

CORPORATE GOVERNANCE COMMITTEE PRIVATE FOUNDATION

PRESS RELEASE

Belgian Corporate Governance Code – 2008 Edition

In late June 2008 the Corporate Governance Committee will publish the draft version of the amended Corporate Governance Code ('Lippens Code') on its website (www.corporategovernancecommittee.be). The draft will take account of the results of the public consultation organised by the Corporate Governance Committee from 1 October to 30 November 2007. The consultation on the content of the Belgian Code was a success, yielding useful input.

The Code is effective

Last year's public consultation yielded 49 reactions. Clearly, these did not just come from the companies involved, which in itself is a success. In general, the reactions to the Code were positive to very positive. It was acknowledged that the Code has encouraged good management practices and contributed to the improved operation of the Board of Directors.

In addition, the 'comply or explain' approach has a broad base of support due to its flexibility. This principle makes the Code accessible to various types of companies and also makes it possible to smoothly anticipate business developments. Nearly all respondents said that the costs associated with applying the Code do not outweigh its benefits (such as more transparency and a better image). There is a demand for greater clarity and information on how the Code relates to changing Belgian and European rules.

Explain and anticipate new legislation

The Corporate Governance Commission is now going to modify the current Code to take account of comments and suggestions received. Accordingly, extra attention will be paid to clarifying the various concepts from the Code (such as Principles, Provisions and Guidelines) and to providing more information on how the Code and the relevant legislation complement each other. Adapting it in line with new Belgian and European rules is also on the agenda.

In late June, the Committee will make available its draft version of the amended Code. It will expect reactions until mid-September. After contacting the various stakeholders the amended version of the Code will be made available by the end of 2008.

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To supplement the 2008 edition of the Code, the Committee plans to issue a position paper by the end of the year on 'remuneration for directors and executives'.

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