Government Commission on the
German Corporate Governance Code
Administrative Office

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.

Contact: Peter Dietlmaier, C4 Consulting GmbH , Königsallee 6 , D-40212 Düsseldorf, T: +49 21151 60 22 11, F: +49 211 51 60 22 22, M: +49 151 25 21 22 34 , E-Mail: peter.dietlmaier@c4consulting.de