

German Corporate Governance Code

(convenience translation)

Preface

After just under six months of deliberations, the government commission appointed by the German Justice Minister on September 6, 2001 now presents the German Corporate Governance Code.

The Justice Minister restricted herself to setting the legal framework and thus gave German business the opportunity in an act of self-organization to propose a code which contains nationally and internationally recognized standards of good and responsible corporate governance and presents the German corporate governance system in a form which also makes it transparent to foreign investors.

The code is based on current enacted German statutes. It anticipates that the Transparency and Disclosure law - *Transparenz- und Publizitätsgesetzes* (draft dated February 6, 2002) will be passed into law. Relevant modifications to the draft made in the course of the legislative process will be taken into account in a 1st revision of the code.

Where the code describes enacted statutes, ease of comprehension is given priority over legal precision. It makes no claim to a comprehensive presentation of all facets of enacted statutes.

The commission did not adopt any suggestions and recommendations which would have required a modification to current enacted statutes. For this reason, numerous interesting proposals were disregarded. In the opinion of the commission this demonstrates the continuing need to align Germany as a financial center more closely to the requirements of the international capital markets and to make it more attractive by further developing existing regulations and making them more flexible.

The code has been translated into English, French, Italian and Spanish; only the German version is binding.

Düsseldorf, February 26, 2002



Dr. Gerhard Cromme
Chairman

