Commission.

Country profile
Netherlands



Quotas

A legislative amendment requiring gender quotas for executive and supervisory board members received government approval in December 2009.

Under the amendment, which has been enshrined in legislation and (most probably) will come into effect on 1 January 2012 requiring at least 30 percent of board members to be male and 30 percent must be female by 2015. The appointment of the remaining 40 percent will be at the discretion of the company.

The requirement is not mandatory; rather, the "comply or explain" principle holds. The requirement will apply to listed companies and non-listed companies that meet certain financial and employee number criteria. Two of the following three must be met: (i) balance value of the actives exceeds EUR 17.5 million, (ii) gross revenue is more than EUR 35 million and (iii) the average number of employees is at least 250.

Other initiatives

The Dutch Corporate Governance Code requires the Supervisory Board of listed companies to prepare a profile of its size and composition, taking into account, among other things, the expertise and background of board members. The code further requires that the profile specify the specific objectives pursued by the board in relation to diversity. Companies must make the profile publicly available.

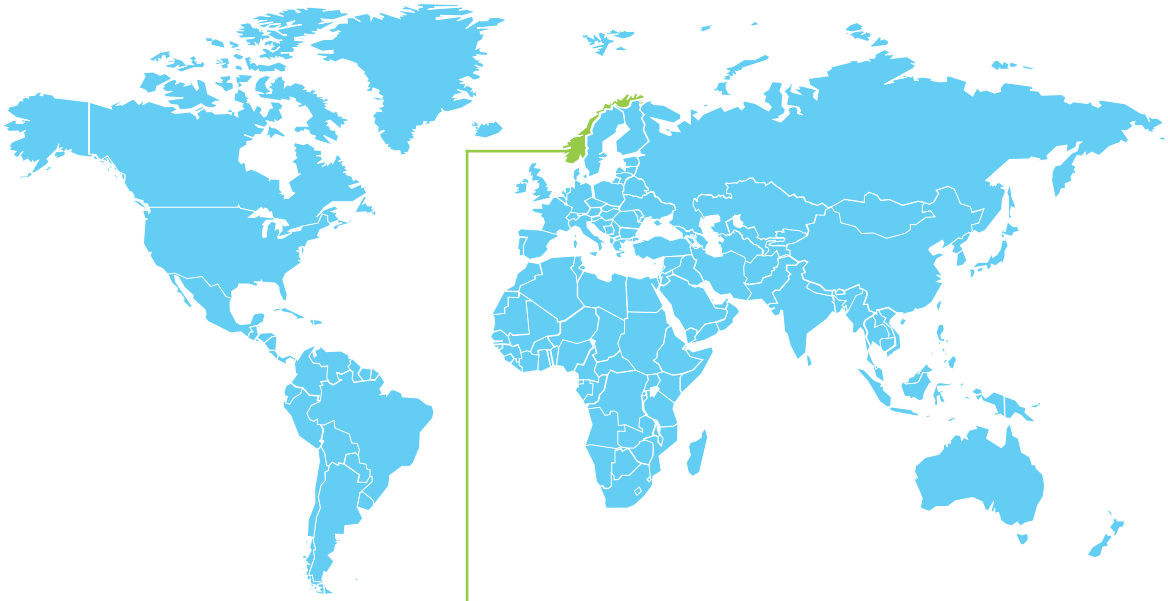
While compliance with the recommendations is not mandatory, reasons for noncompliance must be disclosed by the company each year in its annual report.

The numbers

Measured on 31 August 2011, **9.2 percent** of all executive and supervisory board members are female*
Most **(55 percent)** of the 97 listed companies have no women at all in their executive- or supervisory board*

*Alleen TNT Express voldoet aan streefgetal vrouwen in rvb en rvc, <http://www.eur.nl/postacademisch/studievoorlichting/nieuws/detail/article/30033/>, 8 September 2011.

Country profile
Norway



Quotas

Norway became the first country to introduce board gender quotas in 2005 when the Norwegian Public Limited Liability Companies Act was amended to state:

- If the board of directors has two or three members, both sexes shall be represented.
- If the board of directors has four or five members, each sex shall be represented by at least two directors.
- If the board of directors has six to eight members, each sex shall be represented by at least three directors.
- If the board of directors has nine members, each sex shall be represented by at least four directors.
- If the board of directors has more than nine members, each sex shall be represented by at least 40 percent directors.

Public limited companies had until 1 January 2008 to meet the requirements. The final consequences for noncompliance is the dissolving of the company, however no public limited company has been dissolved on account of the gender rules to date.

Disclosure of the state of diversity within the company is also required under the Norwegian Accounting Act.

The numbers

Women serving on largest ASA company boards: **31.9 percent***
Women serving on a sample of 25 listed companies: **35.6 percent****

*Provided by Cranfield University School of Management, from the *2010 FTSE Board Report*. Based on Norwegian listed companies comprising the Nordic 500 index of companies.
**Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.

Country profile
Spain

Quotas

In 2007, the Spanish Parliament passed a "Law of Equality" which requires listed companies to nominate women to 40 percent of all board seats, up to 60 percent of total board membership. Companies are allowed until 2015 to comply.

While no penalties will apply for noncompliance, the government has disclosed it will take compliance into consideration in the awarding of certain public contracts.

Other initiatives

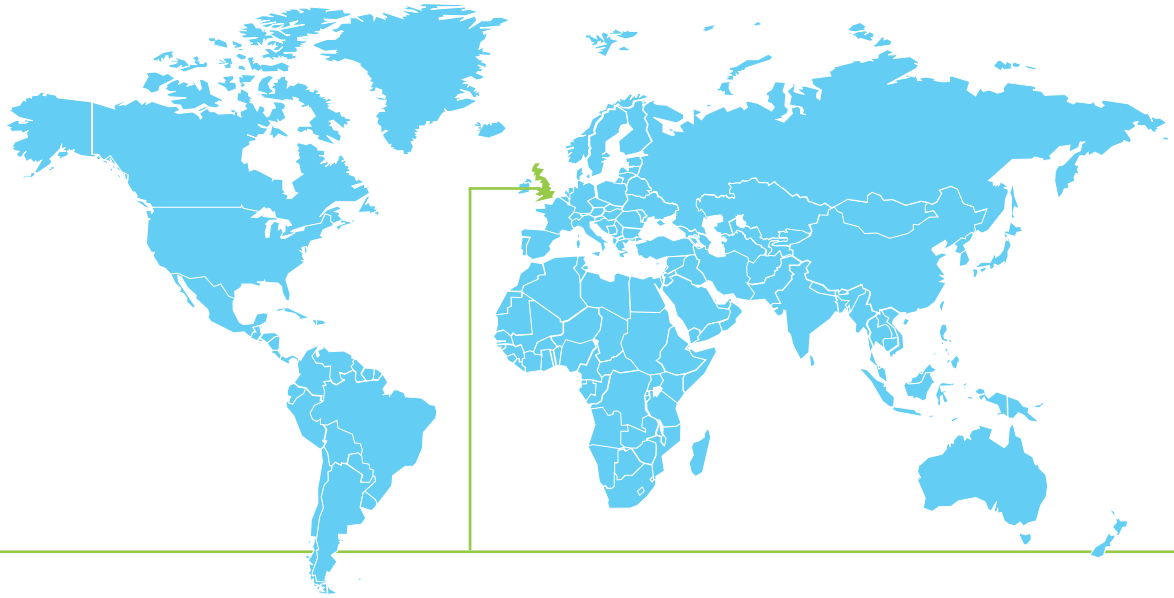
The Spanish Securities and Exchange Commission's (CNMV) Corporate Governance Code recommends that listed company boards include women with appropriate business backgrounds when seeking additional directors. Companies not following this recommendation must provide an explanation.

The numbers

Women serving on a sample of 156 listed company boards in 2009: **9.2 percent***
Women serving on a sample of 43 listed companies: **9.3 percent****

*2009 National Securities and Exchange Commission Annual Report on Corporate Governance (CNMV Informe Anual de Gobierno Corporativo 2009).
**Provided by GovernanceMetrics International, *Women on Boards Report*, March, 2011.

Country profile
United Kingdom



Quotas

There are currently no quotas for women on boards or in senior management positions.

Other initiatives

In February 2011, Lord Davies launched an independent review into Women on Boards which had been commissioned by the UK Government.

He recommended that UK listed companies in the FTSE 100 should be aiming for a minimum of 25 percent female board member representation by 2015. He has recommended in his report for government that FTSE 350 companies should be setting their own, challenging targets and expects that many will achieve a much higher figure than this minimum. The report says that companies should set targets for 2013 and 2015 to ensure that more talented and gifted women can get into the top jobs in companies across the UK. Lord Davies also calls on chairmen to announce these goals in the next six months and Chief Executives to review the percentage of women they aim to have on their Executive Committees in 2013 and 2015.

In response to Lord Davies' report, the UK Financial Reporting Council (FRC) issued a consultation on amendments to the UK Corporate Governance Code to require listed companies to provide detail about their board diversity policies, related targets and progress against those targets. The consultation closed at the end of July 2011. On 11 October 2011, the Financial Reporting Council published two revisions to the UK Corporate Governance Code to require companies to report annually on their boardroom diversity policy and to include gender diversity in the evaluation of the board effectiveness. These will take effect for periods commencing on or after 1 October 2012 but the FRC strongly encourages early adoption.

The Deloitte UK firm has recently announced a new development programme for women seeking to make the transition to a non-executive role. The programme was launched at the end of September 2011.

The numbers

Women serving on FTSE 100 company boards: **12.5 percent***
Women serving on a sample of 398 listed companies: **9.1 percent****

*Provided by Cranfield University School of Management, from its 2010 Female FTSE Board Report.
**Provided by GovernanceMetrics International, *Women on Boards Report, March, 2011.*

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