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Executive Compensation & Corporate Governance

2013 survey examining compensation in SMI, SMIM and small-cap companies as well as trends in corporate governance

Contents

1 The Survey

We are delighted to present the seventh edition of our survey "Executive Compensation & Corporate Governance". The survey is one of the most detailed Swiss studies available on the level and structure of board and executive compensation for the years from 2007 to 2012. This report provides a comprehensive picture of executive compensation for SMI and SMIM companies in Switzerland today. We also provide a shorter summary of executive compensation in small-cap companies, and we hope that you find this breadth of perspective helpful.

The major regulatory event in Switzerland in the year 2013 was the clear vote in favour of the "Abzocker-Initiative." On 3 March 2013, 68% of Swiss voters accepted this initiative, adding a range of new rules to the Swiss Constitution. While the details of the concrete implementation are being finalised at the time of writing this survey, it is clear now that companies as well as investors – in particular institutional investors such as pension funds – will be required to be even more alert regarding the appropriate design and disclosure of compensation matters in the future.

All data used in this survey is based on disclosed compensation information in the annual reports of the companies reviewed. We have not made any assumptions or adjustments to the disclosed values and methodologies used, in particular with regard to the variable compensation (valuation, vesting clauses, timing of disclosure and earning periods, etc.). In 2013, we have slightly adjusted the methodology of collecting data for individuals holding dual roles, and we have accordingly adjusted historical statistics. The main conclusions from previous years regarding developments and trends continue to hold.

We trust you find the 2013 "Executive Compensation & Corporate Governance" survey to be an interesting read that supports you in answering key questions and provides ideas for addressing today's reward challenges. As always, we welcome your feedback and hope to have the opportunity to discuss these issues with you.

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2 Executive Summary

Building on the results from the surveys of the last five years, the 2013 issue of "Executive Compensation & Corporate Governance" examines the changes from 2007 to 2012 in total compensation for the board of directors and CEOs. The key findings are:

- In the six years under consideration, median non-executive chairman pay has increased in both SMI and SMIM companies: by 16.1% from slightly below CHF 1 million to slightly above CHF 1.1 million in SMI companies and by 53.6% from CHF 384,327 to CHF 590,488 in SMIM companies.

- By contrast, in the same period, median CEO pay has decreased in both SMI and SMIM companies: by 17.1% from CHF 8.1 million to CHF 6.7 million in SMI companies and by 16% from CHF 2.8 million to CHF 2.4 million in SMIM companies.

- The composition of CEO pay fluctuates significantly, but some broad patterns can be detected. In SMI companies, base salary has never exceeded 30% of total pay and long-term incentives (LTI) have never been less than 40% (and reach close to or exceed 50% in some years). In SMIM companies, by contrast, throughout the sample period (except in 2007), base salary has always been at least 30% of total pay, whilst LTI has never accounted for more than 40% of total pay (and falls below 30% in some years). The cash bonus and other payments are of approximately equal importance in the two samples.

- The median "CEO pay slice", the percentage of total executive committee compensation that the CEO receives, was 21% in SMI companies and 26% in SMIM companies. It has slowly decreased in SMI companies since 2007, while it has fluctuated in SMIM companies. Normalising these results by the size of the executive committee yields another perspective: The typical CEO in an SMI firm receives three times the pay of the average non-CEO executive. In SMIM companies, the typical CEO receives double the pay of non-CEO executives.

- The median board member at a small-cap firm receives pay of around CHF 100,000, and this pay level has remained essentially stable in the past six years. The median CEO of a small-cap company received roughly CHF 1.2 million in 2012. As such, median CEO compensation in these companies has increased by 8.8% from 2011 to 2012. However, it is still below 2007 levels, mirroring the pattern in CEO pay levels observed for SMI and SMIM companies. Small-cap CEOs tend to receive a larger portion of base salary and a smaller portion of equity-based compensation than their counterparts in SMI and SMIM companies.

- Pay of small-cap CEOs is less volatile over time than is pay of SMIM CEOs, which is in turn more stable than pay of SMI CEOs. On the other hand, an average CEO of an SMI company earns twice the remuneration that the average CEO of an SMIM company earns, and the average CEO of an SMIM company receives almost twice the pay that the average small-cap CEO obtains. A similar pattern holds true for board members. Given this strong relationship between pay and firm size, we conclude that there can be substantial (implicit) incentives for executives and board members of Swiss companies driven by the fact that career advances depend on the success at the present company.

- Executives and board members participated in the market upturn in 2012 with their equity holdings. This follows on the back of sharp losses in equity wealth in 2011. In the SMI and SMIM sample, more than 75% of all CEOs experienced positive wealth changes, with the interquartile range (between lower and upper quartile) being CHF +150,000 to CHF +1.4 million. For chairmen, this range is from CHF +30,000 to CHF +590,000 for 2012. For other board members, this range amounts to CHF +10,000 to CHF +240,000 for 2012. A similar picture also emerges in the small-cap companies.

- In this publication, we also discuss several trends in corporate governance. First, we consider the implications of the *Abzocker-Initiative*. The initiative has implications both for the design of pay plans as well as for disclosure and reporting. In the light of greater shareholder activism, it will be particularly important for companies to scale up their efforts to communicate in a transparent way regarding the link between pay and performance. It is to be expected that the companies that are currently lagging in the adoption of a high disclosure standard in this and other respects will come under pressure by shareholders and other stakeholders to make up for these deficiencies in the coming years. We recommend a pro-active approach. Second, we explain the advantages and disadvantages of capped variable pay plans. In our view, companies face a trade-off between two real costs: By putting caps on pay, they risk a distortion of optimal pay plans. By not having caps on pay, they risk a loss of external reputation. An appropriate compensation system navigates this trade-off effectively. Third, we discuss trends in equity-based compensation and share-holding guidelines. An increasing number of companies are considering the use of performance conditions for the vesting of share grants. We highlight the fact that such performance shares have option-like aspects. As such, they offer powerful incentives and potential advantages in terms of costs to shareholders, but they also need to be managed very carefully.

3 Survey Results

In this section, we analyse and comment on the level and structure of compensation for chairmen of the board of directors, other board members and CEOs. Our focus is on SMI and SMIM companies (sections 3.1 to 3.5), but we also provide a briefer summary perspective on small-cap companies (section 3.6).

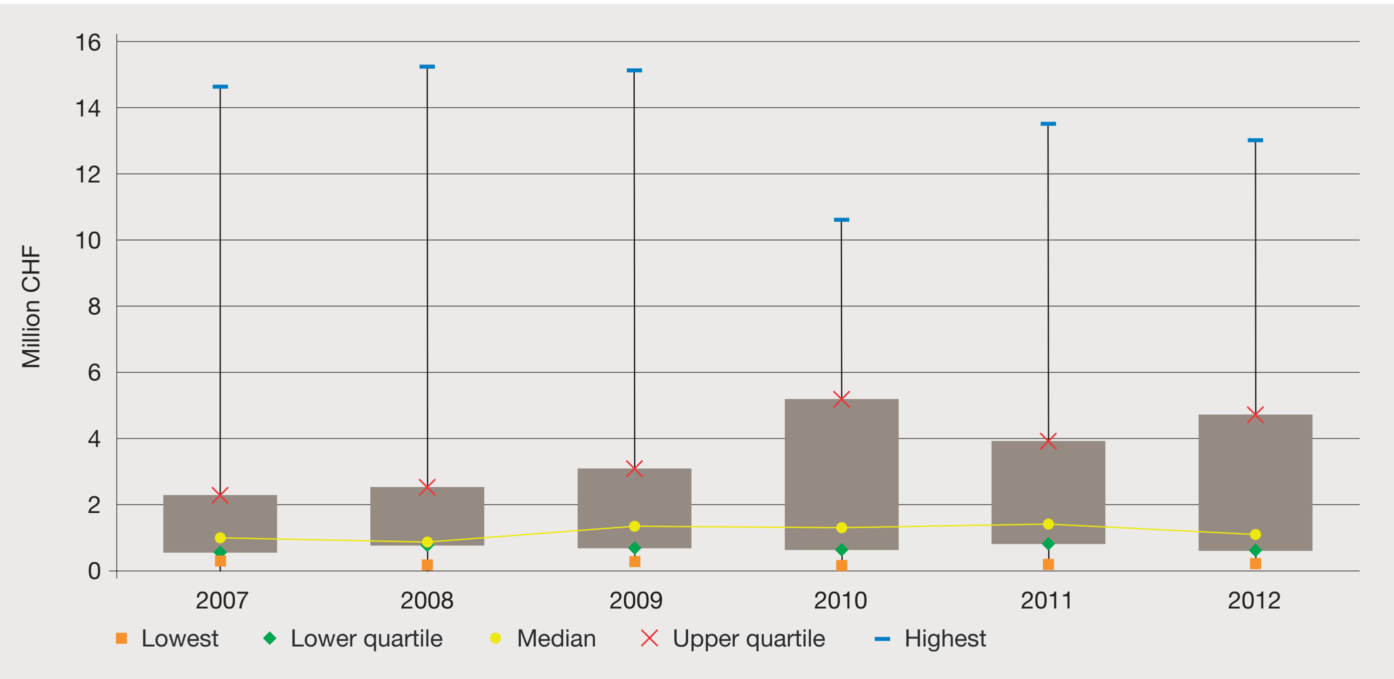
3.1 Chairmen of the board of directors

As the structure of the board of directors and their respective responsibilities and tasks vary, for the chairman in particular, a one-to-one comparison among the SMI and SMIM companies proved difficult. Nevertheless, a comparison was made based on compensation data disclosed. In this year's survey we slightly adjusted the methodology. For example, some companies disclose separately pay that a chairman/CEO receives in his dual roles. In this case, we now include the corresponding individual with the chairman pay in this section and with the CEO pay in the CEO-related analysis. When pay is not shown separately for the two roles, this individual is considered only in the CEO analysis. Another change is that in past years, chairmen who held a non-CEO executive role were included in the analysis of chairman pay. We now do not include these chairmen, unless pay for the executive function is separately disclosed.

3.1.1 Main findings

In the six years under consideration, median chairman pay has increased in both SMI and SMIM companies, from CHF 981,479 to CHF 1.1 million or by 16.1 % in SMI companies and from CHF 384,327 to CHF 590,488 or by 53.6 % in SMIM companies.

Figure 1: Total compensation of chairmen in SMI companies[1]



[1] Compensation for non-executive function (n=18 in 2012)

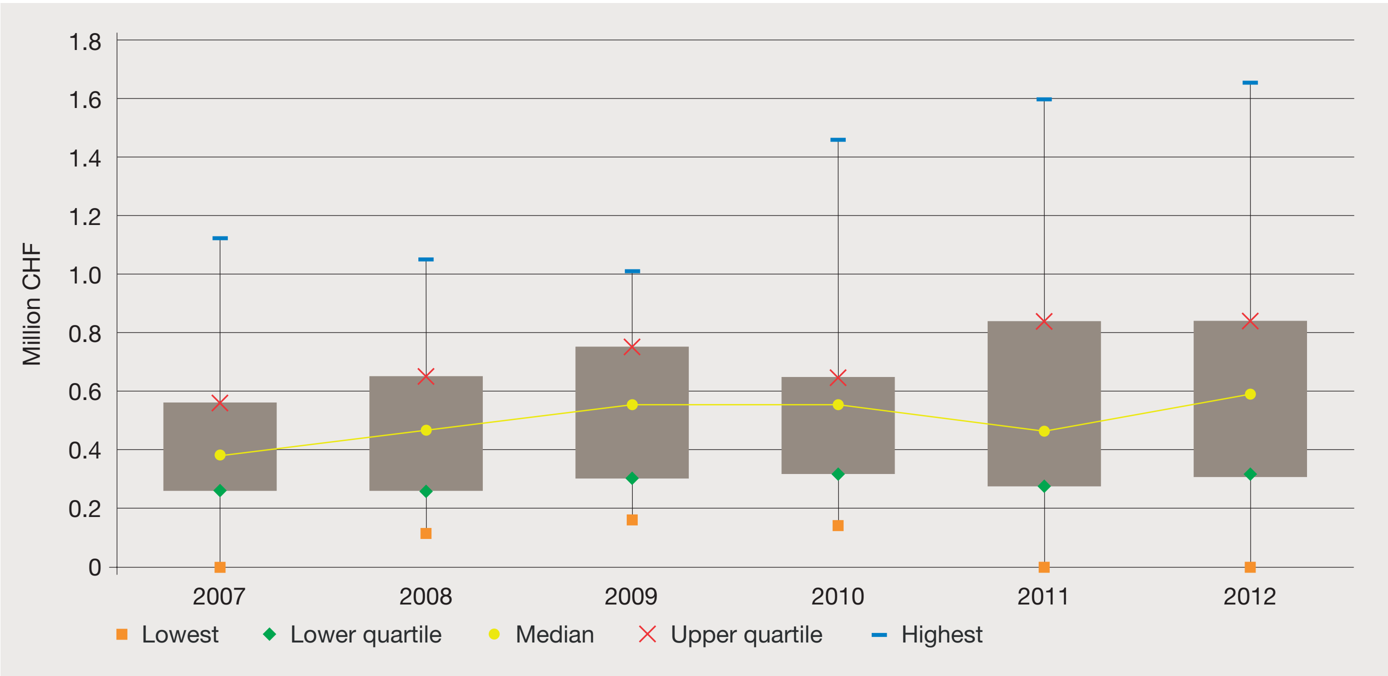
3.1.2 Details on SMI companies

From 2011 to 2012, the median chairman compensation decreased by 16.1% to CHF 1.1 million. The upper quartile increased by 21.6% to CHF 4.7 million, whereas the lower quartile fell by 25.2% to CHF 611,893. Thus, we are again witnessing a significant dispersion of pay (in absolute terms), similar to what had happened in the years 2008-2010. Dispersion decreased, however, somewhat at the extremes: From 2011 to 2012, the compensation of the highest paid chairman decreased by 3.2% to CHF 13.1 million whereas the compensation of the lowest paid chairman increased by 11.2% to CHF 199,230.

3.1.3 Details on SMIM companies

SMIM chairmen saw pay increases throughout, with the largest increase concentrated at the lower end: The lower quartile increased by 11.3% to CHF 306,000 comparing 2012 with 2011. The median, too, increased significantly by 27.9% to CHF 590,488, and median total compensation is now more than 50% above the level in 2007. Increases were smaller at the upper end: The upper quartile increased by 0.2% to CHF 839,700, and the highest paid received CHF 1.7 million, which represents an increase of 3.7% from the previous year.

Figure 2: Total compensation of chairmen in SMIM companies[2)]



[2)] Compensation for non-executive function (n=20 in 2012)

3.2 Other members of the board of directors

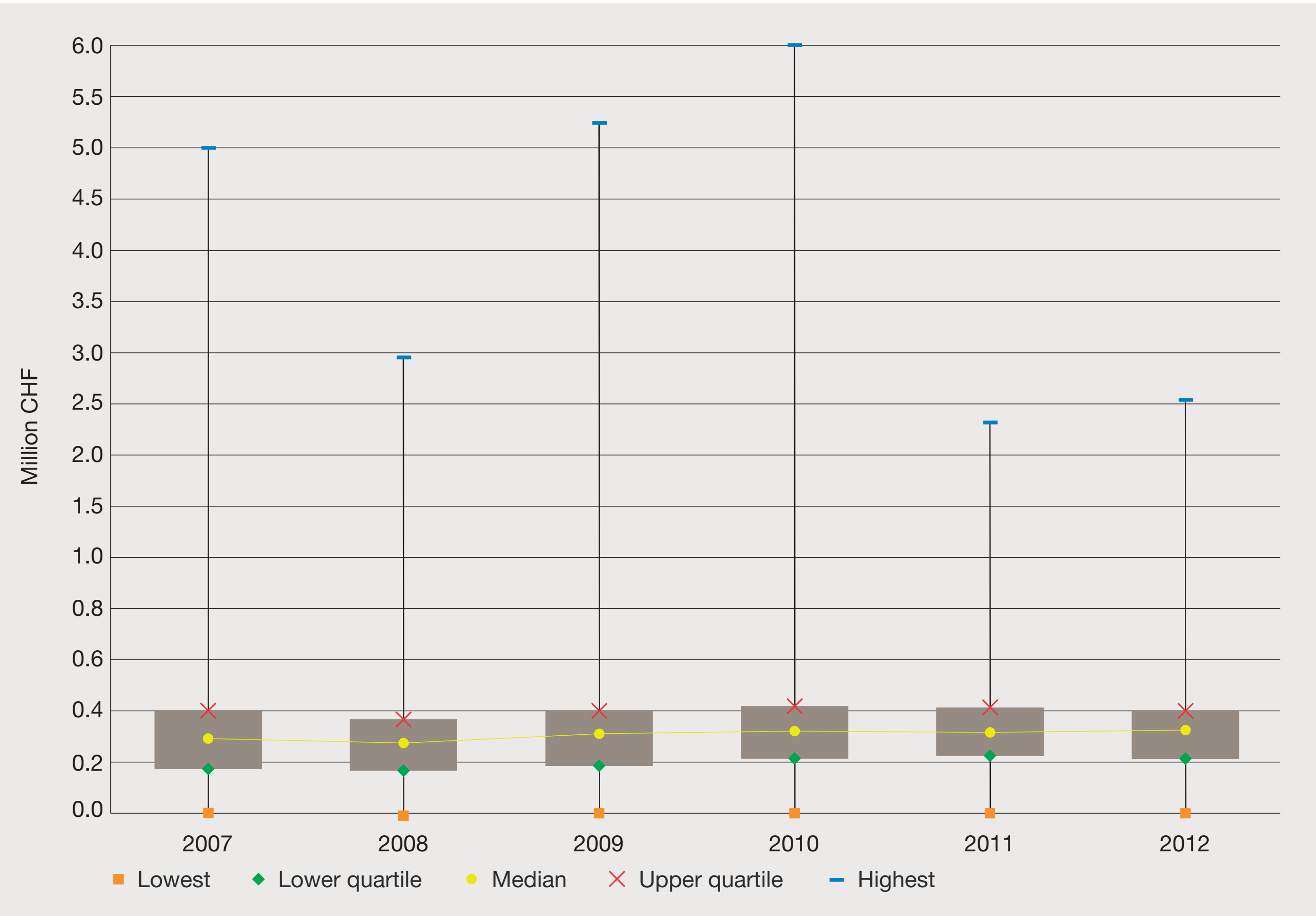
3.2.1 Main findings

In 2012, the median compensation for an SMI board member was around CHF 320,000, approximately double the median received by an SMIM board member (around CHF 180,000). The compensation levels for SMI and SMIM board members have been stable or have slightly increased in a relatively small band for the years 2007 to 2012.

3.2.2 Details on SMI companies

The lower quartile amounted to CHF 217,098 and the upper quartile to CHF 397,445 with small changes compared to last year, namely, decreases of 5.3% and 6.2%, respectively. The median pay amounted to CHF 326,376 (an increase of 0.8%). The highest paid amount has varied a lot over the years. In 2012, it remained similar to last year, with a small increase by 7% to CHF 2.6 million.

Figure 3: Total compensation of other members of the board of directors in SMI companies[3)]

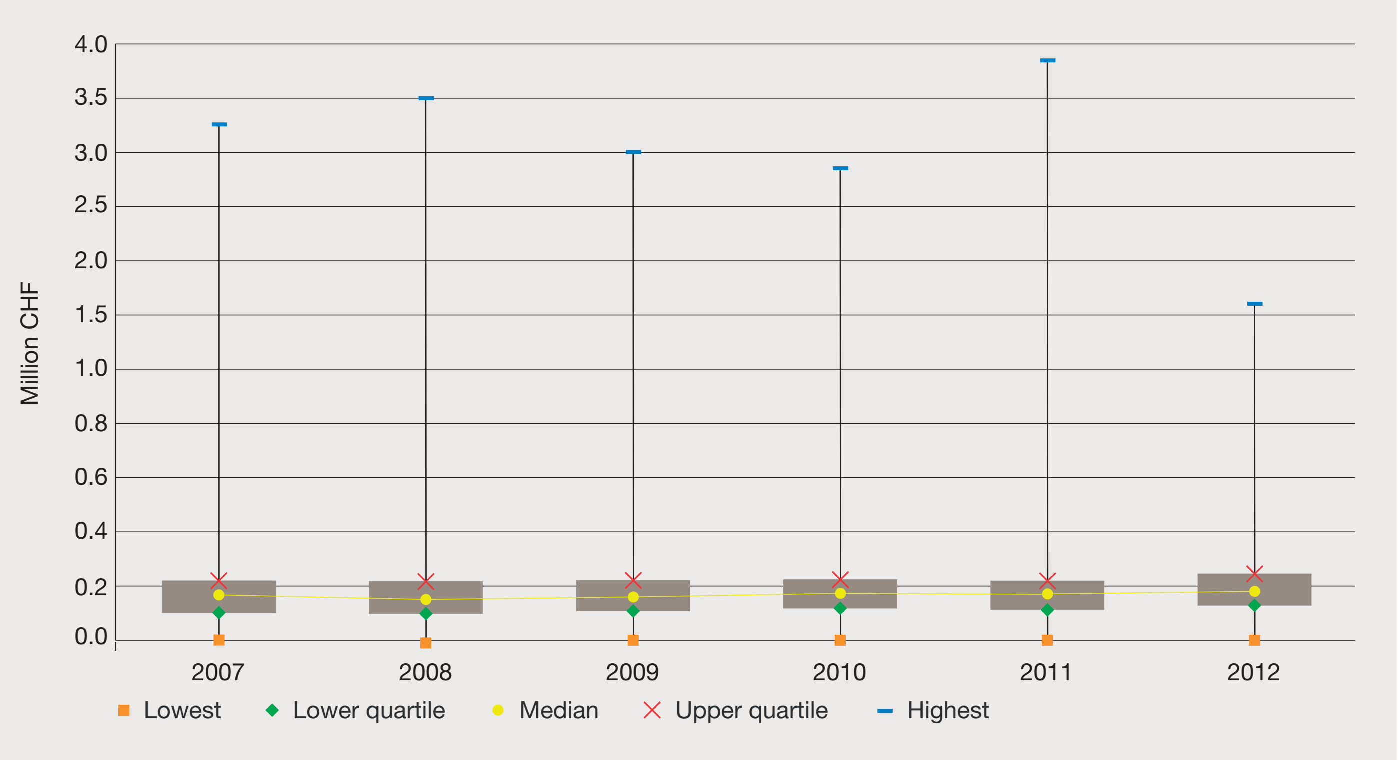


[3)] Chairman and executive functions excluded (n=192 in 2012)

3.2.3 Details on SMIM companies

The lower quartile amounts to CHF 127,300 (+13.7% relative to 2011) and the upper quartile to CHF 244,979 (+10.4%), i.e. half of the SMIM board members were paid within this range for the year 2012. Despite these increases, the median remained virtually unchanged from CHF 169,500 in 2007 to CHF 176,197 in 2012.

Figure 4: Total compensation of other members of the board of directors in SMIM companies[4)]



[4)] Chairman and executive functions excluded (n=195 in 2012)

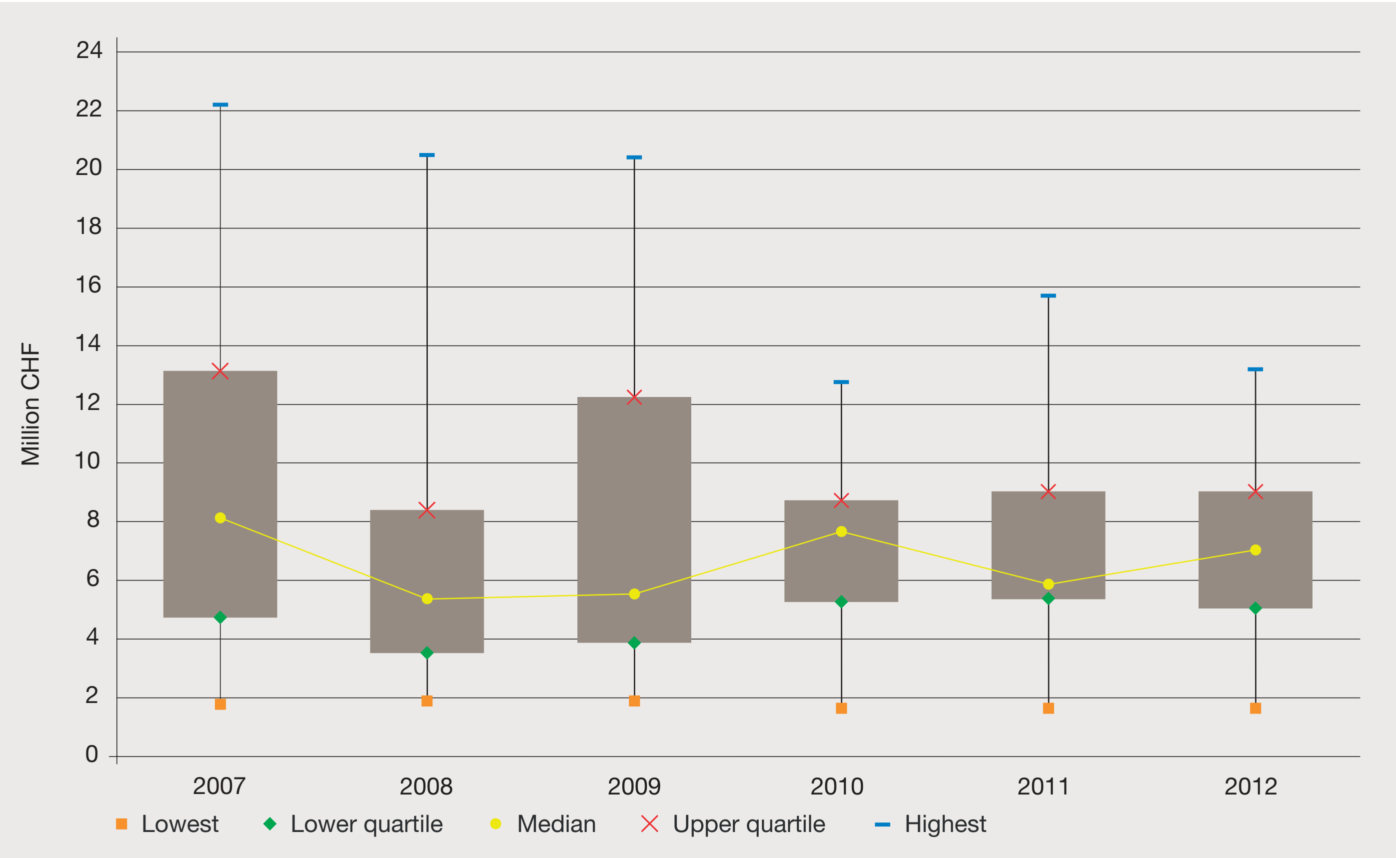
3.3 CEOs and other executives

3.3.1 Main findings

Two facts are particularly noteworthy. First, CEO total compensation has, by and large, decreased when considering the past six years in total. From 2007 to 2012, median CEO total compensation has fluctuated but has decreased overall in both SMI and SMIM companies, from CHF 8.1 million to CHF 6.7 million or by 17.1 % in SMI companies and from CHF 2.8 million to CHF 2.4 million or by 16 % in SMIM companies. A similar picture emerges when considering averages: In the SMI, average CEO total compensation decreased from CHF 9.5 million in 2007 to CHF 7.1 million in 2012 (–24.6 %); in the SMIM, it decreased from CHF 3.9 million in 2007 to CHF 2.9 million in 2012 (–27.3 %).

Second, as can also be observed from Figures 5 and 6, CEO compensation in SMI companies has varied significantly over time, more so than CEO compensation in SMIM companies. The development from 2011 to 2012 exemplifies this overall picture. For SMI companies, median CEO total compensation increased from 2011 to 2012 by 15.2 % in SMI companies, while it remained essentially unchanged in SMIM companies.

Figure 5: Total compensation of CEOs in SMI companies[5)]



[5)] (n=20 in 2012) In 2012, there was only one (in 2011: three) company in which a member of the executive board other than the CEO received the highest total compensation. In 2008 and 2010, the highest paid disclosed person in the whole sample was not a CEO. In these companies CEO compensation was not disclosed and so could not be used in Figure 5. Leaving CEOs are not included in this calculation.

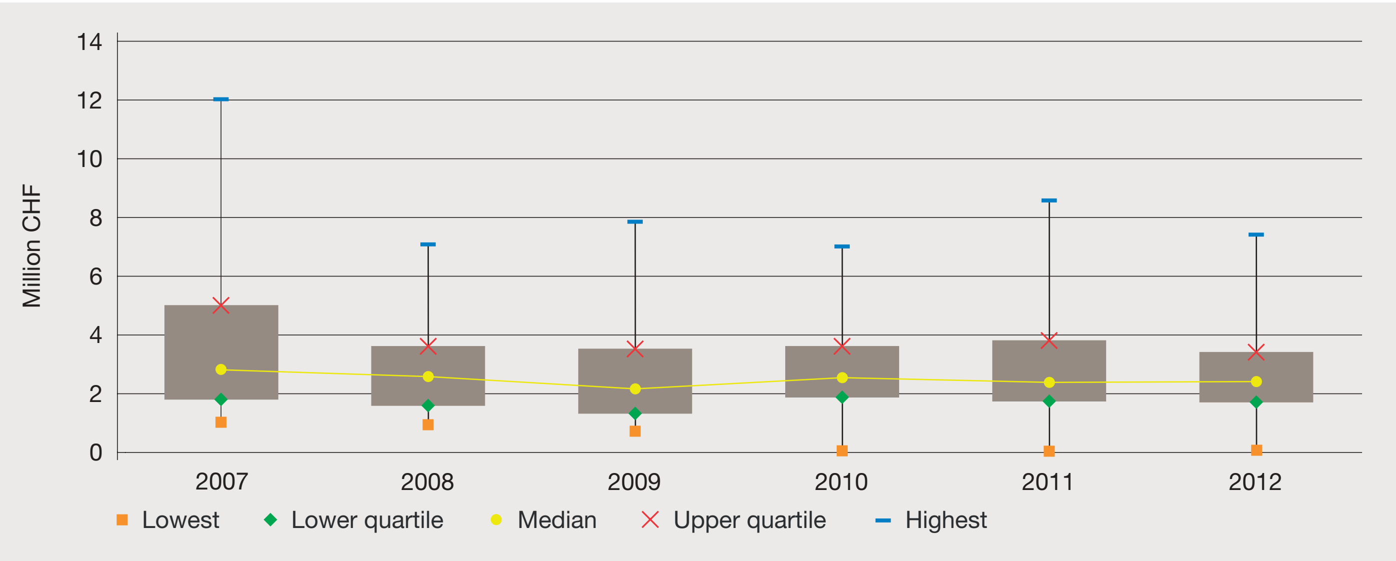
3.3.2 Details on SMI companies

Comparing 2012 to 2011, the median compensation of SMI CEOs increased significantly by 15.2% to CHF 6.7 million. Interestingly, the upper quartile remained unchanged at CHF 9.3 million and the lower quartile actually decreased to CHF 4.8 million (–9.8%). The average total compensation remained virtually unchanged at CHF 7.1 million. As such, the average total compensation is still significantly below the figures for 2007 (CHF 9.5 million, –24.6%), when this survey was conducted for the first time (see also Figure 8).

3.3.3 Details on SMIM companies

In contrast to SMI companies, median CEO total compensation remained stable in SMIM companies in the past year: It amounted again to CHF 2.4 million. This is somewhat surprising in the light of generally positive market developments. The lower quartile also did not move, amounting again to CHF 1.7 million. The upper quartile decreased by 9.9 % to CHF 3.4 million. Consequently, 50 % of SMIM CEOs are paid within a range of CHF 1.7 million to CHF 3.4 million. Average total compensation remained at a similar level in 2012 as in 2011, with a decrease of 3.7 % to CHF 2.9 million. (This result is partially due to the decrease in compensation of the highest paid CEO which fell by 13.6 % to CHF 7.4 million.) However, from an overall perspective, the average total compensation has decreased over time by 27.3 % from CHF 3.9 million in 2007 to CHF 2.9 million in 2012 (see also Figure 11).

Figure 6: Total compensation of CEOs in SMIM companies[6)]



[6)] CEO or highest paid executive board member respectively (n=27 in 2012)

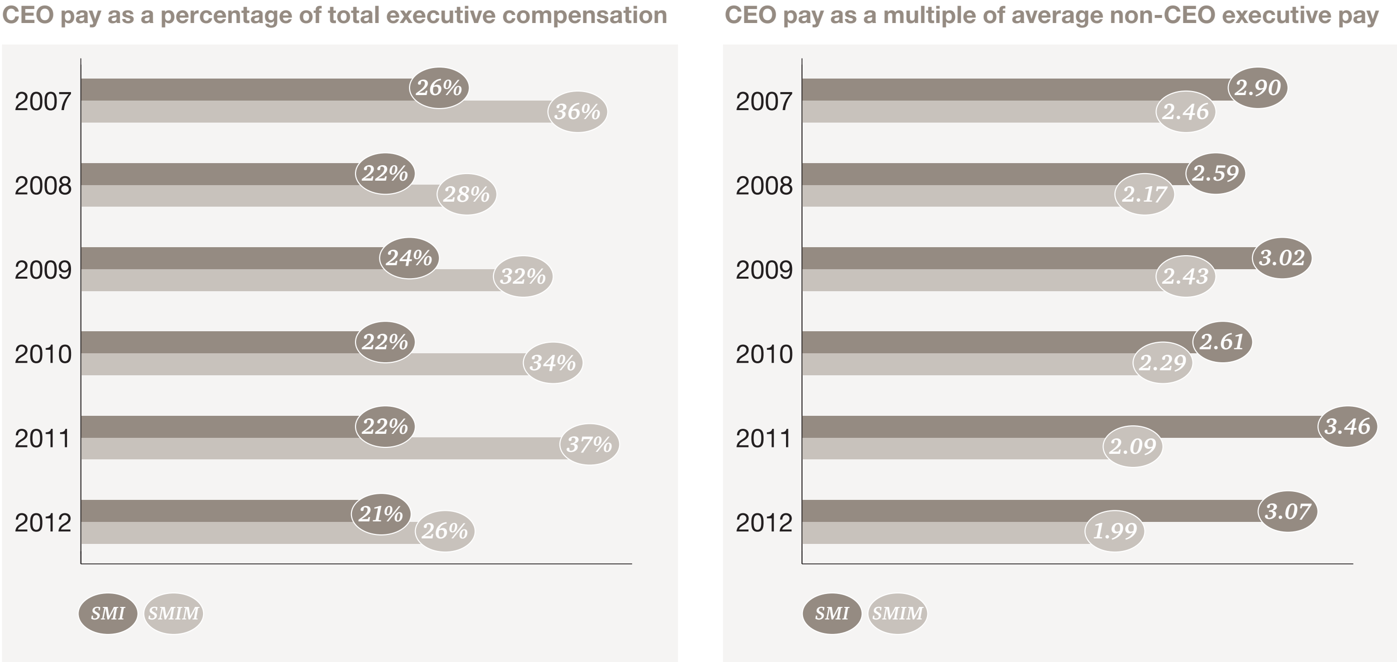
3.3.4 The CEO pay slice

This year, we also provide an analysis of the so-called "CEO pay slice", that is, the fraction of total CEO compensation in relation to the total compensation of the entire executive board.

The developments of two numbers of interest are shown in Figure 7 below. The panel on the left considers CEO pay as a percentage of the compensation of all executives (including the CEO). The figure shows the sample median of this percentage. As can be seen, this fraction is higher in SMIM companies than in SMI companies, which is partially due to the fact that disclosed executive committees are typically larger in SMI companies than in SMIM companies. The percentage has generally come down in both the SMI and the SMIM samples. In the SMIM, this number has fluctuated significantly over the years. To adjust for executive committee size, we calculate the ratio of CEO pay to the average compensation of non-CEO executives. The panel on the right shows the median value of this multiple. As expected, this multiple is significantly higher in SMI companies than in SMIM companies. This result is consistent with the fact that there appears to be a premium for managing larger companies. There is also significant heterogeneity between companies, with the 25th and the 75th percentile being at about 1.5 and 4, respectively for both groups of companies.

These numbers have to be interpreted with care. For example, the experience as well as the roles and responsibilities of executives vary significantly. Naturally, individual performance also plays an important role. Companies also have different policies in terms of which group of top management they disclose in the remuneration report. We suggest, however, that companies pay attention to the balance of pay in the executive committee. Academic studies (in the US) suggest a trade-off. On the one hand, an unequal distribution of pay in the executive suite can induce productive tournament incentives. On the other hand, when the CEO receives a much larger pay package than other executives (adjusted for experience and other factors), this can indicate an imbalance of power, excessive conflicts, and potential governance problems.

Figure 7:



3.4 Structure of compensation

As in previous years, we have analysed the structure of the average total compensation as we believe this provides important insights in addition to the analysis of the level.

3.4.1 Comparing roles

By and large, a similar picture emerges for SMI and SMIM companies when comparing the structure of compensation of different roles. On average, the largest part of the total compensation for chairmen and other board members – between 70 % and 90 % – comes from fixed and other compensation. (Fixed compensation refers to the sum of compensation in cash and non performance-related payments conveyed in the form of equity-based compensation.) By contrast, variable pay (either cash bonuses or equity-based long-term incentive plans) makes up the biggest portion – between 50 % and 70 % – of the total compensation package for CEOs and other executives.

Figure 8: Overview of compensation structure in SMI companies in 2012

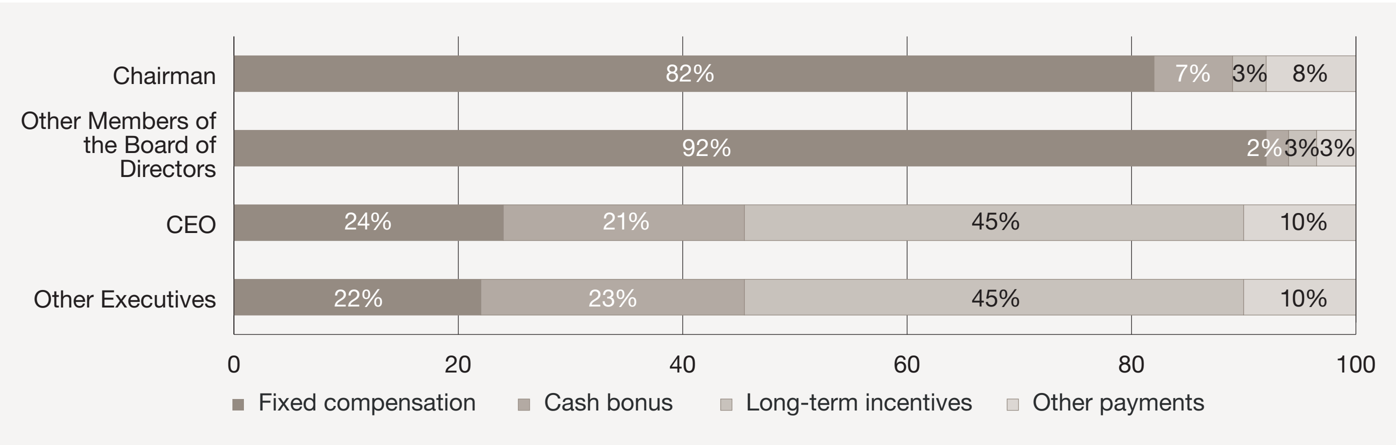
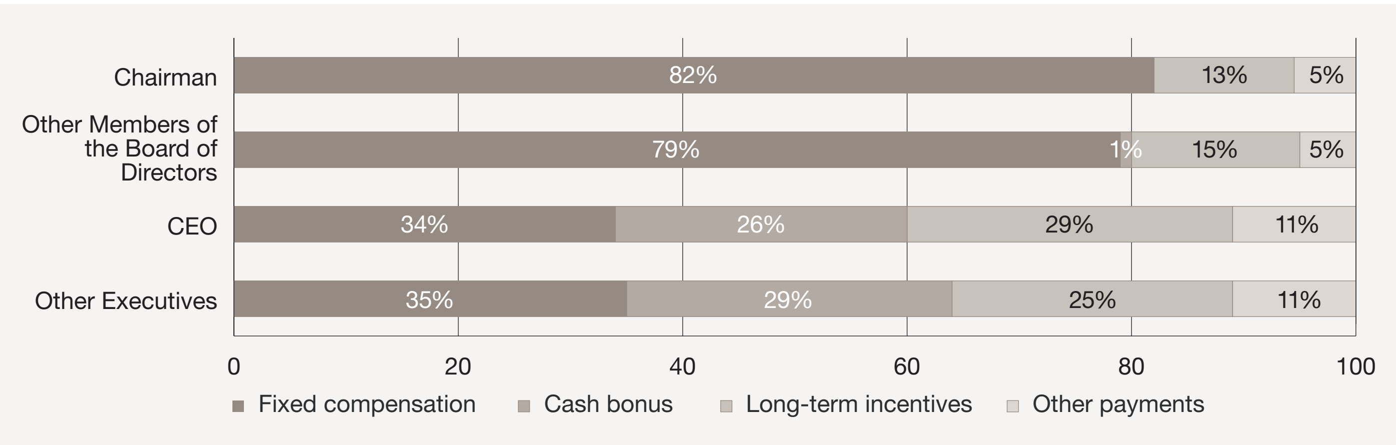


Figure 9: Overview of compensation structure in SMIM companies in 2012



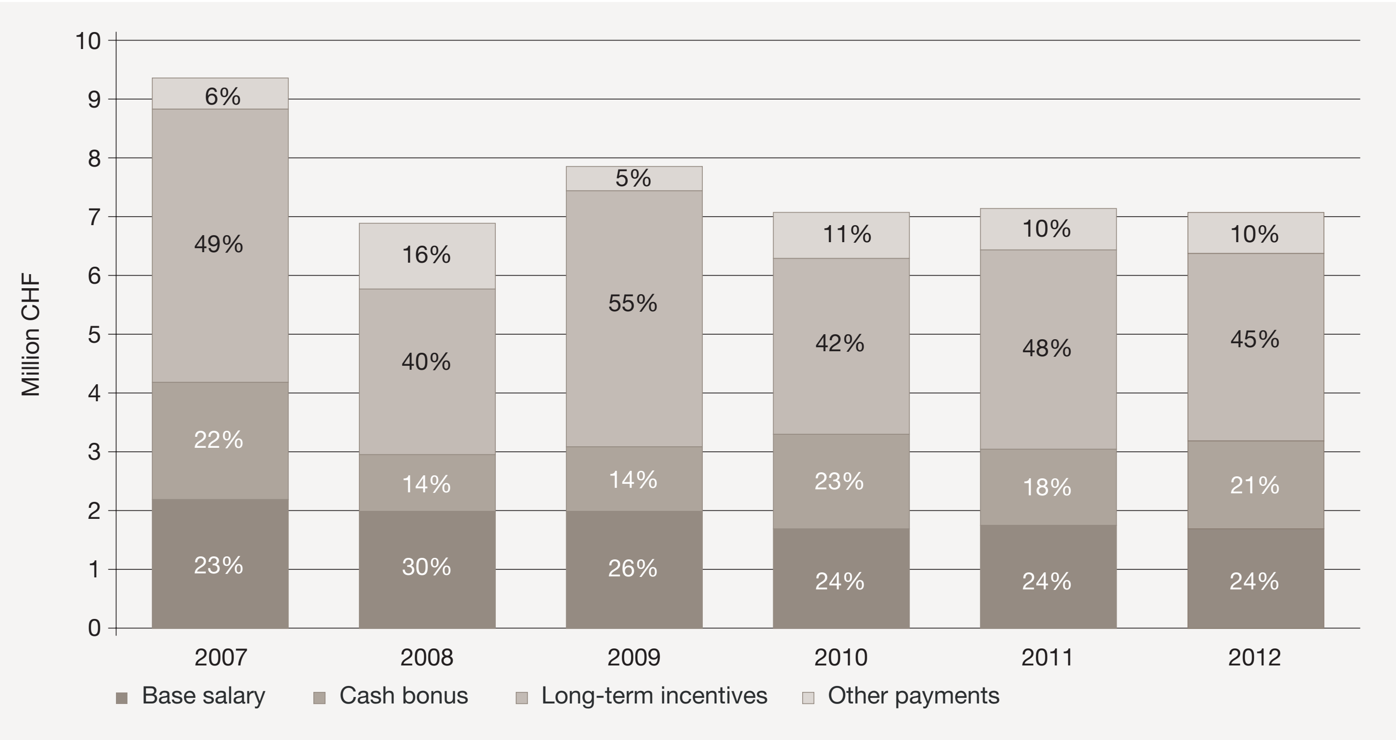
3.4.2 Comparing companies

Some interesting patterns emerge when comparing SMI and SMIM companies and when considering the development of the composition of pay over time.

First, for board members of SMI companies, fixed compensation in 2012 was again a more important component (relative to total compensation) than in SMIM companies. Other board members receive 91.8% (SMI) and 78.8% (SMIM) as fixed compensation, and these numbers have remained stable in the past six years. The average chairman receives around 80% in fixed pay in both groups of companies.

As for CEOs, in SMI companies, the average total compensation for 2012 was split into 24% base salary, 21% cash bonus, 45% long-term incentives, and 10% other compensation. In SMIM companies, the average total compensation for 2012 was split into 34% as base salary, 26% as cash bonus, 29% as long-term incentives, and 11% as other compensation. These numbers appear representative for the six-year sample period, even though the composition of CEO pay fluctuates significantly. In SMI companies, base salary has never made up more than 30% of total pay and long-term incentive plans have never been less than 40% (and exceed 50% in some years). In SMIM companies, by contrast, throughout the sample period (except in 2007), base salary was at least 30% of total pay, while the long-term incentives did not account for more than 40% of total pay (and fall below 30% in some years). The cash bonus and other payments are of approximately equal importance in the two samples.

Figure 10: Structure of average total compensation of CEOs in SMI companies

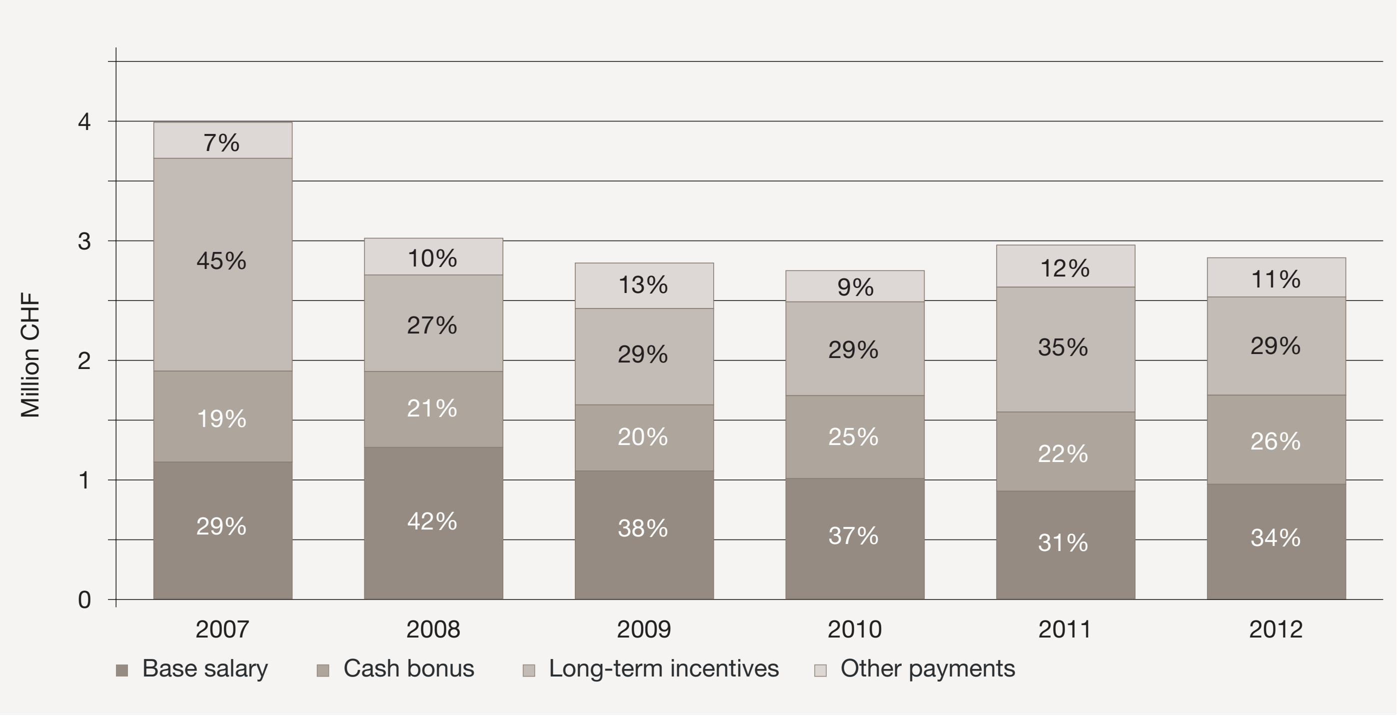


3.4.3 Details of year-on-year changes in the structure of CEO pay

In 2012, for SMI companies, the average base salary amounted to CHF 1.7 million, decreasing from CHF 2.2 million in 2007 (approximately 22.5 %). Indeed, the distribution of base salaries shifted down more generally: For the year 2012, 50 % of CEOs received a base salary ranging from CHF 1.1 million (down from CHF 1.3 million in 2011) to CHF 2 million (unchanged). The average cash bonus amounted to CHF 1.5 million in 2012 which is an increase of 16.4 % compared to 2011. Total average cash compensation (base salary + cash bonus) increased by 5.2 % to CHF 3.2 million comparing 2012 to 2011. The average long-term incentives fell from CHF 3.4 million in 2011 to CHF 3.2 million in 2012 which represents a decrease of 5.9 %.

For SMIM companies, the average base salary increased by 7 % from 2011 to 2012, but decreased by 15.8 % from 2007 to 2011 (from CHF 1.2 million in 2007 to CHF 968,931 in 2012). The average cash bonus also increased from CHF 666,814 in 2011 to CHF 746,366 which equals +11.9 %. In contrast, the average long-term incentives fell significantly from CHF 1.1 million in 2011 to CHF 826,547 in 2012 (–21.4 %). Both the portion of base salary as well as the cash bonus increased in 2011 in favour of the long-term incentive portion. Overall, the level of total variable compensation decreased by 8.5 % to CHF 1.6 million when comparing 2011 to 2012.

Figure 11: Structure of average total compensation of CEOs in SMIM companies



3.5 Wealth changes due to share ownership

In addition to analysing the total compensation development, it is also important to understand net wealth changes in the share ownership of board members and executives resulting from share price changes. These can be substantial in the case of volatile markets. Table 1 lists these changes and developments. The highest gains and losses relate to chairmen and other board members who have significant share holdings (in particular as founders or founding family members).

In 2008, at least 75 % of CEOs, chairmen and other board members suffered net wealth losses resulting from falling share prices. In 2009, we observed the mirror image, i.e. at least 75 % of the persons surveyed benefited from rising share prices. In 2010, an intermediate result occurred. The median CHF wealth change due to ownership was around zero or slightly positive for all three groups. The difficult market environment in 2011 led to broad losses throughout, and so the gains the median CEO, chairman and board member had made in 2009 and 2010 essentially evaporated in 2011.

2012 in turn brought positive wealth changes for all three groups of individuals (at least for 75% as in 2009). The significant positive market development helped the median CEO recoup all losses from the previous year, and the overall wealth position of this (imaginary) median CEO is now approximately as at the beginning of 2008. The wealth changes of the middle half of CEOs, chairmen, and other board members are in a relatively narrow range around the median. 50% of all CEOs (between lower and upper quartile) experienced wealth changes in the amount of CHF +150,000 to CHF +1,400,000. For chairmen, this range is from CHF +30,000 to CHF +590,000 for 2012. For other board members, this range amounts to CHF +10,000 to CHF +240,000 for 2012.

CEOs of SMI companies hold a smaller proportion of total equity capital than CEOs in SMIM companies. For example, the median CEO equity ownership in SMI companies is 0.02 %, while it corresponds to 0.09 % in SMIM companies. This means that a CHF 1,000 change in shareholder wealth in a given year corresponds to a CHF 0.20 and a CHF 0.90 CEO wealth change, respectively. In the SMI and SMIM companies, the median CEO holds roughly CHF 2.9 million in equity, which is around two times the annual base salary. Although these numbers are arguably small, we also observe a general, modest increase in the equity participation rate. In particular, the median ownership in SMIM companies has increased significantly in the past year. Notably, the proportion of CEOs who do not hold any shares has dropped in the past six years. Moreover, the percentage wealth change, defined as the wealth change of a disclosed person expressed as a percentage of the wealth he holds in shares of his company, can be substantial also in Switzerland: the median percentage wealth change of CEOs was +12% from 2011 to 2012. For chairmen this number was +16.6%, for other board members it was +15.8%.

Table 1: CEO and board of director wealth changes in SMI and SMIM companies in the years 2008, 2009, 2010, 2011, and 2012 due to ownership[7)]

2008	Highest gain	Top 25 % (upper quartile)	Median	Bottom 25 % (lower quartile)	Greatest loss
CEOs	+42,800,000	–230,000	–730,000	–2,880,000	–2,750,000,000
Chairmen	+190,000	–290,000	–1,820,000	–18,700,000	–466,000,000
Other Members of the Board of Directors	+42,800,000	–40,000	–200,000	–200,000	–3,010,000,000

2009	Highest gain	Top 25 % (upper quartile)	Median	Bottom 25 % (lower quartile)	Greatest loss
CEOs	+10,300,000	+860,000	+340,000	+20,000	–35,400,000
Chairmen	+2,170,000,000	+5,810,000	+240,000	+10,000	–30,100,000
Other Members of the Board of Directors	+1,440,000,000	+230,000	+50,000	+/–0	–23,000,000

2010	Highest gain	Top 25 % (upper quartile)	Median	Bottom 25 % (lower quartile)	Greatest loss
CEOs	+20,000,000	+790,000	+170,000	–80,000	–21,100,000
Chairmen	+1,899,000,000	+650,000	+90,000	–80,000	–32,100,000
Other Members of the Board of Directors	+713,000,000	+120,000	+10,000	–30,000	–587,000,000

2011	Highest gain	Top 25 % (upper quartile)	Median	Bottom 25 % (lower quartile)	Greatest loss
CEOs	+10,600,000	–100,000	–400,000	–1,060,000	–99,300,000
Chairmen	+10,600,000	–110,000	–360,000	–1,290,000	–70,800,000
Other Members of the Board of Directors	+44,400,000	–10,000	–70,000	–270,000	–1,570,000,000

2012	Highest gain	Top 25 % (upper quartile)	Median	Bottom 25 % (lower quartile)	Greatest loss
CEOs	+59,300,000	+1,350,000	+580,000	+150,000	–10,200,000
Chairmen	+519,000,000	+590,000	+140,000	+30,000	–760,000
Other Members of the Board of Directors	+1,100,000,000	+240,000	+60,000	+10,000	–175,000,000

[7)] All amounts in CHF and rounded. Wealth changes in 2008 are calculated as the difference between the wealth due to the average of the reported stockholdings on 31 December 2007 and those on 31 December 2008, valued on 31 December 2008, minus the value of these average shareholdings on 31 December 2007. For wealth changes in 2009, 2010, 2011 and 2012, the same methodology is applied. All shares (not only vested shares) are considered. Companies that do not report shareholdings for the respective category of individuals are not considered in this table. Significant changes in wealth can also arise in these calculations, regardless of developments in the share price, when an individual acquires or sells shares. Outside (non-equity) wealth is not observable. All the numbers reported in this section do not reflect implied ownership through options or other instruments similar to equity. They are merely based on what companies report to be the direct alignment of their CEOs with shareholders through the ownership of shares.

3.6 Small-cap companies

Like last year, we have also examined compensation of executives and board members in a wider sample. In particular, we also consider those companies that ranked 51st to 100th in terms of equity market capitalisation at the end of the year 2007. Moreover, as over the years some companies had dropped out of the sample, for this year's survey, we added some companies so that the 2012 sample again contains 50 companies in addition to the SMI and SMIM companies. In the following, we refer to this group as small-cap companies.

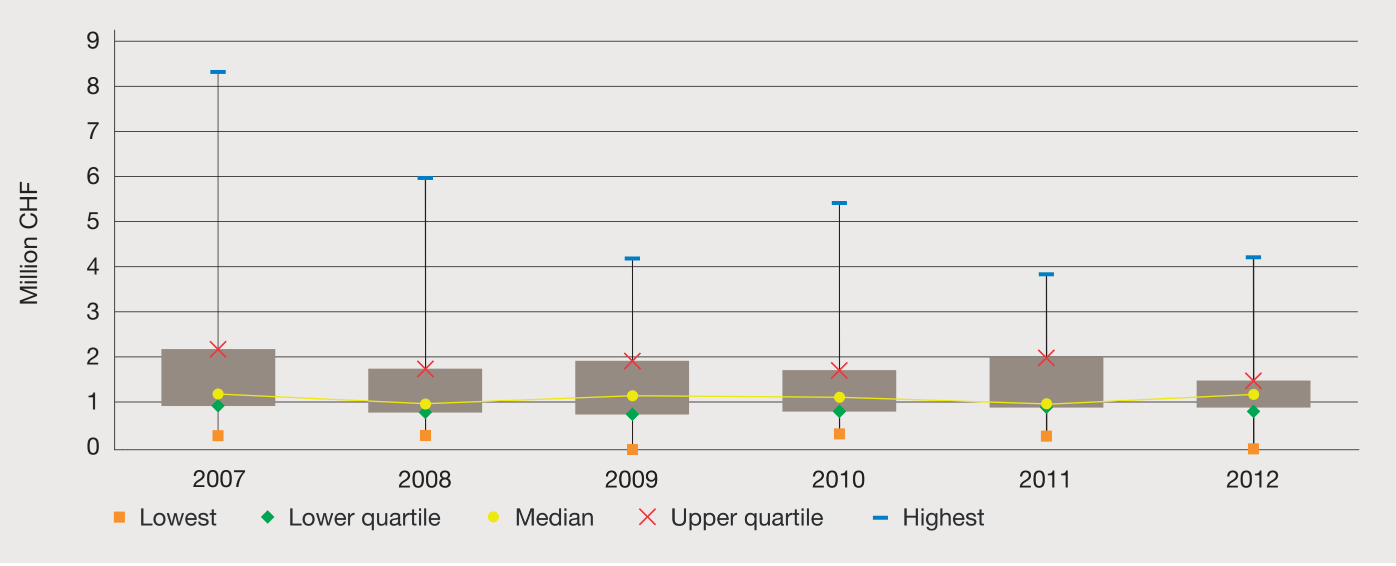
Naturally, this large sample provides a wealth of data. For space reasons, we highlight some salient, general facts. More detailed evaluations, geared to the interests of the reader, are available on request.

The median board member at a small-cap company receives pay of around CHF 100,000, and this pay level has remained essentially stable in the past six years, whereby a slightly increasing trend has been observed. The median CEO of a small-cap company received CHF 1.2 million in 2012. As such, median CEO pay has increased by 8.8% from 2011 to 2012. It is still below 2007 levels, mirroring the pattern in CEO pay levels observed for SMI and SMIM companies, but it has almost reached its previous level. The range of the middle 50% of small-cap CEO total compensation declined in the past year and is now between around CHF 830,000 and CHF 1.5 million. This corresponds approximately to the range of the middle 50% of base salary for SMI CEOs.

There are some additional interesting patterns regarding company size. First, total compensation of small-cap CEOs is less volatile over time than is pay of SMIM CEOs (which is, as we have seen earlier, more stable than pay of SMI CEOs). Second, an average CEO of an SMI company earns twice the total compensation that the CEO of an average SMIM company earns. And the CEO of an SMIM company receives almost twice the total compensation that a small-cap CEO obtains. Similarly, a typical board member can almost quadruple his average total compensation by moving from a small-cap company to an SMI company.

Given this strong relationship between pay and firm size, and given the powerful empirical relationship between management performance and career advances, we conclude that there can be substantial implicit incentives through career concerns for executives and board members of Swiss companies. That is, these individuals are motivated not only by the incentive system in place in their current job, but they also arguably take into account that good performance now opens up better career opportunities –

Figure 12: Total compensation of CEOs in small-cap companies[8)]



8) n=44 in 2012

in particular, the opportunity to manage a larger, higher-paying firm – in the future. Conversely, they are aware that poor performance now is likely to result in fewer such opportunities in the future; indeed, poor managers may find themselves slipping down a notch or two in the size of the company they lead, which implies lower pay. When added up over the duration of a career, these forward-looking incentives can be substantial.

Rewards in the form of equity participation are of relatively minor importance for CEOs in small-cap companies. Indeed, the fraction of incentives paid in the form of equity has decreased over the years. In 2012, on average just 11% (the lowest percentage since 2007) of total compensation of small-cap CEOs are equity-based incentives. For CEOs in small-cap companies, the portion of base salary in total compensation has conversely increased from around 40% in 2007 to around 50% in 2012.

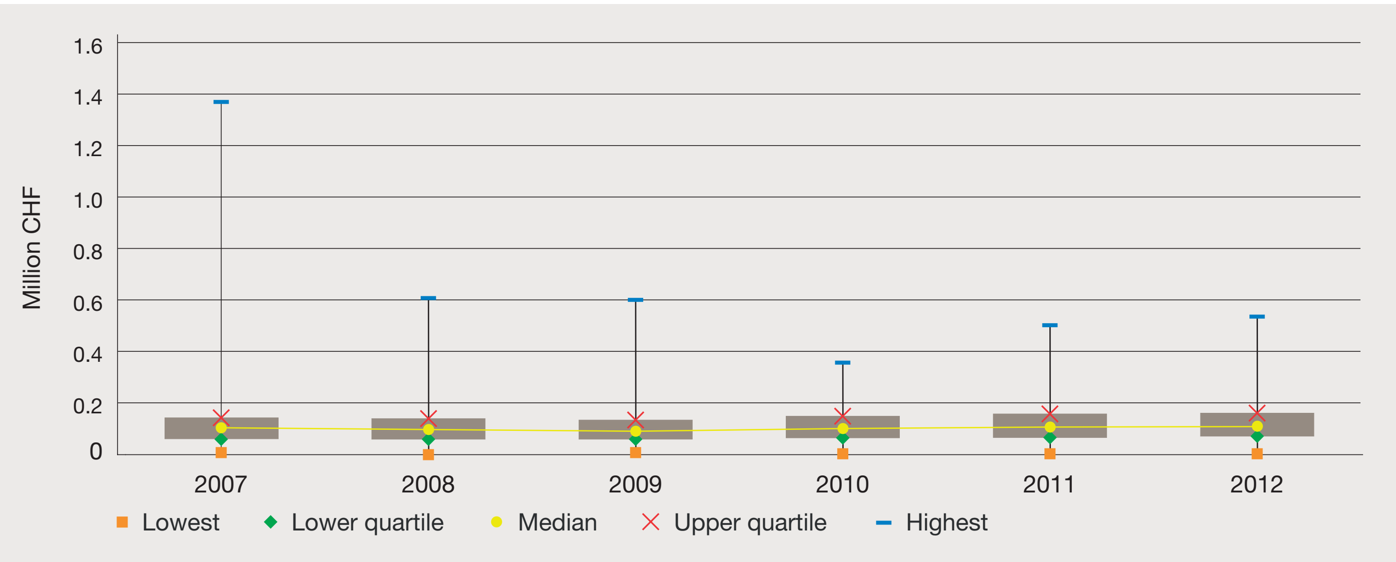
Finally, we have also analysed the wealth changes due to share ownership of executives and board members in small-cap companies. CEO participation in small-cap companies is more wide-spread and reaches higher total levels in terms of fractions of ownership than in the SMI and SMIM companies. However, naturally, in terms of monetary wealth, CEOs of SMI companies hold on average more than three times the amount of wealth in firm's equity than CEOs of SMIM and small-cap companies.

Table 2 shows that, over the years, the median small-cap executives and board members have experienced similar fluctuations to their colleagues in the larger companies. For example, while 2009, 2010, and 2012 were "good years," the median CEO has lost in the order of CHF 320,000 in wealth over the whole sample period.

Table 2: Median CEO and board of director wealth changes in small-cap companies in the years 2008, 2009, 2010, 2011, and 2012 due to ownership[9)]

	CEOs	Chairmen	Other members of board of directors
2008	–360,000	–220,000	–40,000
2009	+90,000	+70,000	+10,000
2010	+70,000	+80,000	+15,000
2011	–180,000	–60,000	–20,000
2012	+60,000	+60,000	+10,000

Figure 13: Total compensation of other members of the board of directors in small-cap companies[10)]



[9)] For details on the calculation, see footnote 7.

[10)] n=308 in 2012

4 Trends in Corporate Governance and Executive Compensation

We discuss three key trends in the area of executive compensation. These three topics concern the impact of the *Abzocker-Initiative* and the move towards enhanced value reporting, the trend towards the use of caps in variable pay plans, and certain trends in the design of equity-based pay plans, in particular, the use of performance shares. In each of these areas, companies need to be aware of how market practice is developing and what the legal requirements are. However, in each of the areas – especially in the latter two, regarding caps and performance shares – we also highlight aspects that sometimes appear to receive insufficient attention in discussions.

4.1 The Abzocker-Initiative and the move towards enhanced value reporting

4.1.1 What we observe

In March 2013, Swiss-incorporated voters approved the "Minder Initiative" (sometimes referred to as the "Fat Cat Initiative") by a majority vote of 68%. This vote was the culmination of a process that took place over several years: The collection of signatures for the *Abzocker-Initiative* began in October 2006, and since then there has been a significant back and forth in the political arena as regards the possible implementation of the initiative.

The initiative affects all Swiss-incorporated companies whose shares are quoted on a Swiss or overseas stock exchange. The major changes are that shareholders will have a binding vote in the annual general meeting on the total compensation of the company's governing bodies; that members of the governing bodies must not receive any advance, severance, change in control or other similar payments; that pension funds with direct investments in Swiss companies must vote in their beneficiaries' best interests and disclose their voting behaviour; and that shakeholders will elect board members (as well as the chairman and the members of the compensation committee) annually on an individual basis. At the time of writing this survey, Swiss companies are eagerly awaiting the publication of the final transitional ordinance by the Swiss Federal Government that will provide for the concrete implementation rules. The ordinance will be applicable as from January 2014 until Parliament passes a new law.

Arguably one of the most important elements of the new legal landscape – at least in the near term – is the introduction of binding say-on-pay votes. Swiss companies do have some experience with say-on-pay: In the majority of the 48 SMI and SMIM companies in Switzerland, shareholders already had a non-binding consultative vote on the compensation report in recent years. Indeed, some boards have also experienced upsets by failed or narrow consultative votes, which have generated a lot of attention (and negative news for the respective companies, board members, and executives).

Under the current draft ordinance to implement the new constitutional rules, the baseline case is that shareholders will, starting from general assemblies in 2015, vote each year on variable compensation for the past year and fixed compensation until the next annual general meeting for the upcoming year. However, our perception at the moment is that most companies are moving to implement the optional "budget" system for variable compensation. That is, they will ask shareholders to adopt an amendment to the company's bylaws so that shareholders will vote each year on a target amount of variable pay for the following year, rather than voting on variable compensation after the year.

No matter which system companies adopt, they will need to prepare a separate remuneration report, which will be subject to audit. (According to the draft of the ordinance, this report needs to be in place for the 2014 proxy season.) Naturally, this remuneration report will be the most important document that shareholders (and the proxy advisors who provide recommendations for shareholders) will use to evaluate the appropriateness of the compensation system and the resulting amounts of retrospective and prospective (or budgeted) compensation. To support listed companies in ascertaining what level of quality they have obtained in their compensation disclosure efforts and to develop a view on overall compliance and best practice in Switzerland today, in 2011 we developed, and have since been continually updating, a rating system that aims at capturing the rules that companies currently need to comply with as far as the SIX Exchange Regulation is concerned. Based on our evaluation of companies' remuneration reports, we notice that significant heterogeneity continues to exist in the level of disclosure. For example, there is much variation between companies in the extents to which individual goals relevant in variable pay plans are disclosed, and the extents to which a link between the attainment of goals and the change in pay from one year to the next is established. We note that the market standard for disclosure has been raised significantly by the decision of several companies to provide greater insight into how they aim for pay-for-performance.

While the say-on-pay vote has probably attracted the most attention following the adoption of the *Abzocker-Initiative*, we also notice several other trends. For example, a number of companies are (thinking about) moving towards holding online general assemblies. This is not merely the consequence of technological progress. Rather, one important driver of this development is that the *Abzocker-Initiative* requires Swiss pension funds to vote in the interest of their beneficiaries insured. (The precise details of how this will be implemented are open.) More generally, many asset managers and other institutional investors are searching for ways for how to ensure that they can properly report on how they voted at general assemblies, and why they voted the way they did. Online general assemblies offer institutional shareholders the advantage that they can more easily track their voting.

4.1.2 Our view

What will the consequences of the new say-on-pay rules be? Although the Swiss case is arguably unique, some insights can be drawn from a policy experiment in the UK. In 2002, the UK introduced advisory say-on-pay (as opposed to binding say-on-pay, which will now govern Swiss companies). Since then, very few say-on-pay proposals (around 2 % , according to a recent study) have actually been rejected. However, it is important to keep in mind that this is the outcome of an internal adjustment process. The UK experience also shows that the possibility of a negative vote contributes to a reduction of extremely high compensation levels. The most critical votes in the UK were on pay packages including severance payments (which are going to be prohibited in Switzerland going forward). Most importantly perhaps, UK companies have witnessed a strengthening of the linkage between pay and performance. We expect that Swiss companies will be under similar pressure. An academic study of the market reaction to the announcement of the *Abzocker-Initiative* found that there was great variation in stock price reactions. Interestingly, companies that mainly use cash bonus systems – which would, therefore, be most strongly affected by the proposed voting mechanism of retrospective approval of variable pay – reacted most negatively. In other words, the market reaction suggests that companies need to actively adjust to the new environment.

Besides considering adjustments to the substance of the compensation system, we also recommend that companies scale up their efforts to communicate effectively with shareholders and proxy advisors; only then may they expect shareholders to follow proposals at the general assembly. Proxy advisors base their recommendations on disclosed information, and it is in the interest of companies to avoid ambiguity, imprecision, or a lack of transparency in their remuneration reports. Negative recommendations by proxy advisors are most likely to occur when a compensation system is perceived as problematic in substance and when disclosure is perceived as poor. Indeed, the two factors often go hand in hand.

To address this issue, we believe that companies will do well to consider compensation disclosure as a key element in a value reporting strategy. Value reporting – a concept developed first by partners at former Price Waterhouse[11] – now has a firm place in the context of an overall value-based management strategy. Value reporting refers to the enhanced and improved reporting of companies that is oriented towards sharing information about how value is created and distributed, and how value generation is rewarded.

Effective value reporting requires companies to explain how their compensation policy is aligned with their business strategy. Two examples of how compensation reports may become more palatable to shareholders and more informative in the value reporting sense are the following. First, modern compensation systems reward either outcomes (in the traditional pay-for-performance sense) or the achievement of strategic goals. In particular when the second approach is employed – as is the case in many companies, at least in a supplementary fashion – it becomes critical to explain to stakeholders why and how the chosen metrics are related to the overall firm value. Second, we believe that a way in which to communicate more proactively with shareholders today would be to disclose the actual paid amounts in addition to the granted pay levels. Such a disclosure would help shareholders (and boards and executives themselves) really understand the pay received as a function of performance.

[11] Philip D. Wright and Daniel P. Keegan (1997), Pursuing Value: The Emerging Art of Reporting on the Future, Price Waterhouse. The seminal contributions (especially as regards normative suggestions for companies) in the Swiss and Anglo-American literature, respectively, are Peter Labhart (1999), Value Reporting – Informationsbedürfnisse des Kapitalmarktes und Wertsteigerung durch Reporting, Zürich: Versus Verlag; and Robert G. Eccles, Robert H. Herz, David Philips, and Mary M. Keegan (2001), The Value Reporting Revolution: Moving beyond the earnings game, New York: John Wiley & Sons.

4.2 Caps on pay, incentives, and the (im)possibility of "negative bonuses"

4.2.1 What we observe

For most executives today, at least part of compensation consists of variable, that is, performance-related pay. The foundation of variable pay is clear in standard economic theory: More powerful incentives will induce executives to expend more effort for their companies (where "effort" is a very broad term and may also include actions like undertaking restructurings of the company, for example). Two of the most prominent criticisms against typical variable pay systems are that (a) monetary incentives do not actually work and that (b) variable pay systems can lead to very large payouts.

Point (a) is an important conceptual point. Indeed, there are several types of non-monetary incentives (awards, fame, social recognition, etc.) that play an important additional role for many executives and that can also be actively used by companies. It is certainly necessary in the context of good corporate governance to ask whether a given incentive problem can be best addressed with non-monetary or monetary incentives. In the reality of many companies today, some form of variable pay is needed and useful. In this sense, point (b) is the more immediately pressing issue. Specifically, many observers have worried about variable pay plans leading to sometimes unanticipated high payouts; a few spectacular cases have alerted shareholders, the media, and policymakers to a potential governance problem in such cases. Correspondingly, there are now important regulatory tendencies that favour capped plans. For example, the EU Capital Requirements Directive (CRD) IV, in Article 90, contains a bonus cap. From 1 January 2014, the maximum ratio of performance-related pay to fixed pay will be allowed to be 1:1. This can be increased to 2:1 with the approval of shareholders. Although CRD IV applies only to identified staff of the global operations of credit institutions headquartered in the EU and EEA and employees in the European operations of non-EU/EEA banks, this rule is likely to be of some relevance also to Swiss companies. (Besides tendencies to limit variable pay, there are also initiatives aimed at limiting the absolute level of pay. We only discuss capped variable pay plans here.)

The reality of variable pay plans of many Swiss companies already incorporates elements of these tendencies. In particular, a typical performance-related pay plan employed at many Swiss companies nowadays looks like the plan depicted with the dashed line with the triangle marker in Figure 14. The vertical axis plots compensation; the horizontal axis shows achieved performance on some performance measure (such as economic profit, return on assets, earnings per share, or other measures).

The fixed yearly base compensation in this example amounts to CHF 300,000. Assume that a performance of "100" is targeted. (This is an arbitrary reference point for this example.) The company installs a variable pay ("bonus") plan that has the property that, in general, the better the performance, the higher the variable compensation of the executive. Around the targeted performance, between a performance achievement of 50 and 150, the performance-related pay component increases linearly with the performance measure. At the top, beyond a level of 150, no additional performance-related payments are made. Thus, pay is capped at CHF 600,000 (that is, the performance-related pay is capped at 100 % of the fixed pay amount, which is similar to what many companies nowadays contemplate installing). At the bottom, several companies introduce a performance threshold, as shown in the figure: the compensation curve falls sharply to the level of base salary at that threshold, for example, at 50 %.

As companies implement such caps, we are also seeing that they consider the slope of the pay-performance relationship. One trend appears to be that companies wish to spread out the range of performance levels over which variable pay occurs; that is, the slope is lower. This leads to a wider spread in incentives, though it also leads to lower per-unit incentives.

4.2.2 Our view

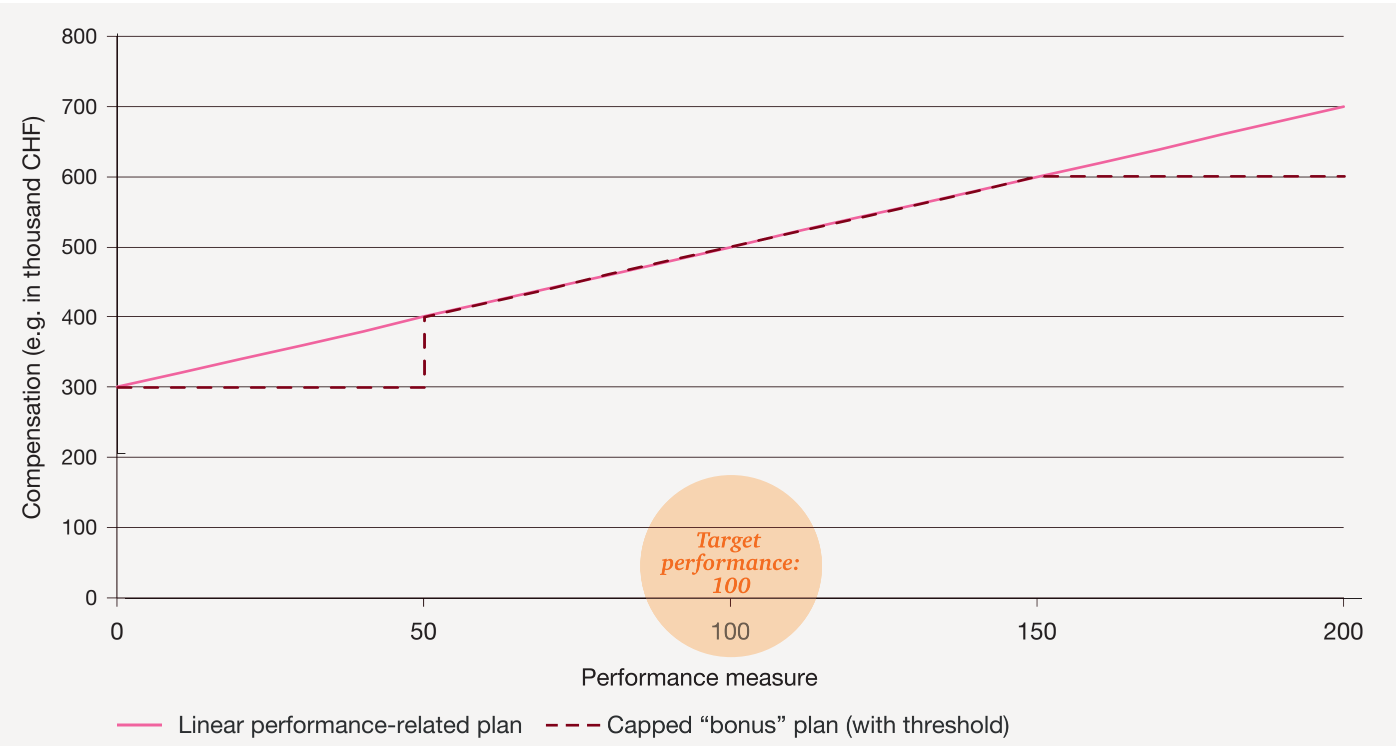
Putting caps on performance-related pay components can be a reasonable strategy to manage "headline risks" – that is, it becomes less likely that a company finds itself in the media and in the spotlight of public inquiry (and shareholder unrest). Caps can also simply help to predict ex ante how high pay will ultimately be.

However, capped variable pay plans do not offer "fire and forget" benefits – they need to be very carefully managed. In particular, caps can lead to severe distortionary incentives. An executive whose company has had a successful year – reaching the performance measure of 150 before the end of the year, has incentives not to contribute to the firm anymore (for monetary reasons). Conversely, if an executive believes that achieving a level of 50 was not possible at all, this would minimise his efforts or he would try to save profits (or whatever the performance measure is) for the next period. On the other hand, the executive who is just below the performance threshold has an incentive to take enormous risks in that year, because he cannot lose anything. Having caps in place does not absolve the board from carefully choosing the performance measure, from setting appropriate targets, and from managing and supervising the implementation of the system.

Finally, we note that a linear incentive scheme, paired with a reasonable performance target, can actually provide an incentive system that effectively – at least psychologically – implies the possibility of negative bonuses. We plot such a linear performance plan in Figure 14. Suppose that a reasonable performance target is set at 100. In this case, expected pay is a total of CHF 500,000 – this is what the executive earns if he reaches the target that is expected of him. (It is at this point not clear how exactly the shareholder vote on this amount would be implemented in Switzerland. Economically, it would be desirable to have a setting where target compensation in a given year includes both a fixed and a variable component.) If the executive now achieves only a lower performance (for example, a level of 60 instead of the targeted 100), he receives CHF 420,000. Comparing this to the expected amount, this implies a negative performance-related payment of minus CHF 80,000. Of course, this is not a true "malus" – the manager does not actually pay anything back to the company. However, the danger of losing a significant amount that the executive had considered to be reachable is likely to significantly incentivize the executive. Appropriate risk-management mechanisms need to be in place in this case, too, of course. The danger of "gambling for resurrection" under this system is mitigated compared to the system with a threshold shown in Figure 14.

Our most general point is that a capped variable pay system is not a panacea. Every change in an incentive system leads to behavioural effects, and it is critical to carefully consider these effects. Thus, the board of directors needs to balance the advantages of a variable pay system with caps – namely, the minimisation or exclusion of the risk that the system leads to excessive pay – against its disadvantages – namely the potential distortion of incentives.

Figure 14: A linear variable pay plan and a variable pay plan with a cap[12)]



[12)] Murphy and Jensen (2011), CEO bonus plans: And how to fix them, Harvard Business School Working Paper, Boston, forcefully make this point. Our presentation of the concept of negative bonuses builds on their discussion.

4.3 Trends in equity-based pay and in equity holdings of executives

4.3.1 What we observe

As evidenced in our data analysis in section 3 of this survey, the fraction of equity-based pay has remained relatively stable across the years in Swiss companies. Despite this stability, two noteworthy developments are occurring.

First, traditionally, share plans come with so-called service conditions only: While shares granted are not immediately available to the executive, they do become available after a vesting period of 3 to 5 years, based on the continuing employment of the individual. Partly due to pressure by shareholders, companies are now introducing or are considering introducing additional performance conditions in share plans as well. In such cases, shares vest only when, in addition to the service vesting period having elapsed, a certain performance criterion (such as a sufficiently good operating performance, or a strong enough share price performance) has been fulfilled. Performance-based vesting restrictions are favoured by some proxy advisors. Indeed, in the US, 30% of all equity-based pay now comes in the form of performance shares.

Second, another trend we observe is that Swiss companies are now more actively contemplating the introduction of shareholding guidelines. Under these guidelines, executives (and/or board members) must build up and hold a certain shareholding quota. Some companies adopt rules which require individuals to hold a multiple of their base salary in equity. Others implement fixed-number plans, under which covered individuals have to hold a certain number of shares, regardsless of their value. Yet other companies favour so-called net retention rates, i.e. executives are expected to hold on to a certain percentage of shares allocated (net after tax).

4.3.2 Our view

A close alignment of managerial interests with the interests of shareholders is an important aspect for good governance, and in this sense equity-based pay is a natural component of almost any pay package (at least on the executive level). As with all elements of compensation, however, equity-based compensation needs to be carefully managed. Here we comment on two aspects that in our view require particular attention.

First, it is important that equity grants (in particular option grants) follow a regular, transparent cycle throughout the year. Varying timing of grants can be perceived critically by shareholders because this may generate the impression that management is seeking out particularly "lucky" grant dates.

Second, we recommend that companies give more careful consideration than so far to the implications of performance-vesting share plans. In principle, performance shares have many features in common with stock options: When the performance condition is not met, this corresponds to the case of an option being out of the money. When the performance condition is met, payout occurs, similar to an in-the-money option. Like stock options, performance shares therefore induce strong incentives to work hard. And, like stock options, performance shares are likely to induce risk-taking incentives. Indeed, if the performance condition is chosen as a threshold (e.g. below a certain condition 0% of shares vest, whereas just above that condition, 50% of shares vest), this can induce quite substantial risk-taking incentives. In the light of these facts, we caution that performance shares per se are neither good nor bad; much depends on the design and strong corporate governance.

5 Concluding Remarks: Six Principles

Despite – or because of – the market fluctuations we have seen over the past years and the many new regulatory challenges companies face, we continue recommending that executive compensation is designed with six simple principles in mind.

1. Only a strong board can implement an effective total compensation system.
2. The incentive system must be designed as a "best fit" with company strategy – and it needs to be communicated as such.
3. Compensation should be linked to a few key performance indicators (KPIs), but not exclusively to easily controllable factors.
4. Limits to pay are not needed in well-balanced compensation systems.
5. An effective compensation system establishes entrepreneurial incentives.
6. An effective compensation system focuses on value created for the long term.

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* Alexander Wagner thanks Rebecca Ribi for research assistance.

Chairman	SMI						SMI Changes		SMIM						SMIM Changes		Small-caps						Small-caps Changes	
	2007	2008	2009	2010	2011	2012	11/12	07/12	2007	2008	2009	2010	2011	2012	11/12	07/12	2007	2008	2009	2010	2011	2012	11/12	07/12
Highest	14,624,000	15,228,951	15,116,196	10,599,302	13,500,946	13,067,592	–3.21 %	–10.64 %	1,124,000	3,083,054	1,009,100	1,458,055	1,596,343	1,654,735	3.66 %	47.22 %	2,924,700	2,500,000	1,991,300	1,665,367	2,124,972	2,319,900	9.17 %	–20.68 %
Upper Quartile	2,267,343	2,510,380	3,070,609	5,170,938	3,901,563	4,744,835	21.61 %	109.27 %	548,173	662,500	751,464	645,000	837,975	839,700	0.21 %	53.18 %	469,000	418,000	400,000	400,000	415,116	456,376	9.94 %	–2.69 %
Median	981,479	849,045	1,330,867	1,288,694	1,359,124	1,139,932	–16.13 %	16.14 %	384,327	471,605	554,000	550,000	461,819	590,488	27.86 %	53.64 %	274,318	238,973	235,000	258,000	298,050	309,000	3.67 %	12.64 %
Lower Quartile	540,402	752,011	670,599	621,725	817,837	611,893	–25.18 %	13.23 %	266,250	258,500	302,000	316,906	275,000	306,000	11.27 %	14.93 %	111,802	114,000	144,000	163,000	170,000	226,423	33.19 %	102.52 %
Lowest	277,000	157,000	256,570	145,845	179,230	199,230	11.16 %	–28.08 %	0	107,000	160,000	141,000	0	0	0.00 %	0.00 %	0	0	0	0	0	64,000	n/a	n/a
Average	2,388,680	2,452,604	2,954,167	2,984,783	2,972,324	2,985,809	0.45 %	25.00 %	458,859	597,193	538,301	555,840	565,027	619,228	9.59 %	34.95 %	438,010	347,887	385,114	370,531	402,072	406,859	1.19 %	–7.11 %

Board of Directors	SMI						SMI Changes		SMIM						SMIM Changes		Small-caps						Small-caps Changes	
	2007	2008	2009	2010	2011	2012	11/12	07/12	2007	2008	2009	2010	2011	2012	11/12	07/12	2007	2008	2009	2010	2011	2012	11/12	07/12
Highest	5,027,381	2,901,796	5,274,667	6,034,881	2,390,000	2,556,000	6.95 %	–49.16 %	3,255,621	3,511,407	3,052,565	2,844,157	3,702,177	1,591,000	–57.03 %	–51.13 %	1,369,487	606,810	600,000	356,000	501,671	535,000	6.64 %	–60.93 %
Upper Quartile	400,030	374,497	408,169	427,780	423,935	397,445	–6.25 %	–0.65 %	221,000	215,341	220,180	224,020	222,000	244,979	10.35 %	10.85 %	141,640	138,506	133,000	148,000	156,884	155,925	–0.61 %	10.09 %
Median	297,059	279,869	317,407	327,388	323,680	326,376	0.83 %	9.87 %	169,500	154,000	157,388	171,000	169,950	176,197	3.68 %	3.95 %	103,000	96,233	89,000	100,462	106,000	109,740	3.53 %	6.54 %
Lower Quartile	176,794	170,000	189,000	216,991	229,308	217,098	–5.32 %	22.80 %	106,417	106,500	105,288	114,000	112,000	127,300	13.66 %	19.62 %	60,000	58,750	56,460	63,597	65,000	73,150	12.54 %	21.92 %
Lowest	0	0	0	0	0	0	0.00 %	0.00 %	0	0	0	0	0	0	0.00 %	0.00 %	0	0	0	0	0	0	0.00 %	0.00 %
Average	380,461	355,828	413,729	413,077	375,373	363,348	–3.20 %	–4.50 %	203,512	193,255	199,360	202,270	201,351	200,623	–0.36 %	–1.42 %	117,093	108,106	100,393	108,214	111,323	118,633	6.57 %	1.32 %

CEO	SMI						SMI Changes		SMIM						SMIM Changes		Small-caps						Small-caps Changes	
	2007	2008	2009	2010	2011	2012	11/12	07/12	2007	2008	2009	2010	2011	2012	11/12	07/12	2007	2008	2009	2010	2011	2012	11/12	07/12
Highest	22,280,000	20,544,032	20,471,929	12,760,000	15,722,386	13,228,188	–15.86 %	–40.63 %	12,024,884	7,062,808	7,840,619	6,999,000	8,568,000	7,400,468	–13.63 %	–38.46 %	8,254,573	5,938,000	4,175,632	5,389,826	3,830,506	4,200,957	9.67 %	–49.11 %
Upper Quartile	13,136,500	8,363,477	12,239,331	8,696,498	9,322,764	9,303,409	–0.21 %	–29.18 %	4,397,000	3,512,979	3,505,219	3,599,380	3,800,944	3,425,508	–9.88 %	–22.09 %	2,186,020	1,760,000	1,930,000	1,730,815	2,076,000	1,523,550	–26.61 %	–30.30 %
Median	8,093,387	5,318,957	5,487,132	7,631,875	5,820,000	6,707,148	15.24 %	–17.13 %	2,846,000	2,472,705	2,151,000	2,515,000	2,389,387	2,391,389	0.08 %	–15.97 %	1,208,000	1,098,000	1,173,970	1,140,200	1,084,200	1,179,500	8.79 %	–2.36 %
Lower Quartile	4,682,601	3,466,990	3,821,146	5,220,068	5,315,541	4,795,092	–9.79 %	2.40 %	1,792,000	1,579,217	1,314,369	1,853,605	1,732,000	1,743,500	0.66 %	–2.71 %	954,000	810,000	765,072	831,000	921,000	832,245	–9.64 %	–12.76 %
Lowest	1,704,000	1,814,702	1,819,000	1,560,206	1,570,000	1,652,000	5.22 %	–3.05 %	1,012,836	930,824	710,000	5,000	5,000	5,000	0.00 %	–99.51 %	298,500	303,727	20,000	338,210	289,348	0	–100.00 %	–100.00 %
Average	9,470,696	6,989,794	7,971,237	7,159,064	7,208,376	7,142,766	–0.91 %	–24.58 %	3,945,922	2,939,327	2,828,691	2,761,837	2,978,893	2,869,831	–3.66 %	–27.27 %	1,850,604	1,600,209	1,465,539	1,635,184	1,393,312	1,379,043	–1.02 %	–25.48 %

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