

*Press Release*

**Corporate Governance Committee:**

- **2<sup>nd</sup> Report on compliance with the Italian Corporate Governance Code;**
- **speech from Chairman of the UK Financial Reporting Council.**

Today, a meeting of the Corporate Governance Committee, chaired by Gabriele Galateri di Genola, was held at Borsa Italiana headquarters.

During the meeting, the Committee approved the [yearly report](#) on performed activities, including the 2<sup>nd</sup> Report on compliance with the Corporate Governance Code. The Report provides an overview on certain aspects related to the governance of listed companies. The main focus was around the quality of the information provided by listed companies in the corporate governance reports, in accordance with the “*comply or explain*” principle.

In the context of the Report, the Committee expressed appreciation for the balanced composition of the boards of directors and for the positive average level of transparency provided by the corporate governance reports.

Nevertheless the Committee seeks higher levels of disclosure and compliance, and more complete explanations in cases of non-compliance. The recommendations concerned information flow towards the board members, including pre-meeting information, composition of the board committees and board evaluation.

Furthermore, the Committee urges listed companies to further strengthen practices which have proven very useful for the improvement of governance, such as the appointment of a lead independent director, scheduling of appropriate induction programs and succession plans.

The board of directors is also required to ensure high standards of legality in discharging their duties: to this end, the Committee recommends that, under particularly serious circumstances, the board of directors shall meet promptly to acquire the information necessary to ensure information disclosed to the market is correct, check that internal controls are functioning effectively and take any suitable measure.

The [report](#) is available on the Committee [website](#), where you can find the yearly reports on corporate governance and remuneration published by all listed companies.

Finally, the Committee approved the plan of future activities that provides insights on the effectiveness of the board of directors, with a particular focus on information provided to the board members, including pre-meeting information, succession plans, role of the board’s chairman, board diversity, board committees and dialogue with shareholders.

Sir Win Bischoff, Chairman of the Financial Reporting Council, the UK authority responsible for updating the standards of governance of the UK companies and their monitoring, attended the meeting. Sir Win pointed out the substantial alignment of best practice in Italy and United Kingdom, hoping for a greater coordination of national bodies responsible for the preparation and monitoring of corporate governance codes, while respecting the individuality of laws and regulations of each EU Member State.

## *Italian Corporate Governance Committee*

The composition of the Committee was updated by replacing two members who have stepped down with the entries of Fabio Galli and Stefano Micossi.

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The Chairman of the Committee, Gabriele Galateri di Genola said that: “The Committee is satisfied by the high level of transparency of the corporate governance reports that allow shareholders and investors to evaluate better how listed companies are managed, even in cases of non-compliance with the Corporate Governance Code.

Nevertheless, improvements are still possible: this is why next year the monitoring activity will be focused on the effectiveness of the functioning of the boards. The attendance of Sir Win Bischoff, chairman of the FRC, at today’s meeting, highlights the seriousness of the work done by the Committee and by listed companies over the recent years”.

The Chairman of the UK Financial Reporting Council, Sir Win Bischoff, said: “there is a role for both codes and law in improving governance. Effective boards need to have the necessary skills, experience and diversity of thinking. The same applies to bodies responsible for writing codes. From what I have seen of their work, the Italian Committee has all three attributes in abundance”.

Composition of the Corporate Governance Committee: Carlo Acutis, Sergio Albarelli, Tommaso Corcos, Rodolfo De Benedetti, Luca Garavoglia, Gabriele Galateri di Genola (*Chairman*), Fabio Galli, Federico Ghizzoni, Patrizia Grieco, Gian Maria Gros-Pietro, Raffaele Jerusalem, Giordano Lombardo (*Deputy Chairman*), Emma Marcegaglia, Stefano Micossi, Aldo Minucci, Marcella Panucci, Carlo Pesenti, Alessandro Profumo, Giuseppe Recchi, Giovanni Sabatini, Maurizio Sella, Pierluigi Stefanini, Massimo Tononi.