

COMMON STATEMENT BY THE FIVE CHAIRMEN GROUP

Five Chairmen Group emphasizes the crucial role of Corporate Governance Codes

The group of five Chairmen of the governing bodies of the Corporate Governance Codes in France, Germany, Italy, the Netherlands and the UK met on Friday 24th of June 2016 in Venice to establish a forum for dialogue about the role of Corporate Governance Codes.

The five Chairmen agreed to meet on a regular basis to exchange their views and experiences with respect to (i) emerging issues in the areas of Corporate Governance covered by the Codes and (ii) the evolution of market and legislative frameworks.

The five Chairmen agreed on the general principle that it is necessary to maintain a balance between regulation and Corporate Governance Codes. Corporate Governance Codes have proved to be a flexible and dynamic policy tool to identify best practices and to update them to new challenges and opportunities raised by the evolution of the capital markets and corporate practices. At the same time, their flexible approach, based on the comply or explain principle, ensures an adaptable but transparent environment, making companies responsible toward the market. In this light, Corporate Governance Codes support the development of corporate governance, leading companies to a more effective and substantial adoption of best practices.

Corporate Governance is an instrument to promote and support growth and long term value creation by the companies in a sound capital markets framework. In order to pursue this goal, corporate governance standards and practices should be able to evolve and individual companies to be allowed to innovate in their governance procedures and behaviours.

For these reasons it is important to maintain the leading role of Corporate Governance Codes and to safeguard their founding principle of comply or explain. The monitoring activities carried out by the Corporate Governance governing bodies or other independent entities on the implementation of the Codes and on the effectiveness of the comply or explain principle have confirmed the robustness of this approach.

The five Chairmen therefore recommend to national and international regulators a cautious approach in making further legislative proposals on corporate governance issues, where the initiatives already in place provide a sound but flexible framework for corporate governance best practices.

29th of June 2016