

PRESS RELEASE

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High levels of compliance with the Corporate Governance Code

The Hague – In keeping with previous financial years, overall compliance with the Code by listed companies is high, at 97%. Although compliance levels are high, the Committee has identified that there is still room for improvement. This is apparent from the Monitoring Report for the 2015 Financial Year, which has been published today. The report includes the results of the survey conducted by SEO Economic Research ('SEO') into compliance with the Code in the 2015 financial year. This year the research focused, among other things, on three current topics: the composition of the supervisory board, remuneration and shareholders.

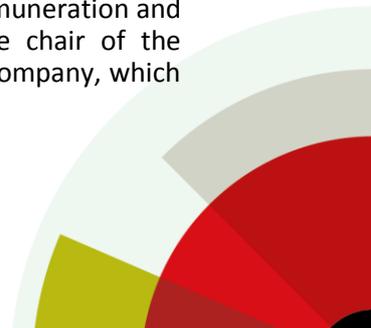
Main conclusions and findings

Compliance with the Code by listed companies

- In keeping with previous financial years, at 97%, overall compliance with the Code remains high, despite the modified, stricter assessment.
- Four out of every five companies have an overall compliance rate of 95% or more.
- Compliance with the Code varies per stock market index: 98.7% among AEX funds, 97.7% among AMX funds, 97% among AScX funds and 94.4% among local funds.
- The provision on the overview of the remuneration policy in the remuneration report is the one most frequently not complied with in the 2015 financial year. The provisions relating to the policy on bilateral contacts with shareholders and the profile for the supervisory board also show relatively low compliance rates. Although companies do draw up a board profile, often they fail to render an account in the management report as to whether the diversity targets have been achieved.
- The Committee emphasises the importance of applying all the different elements that provisions consist of, and of complying with the relevant reporting requirements. This will help to further improve compliance with the Code.

Composition of the supervisory board

- Companies take the independence of supervisory board members seriously: 59% of the companies included in the survey have a supervisory board consisting entirely of independent supervisory board members; in addition, 27% have one independent supervisory board member. Fourteen percent of the companies stated that their supervisory board includes more than one supervisory board member who can be considered to be dependent. The dependence of supervisory board members often relates to their representing or owning more than 10% of the shares in the company.
- Nearly all the companies that were included in the survey stated that their remuneration and audit committees (if these committees existed) were not chaired by the chair of the supervisory board or by a former member of the management board of the company, which is in keeping with the provisions stipulated in the Code.



Remuneration for management board members and supervisory board members

- The provision on the capping of severance payments for management board members is one of the provisions that is most often explained (i.e. not applied). Reasons for not using the maximum severance payment of one full year's salary largely relate to previous agreements. The Committee would like to point out to companies that, when agreements are renewed, severance payments should, in principle, be brought into line with the Code.
- Companies comply well with the provision which stipulates that supervisory board members may not be remunerated in shares. However, share ownership by supervisory board members in their own companies occurs regularly. Companies do not always ensure that shares in these cases are being held for long-term investment purposes. The Committee feels that companies could play a more robust role in this regard. The survey also revealed that the interpretation of 'long-term' may vary from one company to the next. The Committee asks that companies choose a term appropriate to them.

Shareholders

- The provision on the publication of the policy on bilateral contacts with shareholders is among the least complied with among smaller companies. The companies in question indicate that they have not put policies in place to this effect. According to the Committee, formulating a policy on this subject is a point of attention for smaller funds.
- Half of the companies surveyed have an antitakeover foundation (*beschermingsstichting*). One-third of the companies surveyed stated that they do not know whether the board members of their antitakeover foundation are also on the boards of any other antitakeover foundations.

The Monitoring Report for the 2015 Financial Year is available on the Committee homepage (www.commissiecorporategovernance.nl).

For more information

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