



PRESS RELEASE

THE NEW 2020 CODE ON CORPORATE GOVERNANCE IS HERE!

Brussels, 9 May 2019 - The new 2020 Belgian Code on Corporate Governance ('2020 Code') has been recognised by the government as the benchmark for Belgian listed companies. The 2020 Code updates the previous versions from 2004 and 2009, taking on board various developments.

The new 2020 Code applies to listed companies as of financial years starting on or after 1 January 2020. However, companies can opt to apply the 2020 Code for financial years starting on or after 1 January 2019. You can download the 2020 Code [here](#).

Firstly, since the last version of the Code, there have been many changes to the Belgian and European regulatory framework applicable to listed companies. Accordingly, the 2020 Code takes into account the new provisions on listed companies introduced by the Belgian Companies and Associations Code, which will take effect on 1 January 2020. One example is the option of introducing a dual governance structure.

Secondly, new societal and academic outlooks on good governance for listed companies have emerged since 2009. A code must evolve over time in order to better meet the expectations of its main users and take on board international practices, as reflected by recent changes to corporate governance codes in different countries.

Here are some of the key innovations found in the 2020 Code:

- *Sustainable value creation is a core element.* Even more so than in the past, the 2020 Code explicitly emphasises the importance of long-term thinking, responsible behaviour at all levels of society, and ongoing efforts to take on board the legitimate interests of all stakeholders. The new Code also raises the bar in terms of diversity and non-financial reporting, particularly with respect to the environment and human rights.
- *The new Code is based on broad guiding principles*, without getting caught up in too many detailed rules. Thanks to this less formalistic approach, the specific situations of the companies in question can be better addressed.

- *The 2020 Code includes criteria on the independence of directors, as stipulated in Article 7:87 of the Companies and Associations Code. This means that a director's independence can be assessed by taking into account the specific situation of the person in question, the company and the sector of activity.*

The 'comply or explain' principle - a basic concept of corporate governance - remains the cornerstone of the new Code. For example, strict compliance with one of the provisions of the 2020 Code could end up creating an unwanted or even harmful situation for the company. In such cases, the Code allows companies to opt out in whole or in part from a given provision, provided they give a clear reason for doing so. This requires careful consideration on the part of the board of directors.

"Good governance is first and foremost about people. Their values, their skills and their respectful treatment of others determine a company's long-term success. We hope the new 2020 Code will be a key benchmark for everyone who is responsible for the sustainability and development of our listed companies", says Thomas Leysen, Chairman of the Corporate Governance Committee.

Koen Geens, Minister of Justice: "Good governance by a listed company protects the interests of workers, shareholders and all other stakeholders. For instance, an independent director cannot be part of the company's management or have received remuneration from the company any time in the three years preceding his or her appointment. The rules of conduct set out in the 2020 Code guarantee that directors are held accountable, monitor each other and do not promote conflicting interests."

For more information, you can contact:

The Scientific Secretariat of the Corporate Governance Committee:

- Erik Peetermans – Tel. 02/515.08.85 - ep@vbo-feb.be
- Annelies De Wilde – Tel. 02/518.18.04 - annelies.dewilde@guberna.be

About the Corporate Governance Committee

The Corporate Governance Committee was created on 22 January 2004 at the initiative of the Financial Services and Markets Authority (FSMA), the Federation of Enterprises in Belgium (FEB) and Euronext Brussels with a view to drafting a single reference code for Belgian listed companies. In May 2007, the Corporate Governance Committee took its permanent form as a private foundation. The main objective of the Corporate Governance Committee is to ensure that the provisions of the Belgian Code on Corporate Governance remain relevant for listed companies and that they are regularly updated in line with actual practice, legislation and international standards. For more information on the Corporate Governance Committee: www.corporategovernancecommittee.be