Press release

Frankfurt am Main, May 4, 2011

Corporate Governance Code: No amendments in 2011

- Companies given reasonable time for implementation
- Greater stakeholder participation in work of Commission
- Opinion on EU green paper

Following an in-depth debate, the Government Commission on the German Corporate Governance Code has announced that it sees no need for any alterations to the Code this year. In the past, the Commission has frequently underlined the principle of changing the rules as little as possible and only as much as necessary, especially as each amendment can result in considerable costs for listed companies.

"The generally accepted Corporate Governance Code today provides listed German companies with a flexible framework for good corporate management that can stand up to comparisons with international rules. The Commission did not see any necessity or particular urgency for changes in the light of the current high standards," said Klaus-Peter Müller, Chairman of the Government Commission on the German Corporate Governance Code, at the plenary meeting in Frankfurt on May 4, 2011.

Companies given reasonable time for implementation

The Commission still regards it as a matter of fundamental importance that listed companies are granted a reasonable and realistic period of time in which to implement new rules before any judgment can be made on success or failure and new statutory regulations for listed companies are called for. This applies in particular to the recommendation to appoint more women to the supervisory boards of German listed companies, which was advocated more urgently last year. The large number of women recently nominated for supervisory board positions and the publicly accessible comments of companies on their individual plans to appoint more women to these bodies in their Corporate Governance reports demonstrate that German listed companies are devoting a great deal of energy to tackling this
topic and that the recommendation of the Code is being successfully applied. During
the past eighteen months, twelve supervisory board positions among the DAX 30
companies alone have been filled by women, many more than in all the preceding
years. The Commission expects the proportion of women in supervisory board
positions to increase substantially, especially when many of the periodic new
elections to supervisory boards are held in the spring of 2013. The Government
Commission additionally considers that Germany has some catching up to do in
terms of achieving greater international diversity in its supervisory boards, as also
recommended by the EU Commission in its recently presented green paper.

**Greater stakeholder participation in work of Commission**

The Government Commission intends to involve German Corporate Governance
stakeholders more closely in its work than hitherto. It will publish any planned
future changes on the Government Commission website and invite interested
members of the public to submit their opinions within a reasonable timeframe. The
Government Commission will take account of the views thereby expressed in its
deliberations. It is convinced that this step towards further transparency and
participation will enliven future debates and contribute towards even greater
acceptance of the Code in all areas of business.

**EU green paper on the European corporate governance framework**

The Government Commission has debated in detail the green paper on the
European corporate governance framework presented by the EU Commission in
April, and is due to submit its opinion in the summer of this year. The Government
Commission welcomes in principle the declared objective of the green paper, which
is to assess the effectiveness of the current Corporate Governance Codes for
European companies.

“However, instead of wanting to implement directives with a view to changing
systems that have been developed, tried and tested in the individual regions,
Europe should increasingly revert to the subsidiarity principle as regards Corporate
Governance too, leaving responsibility in the hands of those who have discharged it
successfully to date. Many of the measures which the EU Commission is attempting
to initiate with its green paper are already contained in the German Code. The
decision to grant the Code a statutory basis via the Declaration of Compliance
pursuant to Article 161 of the German Stock Corporation Act (AktG) gave German
policy a leading role in Europe and influenced the European Corporate Governance
debate in extremely positive fashion,” according to Klaus-Peter Müller, Chairman of
the Government Commission on the German Corporate Governance Code. A particularly important aspect in the view of the Government Commission is to ensure that complexities in Europe are not further increased with the establishment of additional bureaucracies.

**Information for editors**

**Government Commission on the German Corporate Governance Code**

The Government Commission on the German Corporate Governance Code, set up by the Federal Minister of Justice in September 2001, approved the German Corporate Governance Code on February 26, 2002, which has acquired a statutory basis via the Declaration of Compliance pursuant to Article 161 of the German Stock Corporation Act (AktG).

The aim of the German Corporate Governance Code is to make Germany's corporate governance rules transparent for both national and international investors, thus strengthening confidence in the management of German corporations.

Commission members: Klaus-Peter Müller (Chairman), Prof. Dr. Dres. h.c. Theodor Baums, Dr. Hans-Friedrich Gelhausen, Dr. Dr. h.c. Manfred Gentz, Dietmar Hexel, Ulrich Hocker, Prof. Dr. Henning Kagermann, Max Dietrich Kley, Christian Strenger, Peer M. Schatz, Daniela Weber-Rey, Prof. Dr. Axel von Werder.

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