

COURTESY TRANSLATION

TELEGRAM

MR GABRIELE GALATERI DI GENOLA
CHAIRMAN
ITALIAN CORPORATE GOVERNANCE COMMITTEE
BORSA ITALIANA
PIAZZA DEGLI AFFARI, 6
20123 MILAN, ITALY

I WOULD LIKE TO SEND A HEARTFELT GREETING TO ALL OF THE PARTICIPANTS OF THE SECOND EDITION OF THE ITALY CORPORATE GOVERNANCE CONFERENCE, A FORUM FOR OPEN DISCUSSION WITH THE INTERNATIONAL COMMUNITY WHICH CONTRIBUTES TO MAINTAINING FOCUS ON CRITICAL ISSUES FOR CORPORATE GOVERNANCE, ALSO IN THE PERSPECTIVE OF BOOSTING TRUST, ESSENTIAL FOR THE ACCESS TO SOURCES OF FINANCING WITHIN CAPITAL MARKETS, ATTRACTING INVESTMENTS AND SUPPORTING GROWTH.

GOOD CORPORATE GOVERNANCE PRACTICES HAVE PROVED TO BE A FUNDAMENTAL PILLAR OF THE ECONOMY IN MORE DEVELOPED COUNTRIES, CAPABLE OF CONTRIBUTING TO THE GOOD HEALTH OF THE MARKETS, PARTICULARLY IN PERIODS CHARACTERISED BY HIGH LEVELS OF UNCERTAINTY AND VOLATILITY.

THE GROWING INTERACTION BETWEEN INSTITUTIONAL INVESTORS ON ONE HAND, AND MANAGEMENT AND BOARDS OF DIRECTORS ON THE OTHER, ALONG WITH THE STRENGTHENING OF SUBSTANTIAL AND SAFEGUARDS TO ENSURE TRANSPARENCY AND FAIRNESS, POSITION THE ITALIAN MODEL AT THE AVANT-GARDE.

ACTIVE INSTITUTIONAL INVESTORS IN ACCORDANCE WITH BEST PRACTICES, CAN, IN FACT, SET NEW HORIZONS FOR

COLLECTIVE PROGRESS AND CONTRIBUTE TO IMPROVING INVESTEE COMPANIES' CORPORATE GOVERNANCE, ALSO IN TERMS OF QUALITY AND FUNCTIONING OF BOARDS OF DIRECTORS, WHERE INCREASED FEMALE REPRESENTATION AND INDEPENDENT DIRECTORS' PRESENCE CONSTITUTE IMPORTANT INDICATORS OF ECONOMIC AND SOCIAL PROGRESS.

GOOD RULES AND THEIR CORRECT IMPLEMENTATION ARE PARTICULARLY IMPORTANT WHEN CONFLICTS OF INTEREST RISE, WHERE IT IS NECESSARY TO TAKE INTO ACCOUNT MEDIUM- AND LONG-TERM GOALS AND FOCUS ON THE DEVELOPMENT OF THE COMPANY, RATHER THAN CONCENTRATING ON IMMEDIATE RESULTS.

THE METHODS OF DEFINING REMUNERATION OF TOP MANAGEMENT REPRESENT A KEY COMPONENT IN THIS SENSE, NOT ONLY FOR THE COMPANY AND ALL THE STAKEHOLDERS INVOLVED, BUT ALSO IN THE CONTEXT OF STRIKING THE RIGHT SOCIAL BALANCE.

THE INCREASINGLY COMPLEX ENVIRONMENT IN WHICH WE LIVE REQUIRES A HEIGHTENED SENSE OF VISION AND PROFESSIONALISM IN ORDER TO TAKE APPROPRIATE STRATEGIC DECISIONS, BASED ON STRONG ETHICAL VALUES WHICH ARE FUNDAMENTAL FOR THE REPUTATION AND MANAGEMENT OF A COMPANY, AS IS BECOMING INCREASINGLY EVIDENT IN ALL AREAS.

ADAPTING TO INCREASINGLY DEMANDING STANDARDS REQUIRES AN ONGOING EFFORT FROM INSTITUTIONS, REGULATORS, SHAREHOLDERS AND AUDITORS.

IN THIS SPIRIT, I WOULD LIKE TO WARMLY WISH EVERYONE PRESENT SUCCESS IN THEIR WORK.

SERGIO MATTARELLA