September 2026

Submitted to: regierungskommission@dcgk.de

Re: German Corporate Governance Code 2026: clear, streamlined, and aligned with international standards

Minerva analytics welcomes the opportunity to comment on the proposed amendments to the German Corporate Governance Code, referred to in the content of this response as the "Code".

As providers of corporate governance research and stewardship support to institutional investors, pension funds and asset managers, Minerva has a strong interest in governance frameworks that promote transparency, accountability, effective Board oversight and informed shareholder decision making.

This response identifies the amendments that Minerva supports, the proposed changes that would benefit from some refinement, those that we encourage the commission to reconsider, and opportunities to further strengthen the Code by aligning with evolving governance expectations across Europe.

Yours sincerely,

Sarah Wilson
Chief Executive

About Minerva

Since 1995, Minerva has provided independent, objective and expert sustainable stewardship support services to professional investors. Although some stakeholders may only think of us as a "proxy adviser", Minerva has, for many years, provided a range of complementary services to support clients in their stewardship responsibilities.

Vote Agency	Minerva pioneered secure, point-to-point electronic vote execution and management tools.
Shareholder Voting Research	Objective and independent analysis across the three critical dimensions – governance, sustainability and remuneration.
Stewardship Support	From policy development to vote reporting and manager vote audits, our expert analysts provide tactical support to institutional investors.
ESG Data and Index Support	In addition to the core governance analysis, we also provide norms-based screening to enable clients to create bespoke ratings that support their investment thesis. Through our parent company, Solactive AG, Minerva's data supports the creation of bespoke ESG index solutions.

Consultation response

1. Overall Assessment

Minerva supports efforts to simplify the Code and reduce unnecessary duplication with statutory requirements. However, the existence of a legal requirement should not automatically determine whether a related provision has no more value in the Code. The Code serves as an accessible governance framework for companies, investors and other stakeholders. Reduction in content should be carefully assessed as to whether the code continues to provide sufficient clarity and guidance to support effective governance practice.

In our view, key considerations are not simply whether a provision is reflected elsewhere in law, but whether the provisions amendment or removal would affect the transparency, accessibility and governance value of the Code for companies and investors.

Minerva's Stance	Provisions
Support	A.4 (formerly A.5) – Clarification of the scope of internal control and risk management reporting requirements. B.5 & C.2 – Replacement of age-limit expectations with a more principle-based approach to Board composition and succession planning. D.7 – Consolidation of auditor communication provisions into a single recommendation. Principle 24 and G.7 – Simplification of remuneration-related provisions and reduction of overlap between statutory requirements and code recommendations. Former G.15 and Former G.16 – Deletion of provisions relating to remuneration received from additional mandates where the underlying practices are now generally well established.
Support with suggested revision	C.1 – Replaces an explicit sustainability expertise recommendation with a more principles-based approach to Board competencies and oversight responsibilities. Amendment to D.3 (proposed as D.2) - Removes duplicated legal provisions relating to audit committee expertise and composition but reduces the visibility of governance expectations that remain relevant to investors. G.4 – Introduces greater flexibility in performance target setting, with potential risk of weakening the ex ante nature of remuneration design.
Recommend reconsideration	Principle 5 (former A.4) – removes explicit expectation on protected whistleblowing mechanisms. A.8 – Removes a shareholder meeting mechanism in takeover situations. Removal of D1 - Deletion of the requirement to publish Supervisory Board rules of procedure. Removal of D.2 - Removes the codes explicit expectation that appropriate Supervisory Board committees should be established, relying instead on existing practice and principle 14 to preserve underlying governance objectives. F.2 – Removes the Code's 90 day and 45 day reporting expectations on the basis that the obligations exist elsewhere in the German regulatory framework, potentially weakening an important governance expectation regarding timely disclosure.

	G1, G.2, G.5 and G.6 – Remove important remuneration governance safeguards and disclosure expectations.

As noted previously, Minerva's principal concerns are not in relation to the objective of simplifying the Code, but to ensuring that simplification does not inadvertently reduce transparency, weaken governance expectation or diminish investor and/or issuer understanding.

The following sections set out our observations on provisions where we believe further refinement or reconsideration may be warranted.

2. Provisions Recommended for Refinement

C.1 - Sustainability Expertise

Minerva recognises the Commission's concern that singling out individual competencies may reduce flexibility and supports a move towards a more principle based approach to the Supervisory Board's skill profile. We also recognise that sustainability responsibilities are now embedded throughout the Code and wider European regulatory requirements. However, it's worth noting that A.1 & A.3 establish sustainability related responsibilities rather than explicitly addressing the expertise required to oversee them. While we acknowledge the rationale provided by the Commission, given the significance of sustainability within the Code and wider regulatory framework, we believe sustainability should be at minimum referenced in supporting materials to the Code as an example of expertise boards may be expected to possess where relevant to the Company.

D.3 - Audit Committee Expertise and Composition (Proposed D.2)

Similarly to C.1, Minerva supports efforts to remove duplications between the Code and statutory requirements. While the relevant requirements would remain in legislation, removing the provision may reduce transparency regarding Audit Committee expertise and lessen the visibility of governance expectations that remain relevant in practice. Minerva supports the removal of duplications but encourages the Commission to ensure that information regarding committee members and their expertise remains readily accessible to investors.

Moreover, given the growing significance of sustainability reporting and assurance, Minerva considers that the Code should continue to recognise the relevance of sustainability expertise within D.3. The Commission notes that the sustainability reporting and audit responsibilities introduced by the draft German Stock Corporation Act are expected to generally remain within the Audit Committee due to the natural connection between these areas. Consequently, there may also be value in considering whether the Audit Committee should have relevant sustainability expertise, needed to support its sustainability reporting and audit responsibilities.

G.4 - Performance Criteria and Target Setting

Minerva recognises there are practical benefits in allowing performance targets to be set during the first quarter, particularly where final budgets or planning assumptions are not available before the start of the financial year. However, investors place significant importance on performance criteria being established on a genuinely forward-looking basis.

We encourage the Commission to retain wording that makes clear the additional flexibility is intended to accommodate practical planning constraints, rather than replace the principle that performance targets should be set prospectively.

3. Provisions Recommended for Reconsideration

A.8 - Shareholder Involvement in Takeover Situations

Minerva recognises the practical difficulties identified by the Commission regarding the operation of A.8, including the interactions with statutory takeover timetables.

However, takeover situations can have significant implications for shareholders, and shareholders should have an appropriate voice in matters affecting corporate controls and the future of the company remains a fundamental governance principle. We therefore encourage the Commission to consider whether this principle could be preserved through a revised approach, rather than being removed entirely.

D.1 - Publication of Supervisory Board Rules of Procedure

Minerva does not support the removal of D.1. The Supervisory Board's rules of procedure provide investors with insight into how the Board is organised and the publication of these documents is a simple but effective transparency measure. Given the little burden on companies and benefit to investors, we encourage the commission to retain the disclosure requirement.

D.2 - Supervisory Board Committees

While the proposed amendment is intended to simplify the Code in order to allow greater flexibility for companies in determining the committee structures most appropriate to their circumstances, Minerva believes it is valuable to retain a clear expectation that well-structured committees can make a meaningful contribution to effective board oversight, particularly in larger and more complex companies.

The existing concern around the removal of the recommendation to form relevant committees also has implications from a sustainability perspective. For some companies, this could include a dedicated sustainability committee, or a committee with specific sustainability responsibilities, where this is appropriate to support effective oversight. D.2 also currently specifies that committees should include members with “relevant specialist expertise”, which is not reflected in Principle 14. This could be relevant where sustainability oversight sits within a Supervisory Board committee, as the committee may be responsible for a range of areas including sustainability strategy, targets, risks and opportunities, and implementation. Having relevant expertise can therefore help support effective oversight of these responsibilities.

Separately, Minerva does welcome the retention of the recommendations that the chair of the supervisory board should not simultaneously chair the audit committee.

F.2 - Timely Financial Reporting

Minerva recognises that reporting timetables are addressed elsewhere in the German regulatory framework. Nevertheless, timely financial reporting remains an important governance expectation. Investors rely on prompt access to financial information when making engagement and voting decisions. While the underlying obligations may remain unchanged, removing the provision could diminish the visibility of an important governance expectation.

Where the Commission concludes that the provision is no longer necessary, we encourage it to ensure that its removal does not inadvertently signal a weakening of expectations regarding timely reporting

G.1 - Remuneration System Design

The current provision helps investors understand how remuneration structures are intended to work in practice and how performance is expected to translate into pay outcomes. Removing these elements could make it more difficult for investors to assess whether remuneration arrangements are appropriately designed and aligned with long-term value creation. We therefore encourage the Commission to consider retaining these investor-relevant expectations in a more streamlined form.

G.2 - Remuneration Benchmarking and Appropriateness

Benchmarking can be a helpful reference point when setting executive remuneration; however, it can also contribute to upward trends in remuneration where pay is routinely positioned above the peer-group median. Minerva encourages the Commission to retain the caution contained in the current Code against this practice rather than removing it entirely.

Minerva also encourages the Commission to retain the existing expectation that remuneration should reflect both individual performance and the company's overall performance. This provides investors with a clearer basis for assessing whether remuneration outcomes are appropriate.

Former G.5 - Independence of External Remuneration Advisers

Where external remuneration advisors are engaged, investors expect advice to be objective and free from conflicts of interest. The expectation set out in the existing code reinforces this principle and provides an important governance safeguard. Minerva therefore encourages the Commission to retain this expectation.

G.6 – Variable Remuneration Outcomes and Disclosure

Minerva would encourage the Commission to retain the existing requirement that the Supervisory Board determines variable remuneration outcomes against performance targets and provides transparent disclosure of the outcome and the rationale behind it. While elements of this disclosure requirement may be reflected elsewhere in the statutory framework, its retention in the Code remains valuable and further reinforces the importance of transparent reporting of remuneration outcomes and rationale underpinning them. This information helps investors understand how performance has translated into remuneration outcomes and assess whether pay remains appropriately aligned with performance.

4. Suggested Areas to Strengthen The 2026 Code

Major Transactions

Minerva encourages the Commission to consider whether the governance framework provides shareholders with sufficient opportunities to engage on transactions that materially alter the nature of the business, its financial profile or the interests of existing shareholders. While routine transactions should remain a matter for boards and management, shareholder involvement should be expected for material or significant transactions.

Re-election cycles

Minerva encourages the Commission to consider whether shorter election cycles for shareholder-elected Supervisory Board members would enhance accountability and Board responsiveness. While we recognise the importance of continuity within Germany's two-tier and co-determined governance system, more frequent re-election would provide shareholders with more regular opportunities to assess Board composition, individual director performance and evolving skills requirements.

AGM Format

Hybrid shareholder meetings have become increasingly established across a number of major markets, offering opportunities to improve accessibility and participation. Minerva notes there has been notable investor pushbacks on the renewal of Hybrid meeting proposals in the German market in recent years. Minerva encourages the Commission to consider whether the Code could provide guidance on the use of hybrid meeting formats and the principles that should underpin them. Minerva believes that virtual only AGMs should only be used in exceptional circumstances and any adoption of this policy in the Articles of Association should require supermajority support from shareholders. Where technology is utilised at AGMs, the objective should be to enhance shareholder participation rather than replace meaningful engagement. Companies should ensure that shareholders participating remotely are able to engage meaningfully with the meeting, ask questions and exercise their voting rights on an equivalent basis to those attending in person.

Sustainability Expertise and Oversight

Across the proposed sustainability-related amendments to the Code, there appears to be a broader shift away from explicit references to sustainability and relevant expertise, with greater reliance placed on wider governance and regulatory requirements. While the rationale for simplifying the individual provisions can be understood, the combined effect of the changes to C.1, D.2 and D.3 should also be considered. C.1 removes the explicit reference to sustainability expertise within the Supervisory Board competence profile, D.2 removes the expectation for relevant specialist expertise within committees, and the changes to D.3 raise a further consideration around the sustainability reporting and assurance expertise needed to support Audit Committee oversight. Taken together, Minerva considers it important that the proposed simplification does not result in sustainability and relevant expertise receiving less consideration within the Code or in companies' governance arrangements.

Minerva welcomes the Commission's objective of making the German Corporate Governance Code clearer, more streamlined and aligned with international standards. We support a number of the proposed amendments where they remove unnecessary duplication, improve clarity or provide companies with appropriate flexibility. However, we encourage the Commission to ensure that simplification does not reduce the Code's value as an accessible and practical governance framework for companies, investors and other stakeholders.

In particular, Minerva encourages the Commission to reconsider proposed removals that may weaken transparency or investor understanding, including provisions relating to protected whistleblowing mechanisms, shareholder involvement in takeover situations, Supervisory Board rules of procedure, committee structures, timely financial reporting and key remuneration governance safeguards. We also encourage careful consideration of how sustainability expertise and oversight remain visible within the Code, particularly given the increasing importance of sustainability reporting, assurance and Board accountability.

Overall, Minerva supports the continued evolution of the Code in a way that balances clarity and flexibility with strong expectations for transparency, accountability and effective oversight. We would welcome further engagement with the Commission as it finalises the 2026 Code and considers how best to preserve the governance principles that support informed stewardship and shareholder confidence.