

**Press release**

**Corporate Governance Committee:**

**- fourth Report on the Compliance with the Italian Corporate Governance Code: the Committee points out areas of further improvement;**

**- launch of the Italy Corporate Governance Conference.**

*Milan, 1 December 2016* - Today, the Italian Corporate Governance Committee, chaired by Mr. Gabriele Galateri di Genola, held a meeting at Borsa Italiana headquarters. During the meeting, the Committee approved the [yearly report](#) on performed activities, including the fourth Report on the Compliance with the Corporate Governance Code.

The Report provides an overview of main corporate governance issues of Italian listed companies, focusing on board composition (independence, competence and skills, board diversity, board committees), board meetings (directors' attendance, independent directors' meetings, managers' attendance to board meetings, pre-meeting information), board evaluation and succession plans. This year, the special part of the Report addresses the topic of remuneration policies.

The Report shows a mature approach of Italian listed companies in the adherence to the Corporate Governance Code. The amount and the quality of the information disclosed are gradually improving. Listed companies usually provide an adequate description of their governance model both in the event of compliance and of non-compliance, in whole or in part, with the Corporate Governance Code recommendations. The compliance rate with several recommendations is substantially complete; in case of non-compliance with single Code's recommendations, issuers usually provide a clear explanation to the market.

However, the increasing disclosure of Italian listed companies and the introduction of new Code recommendations pointed out also some areas of further improvement. The Committee, as in 2015, decided to send a letter to the Chairpersons of the boards of directors and boards of statutory auditors of Italian listed companies to stress the main areas of improvement detected during the monitoring activity, underlying the opportunity to submit such topics to the attention of the board and/or the competent board committees.

In particular, the Committee reconfirmed that the board of directors should be committed in identifying the professional skills deemed appropriate for the appointment of new board members, following the results of the self-evaluation process, and underlined the importance of the advisory role performed by the nomination committee also for companies with concentrated ownership. As to remuneration policies, the Committee underlined the importance of a substantial compliance with the Code's recommendations, in particular with regard to the definition of the cap and the weight of the variable remuneration, the provision of a claw-back clause and the setting of criteria and procedures for termination payments.

Having regard to its future projects, the Committee decided to further examine in depth the issue of SMEs' corporate governance, listed on MTA and AIM Italia market, in order to identify an adequate application of Code's principles to such companies for promoting their access to capital markets, also in light of the experiences developed in France and United Kingdom, where *ad hoc* corporate governance codes were adopted.

Denis Ranque, Chairman of the French *Haut Comité* for corporate governance, joined the Committee's meeting and presented the monitoring activities performed by the *Haut Comité* in relation to the current application of the CG Code by French listed companies.

After the Committee's meeting, started the second edition of the Italy Corporate Governance Conference, which focused this year on the development of the stewardship activities by investors, the role of shareholders in the approval of remuneration policies and related parties transactions and the role of the board of directors in the changing ownership structure.

The Committee composition changed with the entry of Paolo Astaldi and Andrea Ghidoni in place of two members whose mandates had expired.

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#### Italian Corporate Governance Committee

*Composition of the Corporate Governance Committee: Carlo Acutis, Paolo Astaldi, Tommaso Corcos (Vice President), Rodolfo De Benedetti, Maria Bianca Farina, Gabriele Galateri di Genola (Chairman), Fabio Galli, Luca Garavoglia, Andrea Ghidoni, Federico Ghizzoni, Patrizia Grieco, Gian Maria Gros-Pietro, Raffaele Jerusalmi, Giordano Lombardo, Emma Marcegaglia, Giovanni Battista Mazzucchelli, Stefano Micossi, Marcella Panucci, Giuseppe Recchi, Giovanni Sabatini, Maurizio Sella, Andrea Sironi, Massimo Tononi.*