

2015 Annual Report



The European Voice of Directors

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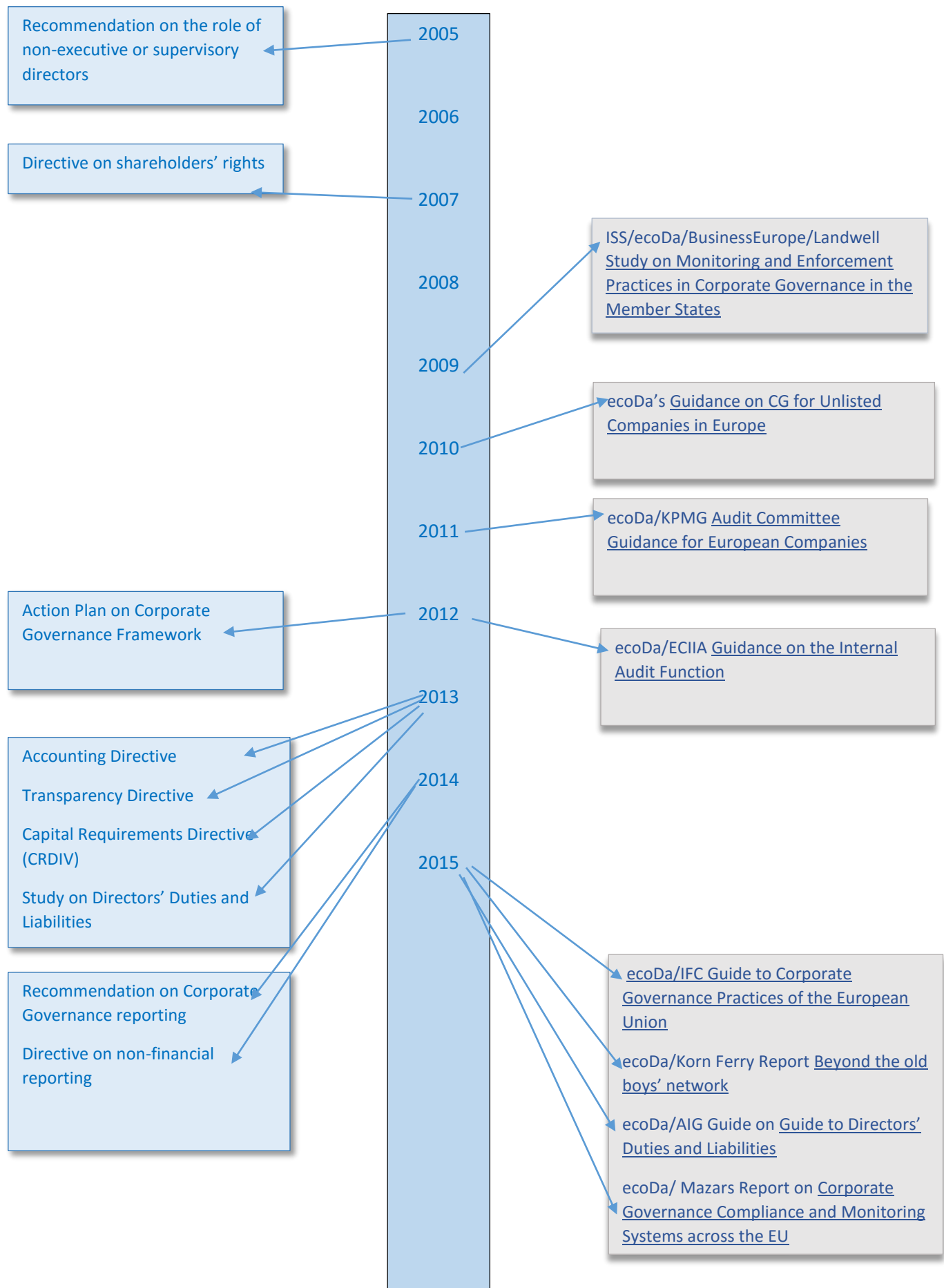
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2005-2015 ACTIVITIES' OVERVIEW

EU INITIATIVES

2005-2015

ECODA INITIATIVES



In 2015, ecoDa's board was composed of:



Turid Elisabeth Solvang (The Norwegian Institute of Directors),
ecoDa's Chair as from 3 November 2015



Lars-Erik Forsgårdh (StyrelseAkademien, Sweden), *ecoDa's Chair until 3 November 2015,*



Maarit Aarni-Sirviö (Directors' Institute of Finland),



Juan Alvarez-Vijande (IC-A, Spain / Honorary chair of ecoDa),



Marie-Jeanne Chèvremont (ILA, Luxembourg), *until 3 November 2015,*



Peter Dehnen (VARD, Germany),



Jan Hendrik Ockels(NCD, Nederland) *until 3 June 2015,*



Luis Filipe Pereira (FAE Portugal), *as from 23 April 2015,*



Irena Prijovic (The Slovenian Directors' Association),



Raymond Schadeck (ILA, Luxembourg), *as from 3 November 2015 (co-optation),*



Paola Schwizer (NedCommunity, Italy),



Agnès Touraine (IFA, France),



Lutgart Van den Berghe (Guberna, Belgium),



Simon Walker (IoD, UK),



Jan Wesseldijk (NCD, Nederland), *as from 3 June 2015.*

The board meetings were also attended by the chairs of the committees:



Marie-Ange Andrieux (IFA, France), Chair of ecoDa Benchmarking and Information Committee,



Roger Barker (IoD, UK), Chair of ecoDa Education Committee,



Philippe Decleire (Treasurer), Chair of ecoDa Membership & Development Committee



Suzanne Liljegren, (StyrelseAkademien, Sweden), Chair of ecoDa Communication Committee



Lutgart Van den Berghe (Guberna, Belgium), Chair of ecoDa Policy Committee

Letter from the Board of ecoDa

Corporate governance standards install trust, and in these times of turmoil, Europe needs companies that inspire trust by combining a spirit of entrepreneurship with good corporate governance and responsible business operations.

Since its inception in 2005, ecoDa has emerged as the leading voice for European board members. Over these 10 years, we have consistently sought to use that voice to promote excellent standards of corporate governance in our dialogue with the EU institutions and as a promoter of professionalism at board level to enhance the competitiveness of European companies. We are more pro-active than ever in expressing our opinion in the EU Corporate Governance debate, as well as organizing numerous conferences, issuing policy statements and opinion pieces.

In order to be even more vocal in Europe, we also celebrated our first ten years by welcoming two new institutes as members – the Portuguese Forum de Administradores de Empresas (FAE) and the Corporate Governance Institute in Albania (CGIA) – and by including Malta, Cyprus and Bulgaria among our “correspondent” members.

Our 10th anniversary addressed the topic of “Professionalism of Directors – Key to European Competitiveness”. Boards’ professionalism and trust in boards will remain part of our leitmotiv for the coming years.

In fact, political, social and economic upheaval affects every corner of society, and now more than ever companies must be at the forefront, showing true leadership through promoting best practice corporate governance. Corporate scandals erode trust not only in the individuals and brands and companies involved, but in entire industries, and in business as such.

In ecoDa, as in every Board of Directors, we need to remain ever mindful that trust built over decades can be destroyed in a minute. In a world where news travels the globe in an instant through channels owned by none and everyone, what affects one, affects us all.

As the voice of European directors, it is ecoDa’s responsibility to build trust in boards. This is our chief task, and it will be our main goal going forward. Here are three questions anyone concerned with trust in Boards should consider:

- With constant volatility, how can we future-proof the composition of our boards to cater for change to come?
- With fundamental disruption affecting our businesses and markets, how do we ensure that our board has the right competence to grasp how we will do business in the future?
- With constant pressure for short-termism, how do we devote sufficient attention to long-term strategy?

Indications are that flipping the stack is no longer the answer. While experience is more valuable than ever, the same experience multiplied by a factor of five is not five times better – neither with regards to governance, nor to strategy. We are firm believers in diversity around the boardroom table, and research now concurs: Companies with diversity in the boardroom are also more profitable.

The Board wants to thank Lars-Erik Forsgårdh for his relentless and successful work in voicing the opinion of European directors during his term as Chairman of ecoDa until November 3rd 2015,

especially his engagement in arguing against moving power from the Boards of Directors to the shareholders as proposed in the Shareholders' Right Directive. ecoDa is grateful for the sound vision and broad experience with which he has guided our association.

We also want to thank the committee chairs and all experts from our member institutes for their invaluable input to hearing statements, reports, conferences, and opinions, which will all help shape European corporate governance going forward. Last, but not least, the board expresses our warm gratitude to the Secretary General for her great support to the board, as well as her impeccable daily management of the organization!

We are proud and grateful to be part of an organization supporting EU's strategy for smart, inclusive and sustainable growth.

Turid Elisabeth Solvang (*ecoDa's Chair as from 3 November 2015*), Lars-Erik Forsgårdh (*ecoDa's Chair until 3 November 2015*), Maarit Aarni-Sirviö, Juan Alvarez-Vijande, Marie-Jeanne Chèvremont (*until 3 November 2015*), Peter Dehnen, Jan Hendrik Ockels (*board member until 3 June 2015*), Luis Filipe Pereira, Irena Prijovic, Raymond Schadeck (*board member as from 3 November 2015*), Paola Schwizer, Agnès Touraine, Lutgart Van den Berghe, Simon Walker, Jan Wesseldijk (*board member as from 3 June 2015*).

Letter from the General Secretary, Béatrice Richez-Baum



10-year is a short time in history, but not for the history of Corporate Governance! ecoDa was set up just before the first 'Action plan on modernizing Company Law and enhancing CG in the EU' when Commissioner Bolkestein considered "Company Law and CG to be right at the hearth of the political agenda". Thereafter Corporate Governance was under the 'McCreevy regime' usually considered as a period of « *regulatory fatigue* », even if important set of legislations were taken at that time like the Directive on Shareholders' rights. Michel Barnier was then forced by the crisis to be more proactive and to implement a new leitmotiv: « *Business as usual is not an alternative* ».

Even if the new Commission is willing to reduce the regulatory burden on companies, it seems that there is a tendency to promote more soft law when it comes to Corporate Governance.

Given that ecoDa is a stronger believer in Corporate Governance best practices, we always try to be proactive and to contribute to the reflection ahead of time.

In 2015, ecoDa has published a large number of important reports like 1- the report on "Corporate Governance Compliance and Monitoring Systems across the EU" in cooperation with Mazars that stimulates the reflection on the Comply or Explain Principle and which will be followed by additional initiatives, 2- the Report on "Beyond the old boys' network" with the help of Korn Ferry, 3- the Guide on "Directors' Duties and Liabilities" done with AIG, and 4- the "IFC/ecoDa Guide to Corporate Governance Practices of the European Union". Dedicated working groups were in charge to develop those reports under the careful review of our Policy Committee chaired by Lutgart Van den Berghe.

At our 10th anniversary event we address the topic of "The professionalism of directors- Key to European Competitiveness"? It really reflects our core identity. Promoting professional directors is certainly the 'raison d'être' of the national institutes of directors. ecoDa itself was originated with the purpose of creating an European Community of board members who acknowledge their different Corporate Governance cultures but are motivated by the willingness to share best practices and to upgrade continuously their effectiveness.

It is now important to keep all our members and all our experts committed for the next decade!

PART 1 - Statutory Information

1.1. OUR GENERAL MEETING

ecoDa's members were convened at the Ordinary General Meeting that was held on 23 April 2015.

The Institute's 2015 budget was presented and unanimously approved. ecoDa usually takes advantage of its general meeting to invite some of its members to make presentations on innovative developments. Agnès Touraine for the French IFA and Lutgart Van den Berghe were invited to speak about:

- France: After 10 years of development, towards a second development phase?
- Belgium: Corporate governance of groups

On that specific date, ecoDa had a successful 10th anniversary event in presence of the Lithuanian Vice minister Gediminas Onaitis, member of the EU parliament Cora van Nieuwenhuizen, European Commission representative Jeroen Hooijer, honorary chairs of ecoDa Pierre Klees, Juan Alvarez-Vijande and Patrick Zurstrassen. Around 100 people attended our event on "The Professionalism of directors – Key to competitiveness".

A dinner was organized after the conference where Lars-Erik Forsgårdh (chair at the time) and the honorary chairs of ecoDa Pierre Klees, Juan Alvarez-Vijande and Patrick Zurstrassen intervened. Other people that have contributed to the development of ecoDa were also invited like Patrick Vilain (Belgium) who was there at the creation of the Confederation and James Walsh (Former Chair of ecoDa's Communication Committee).

At this occasion, ecoDa presented its new logo. The spirit of the logo has been kept. It is more a refreshment than a radical change.



1.2. OUR BOARD

In 2015, ecoDa's board met 6 times.

Our strategic board meeting was hosted by our Dutch member NCD in Amsterdam on 22 January 2015. A dinner was organized the day before in the presence of Ron Steenkuijl (NCD's chair) and other board members.

Our June meeting was hosted by our Swedish member, the Swedish Academy of Board Directors, in Stockholm. Lars-Erik Forsgårdh (Chair at the time) made a presentation of his institute and Carl Bennet (AB Group) spoke about the Nordic Corporate Governance model and the Swedish self-regulation system.

All the other board meetings were convened in Brussels.

The board has welcomed Luis Filipe Pereira as a new board member following the affiliation of the Forum de Administratores Emprases (FAE).

Jan Wesseldijk has replaced Jan Hendrik Ockels as the representative of the Nederlandse vereniging van Commissarissen en Directeuren (NCD). Marie-Jeanne Chevremont has also been replaced by Raymond Schadeck who was elected the new chair of the Luxembourgish Institute of Directors (ILA). ecoDa's board gave tribute to those two past board members for their contribution to ecoDa.

The board was chaired by Lars-Erik Forsgårdh (StyrelseAkademien, Sweden) until 3 November 2015 when Turid Elisabeth Solvang (The Norwegian Institute of Directors), according to an earlier agreement, took over the chairmanship.

As ecoDa's Chair, Lars-Erik Forsgårdh has brought more focus on policy matters at the board's level, invited more guest speakers from the European institutions and peer organisations, gave the floor to the General Secretary to give information on the last developments. He also invited all board members to assess each meeting at the end of the board meeting. The board acknowledged that he had been active chair, showing strong leadership and been extremely visible in all relevant fora.

For the board's composition, see above.



1.3. OUR NOMINATION COMMITTEE

The Nomination Committee was involved in the election of the new chair in November 2015.

The European Confederation of Directors' Associations (ecoDa), which represents 55 000 corporate board members from 20 European nations, has elected Turid Elisabeth Solvang as new chair. Turid Elisabeth Solvang (54) is co-founder and Managing Director of the Norwegian Institute of Directors, and benefits from extensive organisational experience. With a background from communications, she has proven her abilities to connect and motivate people to join forces for concrete action and successful results.

The Nomination Committee was composed of Lutgart Van den Berghe (Chair) (Guberna), Juan Alvarez-Vijande (IC-A, Spain / Honorary chair of ecoDa) and Turid Elisabeth Solvang (The Norwegian Institute of Directors), until November 2015 when the latter had to resign.

1.4. OUR POLICY COMMITTEE

In 2015, our Policy Committee was extremely busy with the oversight of all our working groups and namely:

- The Working Group on the Comply or Explain Principle with Mazars chaired by Lutgart Van den Berghe;
- The Working Group on Directors' Duties and Liabilities with AIG, chaired by Roger Barker,
- The Working Group on Boards' Selection with Korn Ferry, chaired by Turid Elisabeth Solvang,
- And a new Working Group set up at the end of 2015 on the Audit Reform with PwC, chaired by Daniel Lebègue.

ecoDa' Policy Committee was particularly productive in issuing important reports.

The Policy Committee played also an instrumental role in adopting ecoDa's opinion on a various set of items including the shareholders' rights directive, Consultation on the OECD Corporate Governance principles, the EC Consultation on cross-border M&A, the EC Green Paper on Capital Market Union, and the different GNDI papers.

*"In 2015, the Policy Committee has overseen a large number of important reports that should contribute to the European Corporate Governance debate." **Lutgart Van den Berghe**, Policy Committee's Chair.*

The Policy Committee is composed of: Lutgart ,Van den Berghe (Guberna Belgium), Marie-Ange Andrieux(IFA France), Roger Barker (IoD UK), Dirk Backhaus (VARD), Boeva Bistra (Bulgaria), Pierre Alexandre Degehet (ILA), Philippe Decleire (ecoDa), Pascal Durand-Barthez (IFA France) , Hana Horak (Croatian Institute of directors), Fernando Iguartua (IC-A Spain), Sophie Laguesse (ILA Luxembourg), Per Lekvall (Swedish StyrelseAkademien), Oliver Parry(IoD), Gorazd Podbevšek (The Slovenian Directors' Association), Béatrice Richez-Baum (ecoDa), Timo Kaisanlahti (Directors' Institute of Finland), Alessandra Stabilini (Nedcommunity), Esad Turković (Croatia Institute of Directors), Frank Van den Akker (NCD), Edwin Ward (Institute of Directors Malta Branch) – and Turid Elisabeth Solvang (The Norwegian Institute of Directors) until November 2015.

1.5. OUR BENCHMARKING AND INFORMATION COMMITTEE

In 2015, Marie-Ange Andrieux (IFA, AFECA) replaced Richard Zisswiller as the head of the Benchmarking and Information Committee. Richard Zisswiller has been involved in ecoDa since its creation, he has played a crucial role in setting up the confederation in 2005 and in promoting new initiatives. He was for instance instrumental in developing ecoDa's training programme. The board unanimously thanked him for his commitment and his contribution to ecoDa's success.

Beside Marie-Ange Andrieux, the Benchmarking and Information Committee is made up of a large number of new representatives eager to contribute to the information exchange.

The Benchmarking and Information Committee has been very productive with 3 benchmarks on Corporate Governance Topics and 3 benchmarks on IoDs business models (details under part 2). The Committee has been innovative in terms of work methodology: 1- the meetings' calendar is now fixed one year ahead, 2- the forum is now open to guest speakers to enrich the reflection, 3- all the members were interviewed to assess the quality of the work performed and to fix priorities for 2016.

"The benchmark and information Committee works as a collaborative platform to identify and disseminate best practice to support development, attractiveness and innovation of IoDs. Our objective is to deliver sustainable value to both ecoDa and its members." **Marie-Ange Andrieux**, BIC Chair.

The Benchmarking and Information Committee is composed of: Marie-Ange Andrieux (IFA), Marie Chambourdon (ILA Luxembourg), Liesbeth De Ridder (Guberna), Trude Fjeldstad (The Norwegian Institute of Directors), Jacques Grisé (CAS Canada), Lena Henningsson (Swedish Academy), Hana Horak (Croatian Institute of Directors), Oliver Parry (IoD UK), Irena Prijovic (The Slovenian Directors' Association), Béatrice Richez-Baum (ecoDa), Cristina Rossello (Nedcommunity), Kiuru Schalin (Institute of Directors of Finland), Perica Vrboski (Macedonian Institute of Directors), Edwin Ward (Institute of Directors Malta Branch) – and Turid Elisabeth Solvang (The Norwegian Institute of Directors) until November 2015.

1.6. OUR EDUCATION COMMITTEE

The Education Committee assists the General Secretariat in fine-tuning the programme of ecoDa training sessions. In 2015, the Education Committee enlarged the content of the two day programme with a presentation on mega trends for European boards. As usual the Education Committee assessed the programme among the participants.

In 2015, 61 participants joined the ecoDa alumni group. Even if the Education Committee managed to promote its programme through a press article, it is still a challenge to get a right balance in terms of participants' nationalities.

"The ecoDa education programme for European directors continues to be extremely well received by participants. Over the last few years, it has developed an excellent reputation and a growing alumni network. We are actively evaluating other means by which ecoDa education activities can complement the national training programmes of ecoDa members, and further contribute to the development of effective corporate governance across Europe", **Roger Barker**, Chair of the Education Committee.

A representative of the European Commission is always there to make a state of play of the different pending issues in the European legislative pipeline. Other speakers include: Roger

Barker, Frank Dangeard, Torben Ballegaard Sorensen, Noona Barlow, Christophe Vandorne, Peter Montagnon, Anthony Smith-Meyer, Daniel Summerfield, David Preneel, Gorazd Podbevšek, Jan Hendrik Ockels, Jean Coroller, Jean-Nicolas Caprasse, Ludo Van Der Heyden, Per Lekvall, Peter Dehnen Paola Schwizer, Patrick Zurstrassen, Stan Magidson, Stanislav Shekshnia, Stefan Georgiev, Jérôme Wigny, Wolfgang Richter.

Roger Barker (IoD) operates as the Director of the programme.

The Education Committee is composed of: Roger Barker (IoD UK), Gilles Bernier (CAS, Canada), Jean Coroller (IFA France) , Rezi Cenaj (CGI ,Albania), Gerard Citroen (NCD) , Peter Dehnen (VARD, Germany), Abigail Levrau (GUBERNA), Marina Mesin (Croatian Institute of directors) , Béatrice Richez-Baum (ecoDa) , Luis Sancho(IC-A, Spain), Rada Sibila (The Slovenian Directors' Association), Kaarina Ståhlberg (Board of Directors' Institute of Finland), Véronique Vansaen (ILA Luxembourg), Perica Vrboski (Macedonian Institute of Directors).

1.7. OUR COMMUNICATION COMMITTEE

In 2015, the Communication Committee was busy with ecoDa's 10th anniversary. It helped the general secretariat with:

- The content of the 10th anniversary conference,
- The choice of the ecoDa new logo,
- The design of new roll-up stands,
- The video presented at the 10th anniversary conference,
- The recording of the event.

In addition, Suzanne Liljegren played an important role in moderating the 10th anniversary conference. In order to promote ecoDa's new logo, Lars-Erik Forsgårdh (Chair at the time) offered pins as a new marketing tool for ecoDa.

The Communication Committee enabled an informal partnership with BoardAgenda, an online magazine focusing on Corporate Governance. The Communication Committee was also instrumental in stimulating opinion pieces and has tested for the first time a lobby kit for ecoDa member organizations with regards to the implementation of the audit reform.

"The Communication Committee is supporting the promotion and lobbying of ecoDa. Target groups are members, prospective members and external groups such as EU regulators. Focus during 2015 has been on promoting the professionalism of directors as a key element in realizing a globally competitive Europe. Conferences, policy statements and media/social media activities are examples of means we use."
Suzanne Liljegren, Chair of the Communication Committee

The Communication Committee is composed of: Suzanne Liljegren (Swedish StyrelseAkademien), Marie Chambourdon (ILA, Luxembourg), Ineke Claus (Guberna, Belgium), Frøydís Jaren (Styreinstitutt), Riitta Mynttinen (Directors' Institute of Finland), Béatrice Richez-Baum (ecoDa), Rada Sibila (The Slovenian Directors' Association), Andrew Silvester (IoD)

1.8. OUR MEMBERSHIP & DEVELOPMENT COMMITTEE

Our Membership & Development Committee is responsible for identifying new potential members for ecoDa. The Membership & Development Committee has always taken a soft approach in attracting new members.

Following a visit to different Portuguese associations in January 2015, the Membership Committee has been helpful in defining which association would be relevant for ecoDa. It has then facilitated the smooth integration of the Forum de Administradores de Empresas (FAE).

"The Membership Committee operates as a standing body for a smooth integration of our new members. It analyses and support also new opportunities to extend our membership."

Philippe Decleire, Membership Committee's Chair.

The Membership & Development Committee has also contributed to welcome the three new correspondents and the Corporate Governance Institute in Albanian (visit of Béatrice Richez-Baum in Tirana, November 2015).

Finally the Membership & Development Committee has promoted better the cross-membership convention which links most of ecoDa members and it has developed a document to attract new members.

1.9. OUR MANAGEMENT

The management team was comprised of two salaried employees:

- Béatrice Richez-Baum, General Secretary,
- Xiaoji Zhang, Office Manager

and a treasurer, Philippe Decleire working on a pro-bono basis.

In 2015, Xiaoji Zhang has taken a more important role in the organisation of ecoDa's training sessions.

1.10. OUR MEMBERS

In the past 10 years, our membership has increased from 3 (the founders) to 20 national institutes of directors being either full members, affiliated members, correspondents or corporate associates. In addition, ecoDa involves other types of organisations which have a strong interest in Corporate Governance.



In 2015, ecoDa has opened up its membership to a new category: “the correspondents” which can be either an individual person (in countries where there is no institute of directors) or the IoD branches whose budgets are subsidized by the British IoD. In fact, the **Malta IoD Branch, the Cyprus IoD Branch and Prof. Bistra Boeva (Bulgaria)** have been appointed correspondents.

ecoDa was also really pleased to welcome the **Portuguese Forum de Administradores de Empresas** (FAE) as a new full member. FAE is a non-profit organization formed under Portuguese law that by statutes aims primarily at the development, training and the improvement of scientific and technical education of its members. Beyond this objective FAE is also focused in the companies’ management quality improvement, carrying out studies and publications and encouraging its members to exchange their business experiences within the association. FAE is also an independent and nonpolitical organization, which was founded in 1979 joining some of the most prestigious leaders of the state companies and adopting then the name of *Forum de Gestores de Empresas Públicas*. Reflecting the economic changes of the country most of those state companies were reprivatised and as a result of this shift this association decided to widen the participation of managers and accepted the ones from the private sector as well as the private companies themselves. For that purpose its statutes were altered accordingly and the present name of Forum de Administradores de Empresas (FAE) was adopted.

The **Corporate Governance Institute Albania (CGIA)** has also joined ecoDa as an affiliated member. The CGIA WAS established at the end of 2009 and started its activities on the beginning of 2010 as an independent institute part of International Financial Corporate Governance Programme for South East European Countries. On June 10, 2014 CGIA became an independent association of business leaders. CGIA has been pursuing its activities since 2009 with the goal of contributing to the development and recognition of corporate governance practices and their proper implementation. With the goals of increasing the strength of CGIA’s activities in creating professional leaders and supporting businesses we are dedicated to supporting our members (not only), encouraging entrepreneurial activity and promoting responsible business practice for the benefit of the business community and the society as a whole.

In 2015, ecoDa has also increased the number of its corporate associates and has welcomed PwC.

Our membership comprises:

Full members:

- The British Institute of Directors (IoD) <http://www.iod.com/>
- The Belgian “GUBERNA” <http://www.guberna.be/>
- The French “IFA” <http://www.ifa-asso.com/>
- The Luxembourgish “ILA” <http://www.ila.lu/>
- “The Directors’ Institute of Finland” <http://www.dif.fi/>
- The Spanish institute “Instituto de Consejeros – Administradores” <http://iconsejeros.com/>
- “The Slovenian Directors’ Association” <http://www.zdruzenje-ns.si/>
- “The Polish Institute of Directors” <http://www.pid.org.pl/>
- “The Norwegian Institute of Directors” <http://www.styreinstitutt.no/>
- “The Swedish Academy of Board Directors” <http://www.styrelseakademien.se/>
- “Vereinigung der Aufsichtsräte in Deutschland e.V.”, VARD <https://www.vard.de/>
- The Dutch “Nederlandse vereniging van Commissarissen en Directeuren” <http://ncd.nl/>
- The Italian “Nedcommunity” <http://www.nedcommunity.com/>
- “The Croatian Institute of Directors” <http://www.cid.com.hr/index.aspx>
- The Portuguese “Forum de Administradores de Empresas” (FAE) <http://www.faeonline.pt/>

ecoDa affiliated members:

- The Macedonian Institute of Directors, <http://www.iod.org.mk/>
- The Corporate Governance Institute Albania (CGIA), <http://www.cgi-albania.org/>
- The Institute of Chartered Secretaries and Administrators (ICSA) <https://www.icsa.org.uk/>
- The Institute of Business Ethics (IBE) <https://www.ibe.org.uk/>
- The Confederation of Institutes of Internal Auditors (ECIIA) <http://www.eciia.eu/>
- L’Association des femmes diplômées d’expertise comptable administrateurs (AFECA) <http://www.femmes-experts-comptables.com/>

Corporate Associates:

- The Danish Board Network <http://www.boardnetwork.dk/>
- Mazars <http://www.mazars.com/>
- AIG <http://www.aig.be/>
- Korn Ferry <http://www.kornferry.com/>
- PwC <http://www.pwc.com/>
- Nasdaq/Directors Desk <http://business.nasdaq.com/intel/directors-desk-board-portal/index.html>

Academic Members:

- The Collège des administrateurs de sociétés (CAS) <https://www.cas.ulaval.ca/cms/site/college/cas-gouvernance>

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BOARD NETWORK



Part 2. Our Opinion

As a stakeholder for the European Institutions, ecoDa tries to contribute to the debate on Corporate Governance as much as possible by responding to the EU initiatives taken in this field, by voicing the opinion of European board members and by addressing additional topics that can contribute to the Corporate Governance framework of tomorrow.

ecoDa's added value to its members lies in its capacity to inform them at the early stage of the legislative process and to raise awareness among the financial and economic community.

2.1. OUR POSITION PAPERS

2.1.1. The Draft Shareholders' Rights Directive

In 2014, ecoDa was extremely engaged in the legislative process for the draft Shareholders' Rights Directive. ecoDa pursued its action in 2015 with an ecoDa opinion piece signed by Lars-Erik Forsgårdh (past ecoDa's Chair) and Lutgart Van den Berghe (Chair of the Policy Committee) which was published on the January-March 2015 issue of the Risk & Compliance e-magazine as well as in a Belgian Newspaper 'L'Echo'.

ecoDa co-signed also a [joint letter](#) with BusinessEurope and EuropeanIssuers addressed to the members of the European Parliament in June 2015 following the adoption of the Legal Affairs Committee's report at the European Parliament.

The concerns addressed by ecoDa are the following points:

- Creation of a uniform rule on director remuneration across the EU. There is no evidence about the most effective system of director remuneration across Europe. While supporting transparency, we stress that more flexibility is needed in the definition of the remuneration packages so they can be adapted to different corporate models of management and, most importantly, to each company's needs.
- The amendments about stakeholder say on pay and long term shareholding are misplaced in this proposal.
- Shareholder identification is indispensable, especially in a cross-border context. This is why it should be clearly recognized as a right for companies, instead of a service provided by intermediaries.
- On related party transactions we agree that transparency on these transactions is essential to prevent conflicts of interest and to avoid potential abuses. We welcome changes in the JURI report which simplify the control of related party transactions and limit it to material transactions. However, the report could go further, for example regarding exemptions for intragroup transactions.
- The current revision is not the right place to include amendments on country-by country reporting (CBCR) on profits, taxes and subsidies and on tax rulings. This is already being dealt in other initiatives such as the accounting directive, which foresees a review clause on this issue in 2018, and in the 2015 Commission communication on tax transparency, as well as at international level (e.g. OECD and G20).
- Non-listed companies should not be in the scope of this revision.

Lars-Erik Forsgårdh, Roger Barker and Béatrice Richez-Baum were also interviewed by the largest business daily in Sweden, Dagens Industri on the shareholders' rights directive. An article was published on June 10.

The Shareholders' Rights Directive is now subject to trialogues among the three European institutions.

The Country by Country Reporting (CBCR) is rejected by the Council as they are waiting for an impact assessment of the Commission. The Council does not want to take a position without assessing its impact. The impact assessment is to be published at the end of the first 2016 quarter.

2.1.2. Consultation on the OECD Corporate Governance principles

ecoDa is a strong supporter of the OECD Principles of Corporate Governance. In its response to the OECD Consultation, ecoDa recognised the influential role that they play in both developed economies and in less developed countries that are in the process of designing a modern policy framework of corporate governance.

Our main points raised by ecoDa:

- Independent directors should be trained to better understand their important role with regards to related-party transactions
- If proxy advisors want to be (come) a well-appreciated partner in the struggle for good governance, they should be more accountable with respect to the quality of their methodology as well as their specific recommendations.
- Regarding non-financial reporting, there is no European standard reference framework for disclosing such nonfinancial information: for non-financial reporting, there is no equivalent to the IFRS framework for disclosing financial information. In general, it is difficult to identify relevant qualitative non-financial indicators or find generally accepted definitions and measuring techniques.
- There are concerns about the pressure that employees can exercise on the appointment of board members in shareholders' meetings. Board composition should be tailored to the specific circumstances of the company, its challenges, strategic ambitions and time demands.
- ecoDa considers board evaluations to be an increasingly important component of the functioning of a professional board. This is still an emerging area – as yet, there is no universal agreement about how board evaluations should be conducted. Nonetheless, we see board evaluation – along with more widespread director training – as a key ecoDa non-regulatory means by which the functioning of corporate governance can be enhanced in the future.

The [OECD CG Principles](#) were finally issued in September 2015.

2.1.3. EC Consultation on cross-border M&A

Following the 2012 Action Plan on European company law and corporate governance, the European Commission launched a consultation on cross-border mergers and divisions.

Main elements addressed by ecoDa:

- Given the crucial role of minority shareholders in many of the European listed companies, ecoDa is of the opinion that a focused reflection on this topic, with reflections on each of the specific business decisions that might affect minority shareholders, might bring a very valuable contribution to a better functioning of the different governance models, active throughout the Member States,

- ecoDa would like to stimulate the European Commission to further reflect on the governance challenges corporate groups are confronted with. Although this theme is much broader than the question of cross-border divisions, it is necessary to place the whole discussion on cross-border divisions in this broader scope of internal governance.
- ecoDa would like to put more emphasis on the role of the board in the strategic decision making process around M&As and corporate structuring; it is clear that the board duties -with an emphasis on the corporate interest as well as the obligations to take the interest of all stakeholders into consideration - is the best guarantee for a well-balanced decision-making process.

2.1.4. The EC Green Paper on Capital Market Union

The objectives of Capital Market Union are to help businesses tap into more diverse sources of capital from anywhere within the EU, make markets work more efficiently and offer investors and savers additional opportunities to put their money to work in order to enhance growth and create jobs.

ecoDa's remarks in brief:

- The risk that the Commission reverts to its old instincts of believing that stricter regulation is the remedy to all problems in the EU, whereas in reality this in many cases aggravates the problems rather than solves them,
- The need to take the cultural diversities within the Union better into account than what has sometimes been seen in the past,
- The importance of creating positive incentives for SMEs to access the capital market rather than discouraging this through unnecessarily far-reaching regulation of listed companies,
- The fact that calculated risk-taking is the very lifeblood of the market economy and should not be looked upon with general suspicion and stifled through overly restrictive regulation.

As part of the Capital Markets Union (CMU), the EU launched a Green Paper on Retail Financial Services and new Prospectus rules.

2.1.5. GNDI Guiding Principles for Cybersecurity Oversight

In 2015, the European Commission adopted a new Strategy on Digital Single Market. The Global Network of Director Institutes (GNDI) – of which ecoDa is part - described its global perspective on the role of the board in cybersecurity oversight.

Main [elements](#):

- GNDI would urge boards to consider placing cybersecurity as a specific accountability of one of the officers reporting to the board (whatever the officer's title), and as such consider cybersecurity needs as part of the key functions needing officer-level attention.
- GNDI would suggest that boards inform themselves of specific operational, reporting, and compliance aspects of cybersecurity, using (and as needed adapting or supplementing) at least one recognized framework to do so.
- GNDI would suggest that boards consider adding a member with some knowledge of information technology (including digitalization and cybersecurity).

2.1.6. GNDI Perspectives Paper - Renewing the Board

The Global Network of Director Institutes (GNDI) – of which ecoDa is part - described its global perspective on best practices to consider when renewing the board through changes to its composition.

Main [elements](#):

- GNDI believes that each board should build a renewal framework unique to its forthcoming challenges in order to maximize its effectiveness over the long term.

2.2. OUR REPORTS

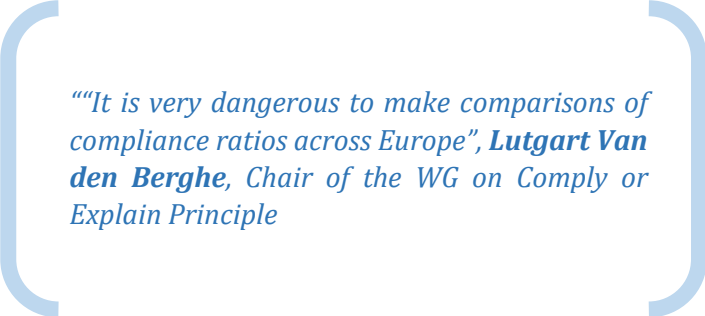
Being involved in the policy debate does not mean for us to be only reactive to initiatives taken by the Commission, we intend also to be proactive and to contribute to the reflection ahead of time. This was particularly true in 2015 where ecoDa issued a large number of important reports in cooperation with its Corporate Associates.

2.2.1. A Report on Corporate Governance Compliance and Monitoring Systems across the EU

ecoDa wants to promote good governance practices and considers the flexibility offered by the comply or explain option instrumental for tailoring the governance practices to the needs and challenges of a widely diverse corporate landscape throughout Europe. To this end, ecoDa wanted to foster the respect of the 2014 EU recommendation, stimulating qualitative governance reporting. ecoDa carried out the analysis of corporate governance compliance monitoring across the EU.

The project has been realised with the help of

- The members of ecoDa
- The financial and content support of Mazars
- The valuable collaboration with the ECGCN
- The moral support of the European Commission.



*“It is very dangerous to make comparisons of compliance ratios across Europe”, **Lutgart Van den Berghe**, Chair of the WG on Comply or Explain Principle*

Some [overall conclusions](#):

- The ecoDa survey shows that in a European context, it is difficult to compare the outcome of the compliance with the codes. Degrees of market capitalization across Europe and shareholders' structures vary a lot among the Member States.
- There are also large differences in the legal status of CG Codes. Codes vary considerably in approach with quite different degrees of detail; codes with detailed provisions should allow for more deviations while codes with high level principles should make it difficult for companies to explain why they don't comply with certain principles.
- The monitoring approach is also different; the monitoring bodies are different as well as the scope of the monitoring studies (analysis of all parts of the compliance/governance

statement or focus on a number of issues, analysis of publicly available information and/or interviews with boards) and the number of companies monitored (covering all listed companies or only a sample and/or a certain category).

- As regards comply or explain, the overall trend is that compliance is considerably increasing. However more efforts are needed to improve the quality of explanations. There is still not a uniform approach but there is a clear trend to improve the explanations and to develop additional guidelines in accordance with the recommendations of the EU.

Hopefully, the EU commission can use this report

- To secure a level playing field as to the scope and approach used
- To foster a better respect for flexibility and rehabilitate the route of explanations
- To promote a more harmonised approach to monitoring in general and evaluating/stimulating high quality explanations more specifically
- To continue demanding more attention for the decision-making process as to governance

This Report is part of a three-stage project, comprising: (I) Corporate Governance Codes and Monitoring Systems across European Union (“EU”) member states; (II) The board’s role in designing an effective framework of corporate governance; and (III) What stakeholders think of the evolution of “comply or explain” in practice.

Working group: Lutgart Van den Berghe, (Chair), Guberna (Belgium), Maurice Bauer, ILA (Luxembourg), Beata Binek, Polish Institute of Directors, Anthony Carey, Mazars UK, Christine Darville, GUBERNA (Belgium), Fabrice Demarigny, , Mazars, (France), Annelies De Wilde, GUBERNA (Belgium), Carolyn Dittmeier, Nedcommunity (Italy), David Herbinet, Mazars UK, Per Lekvall, StyrelseAkademien (Sweden), Leena Linnainmaa, Directors' Institute of Finland, Martin Meijer, , NCD (the Netherlands), Anne Outin-Adam IFA (France), Oliver Parry, IoD UK, Alexia Perversi, Mazars UK, Irena Prijović, SDA (Slovenia), Béatrice Richez-Baum, General secretary, ecoDa.

2.2.2. A practical Guide on Directors’ Duties and Liabilities

ecoDa in cooperation with American International Group, Inc. (AIG) has published a [pan-European report](#) offering guidance and insight into the changing environment shaping European directors’ duties and liabilities.

Regulatory and political scrutiny of boards has led to an increase in the risks and potential liabilities faced by individual directors. The impact of this new environment is also felt in the rising number of directors’ and officers’ (D&O) insurance claims.

*“The assumption that a director can’t be liable if he or she acted in good faith is changing. It’s no longer going to be a reasonable defence for a European board member to say ‘I didn’t intend for this to happen”, **Roger Barker**, Chair of the WG on Directors’ Duties & Liabilities*

The Report helps board members understand the extent of their liabilities in this complex and increasingly challenging new world. The nature of directors’ duties and liabilities and the manner in which they are enforced can be affected by the differences in board structures across Europe. Group structures make litigation cases even more complex. Complex supply chains with

companies operating in many different countries mean that board members have to cope with different legal frameworks and different business cultures. This Report highlights the specific risks faced by directors in individual European jurisdictions and provides a rich variety of cross-border and national case studies.

The Report also analyses how D&O insurance can help board members manage these risks. It covers a large variety of situations like bankruptcy, insolvency, criminal liabilities, and shareholder activism. It also provides directors with solutions aimed at keeping them out of the firing line of litigators and regulators.

Working Group: Roger Barker (Chair), Institute of Directors Chair of working group, Noona Barlow, AIG Hnia Ben Salah, Guberna, Pascal Durand-Barthez, IFA, the French Institute of Directors, Philippe Goutière, AIG, Richard Hebblethwaite, AIG, Lars Mattsson, Swedish Academy of Board Directors, Grant Merrill, AIG Michael Pryce, AIG, Béatrice Richez-Baum, ecoDa

2.2.3. A Report on “Beyond the old boy’s network”

The report, “[Beyond the Old Boys’ Network: What’s happening in the European boardrooms and a guide to best practices](#)” has been produced by ecoDa and Korn Ferry. It examines changes in how the board nominations process has worked over the last decade, primarily as a response to new waves of corporate governance guidelines, and explores governance systems used in some jurisdictions and whether they could be applied elsewhere.

Among the systems explored are one-tier versus two-tier boards; making major shareholders members of the nomination committee; ensuring that employees get adequate board representation; and establishing mandatory gender quotas. The report, which draws on interviews with several dozen board practitioners from across the continent, finds that the implementation of a pan-European set of rules for nominations would be challenging, due to legal, technical and cultural differences.

*“Team dynamics and behaviours are equally important. Underestimating the role of relationships among board members means undermining the board’s ability to adequately support the company”, **Turid Elisabeth Solvang**, Chair of the WG on Boards’ Composition*

The Report makes 14 recommendations covering the entire nomination process, from the structuring of the process through succession planning, candidate selection, candidate interview, and the induction of new directors.

Working Group: For ecoDa: Turid Elisabeth Solvang (Chair), The Norwegian Institute of Directors, Norway, Marie-Ange Andrieux, IFA and AFECA, France, Roger Barker, IoD, UK, Hnia Ben Salah, GUBERNA, Belgium, Jan Hendrik Ockels, Nederlandse vereniging van Commissarissen en Directeuren, Stefan Hjelmqwist, StyrelseAkademien, Sweden, Irena Prijovic, The Slovenian Directors’ Association, Paola Schwizer, Nedcommunity, Italy, Merja Strengell, The Directors’ Institute of Finland, Finland, Gerard Van Vliet, Nederlandse vereniging van Commissarissen en Directeuren, Perica Vrboski, The Macedonian Institute of Directors, Macedonia, Krista Walochik, Instituto de Consejeros-Administradores. For Korn Ferry: Yannick Binvel, Pascal Gibert, Kai Hammerich, Marit Kamark, Krzysztof Nowakowski, Dominic Schofield, Katarina

Sikavica, Stefan Steger, Christophe Vandoorne, Maurizia Villa, Goran Westberg, Mattia Zarulli and Bernard Zen-Ruffinen.

2.2.4. A Guide to Corporate Governance Practices of the European Union

The IFC Corporate Governance Group (World Bank) in partnership with ecoDa have published a [Guide to Corporate Governance Practices of the European Union](#).

This publication offers an overview of the changes taking place across the EU's corporate governance landscape. It provides a focused examination of specific regulations and practices as well as a frank assessment of the challenges that remain.

The Report describes the corporate governance framework within the European Union and highlights good European governance practices. It focuses on the particular aspects of European governance practices that distinguish this region from other parts of the world. It illustrates also the past positions taken by ecoDa.

"This publication offers an overview of the changes taking place across the EU's corporate governance landscape", Darrin Hartzler, Global Manager, IFC Corporate Governance Group

Project team: Chris Pierce, CEO, Global Governance Services Ltd, London; Ralitza Germanova, Associate Operations Officer, IFC Corporate Governance Group; Philip Armstrong, Senior Advisor, IFC Corporate Governance Group and Beatrice Richez-Baum, Secretary General, ecoDa.

2. Our Conferences

Contributing to the debate on Corporate Governance at the European level is a central task for ecoDa. ecoDa's conferences are an important way to voice our opinion on specific topics addressed by the European Institutions or to point out new subjects that deserve attention of European boards. Those conferences are also useful to join forces with our peer organizations for a stronger influence.

ecoDa does not only organize its own conferences but also takes part in external conferences. This was particularly true in 2015 where:

- Lars-Erik Forsgårdh spoke at the 16th European Corporate Governance Conference, under the Latvian Presidency on 13 May 2015 in Riga. ecoDa partnered with EY. ecoDa's logo was visible on the programme and its banner was standing in the conference room.
- Lars-Erik Forsgårdh spoke at the ICGN Conference on "Building Corporate Governance Reform for Long Term Sustainable Growth" in Madrid on 2nd March 2015.
- On September 15, Lars-Erik Forsgårdh spoke at the 4th International OFEL Conference on Governance, Management and Entrepreneurship in Croatia.
- On November 11, Turid Elisabeth Solvang (new Chair) spoke in Madrid at an international conference "Jornada Profesional de Buen Gobierno Corporativo" organised by the Instituto de Consejeros-Administradores (IC-A),

- On November 17, Turid Elisabeth Solvang (new Chair) intervened at a panel debate on Corporate Governance around the World in São Paulo (Brazil) with Simon Walker and Peter Dehnen, both ecoDa board members.

The presence of ecoDa at international conferences contributes definitely to raise its profile.

2.1. OUR 10TH ANNIVERSARY (22 April 2015)

ecoDa chose the subject of “The professionalism of directors- Key to European Competitiveness?” to celebrate its 10th anniversary.

ecoDa believes directors must move from focusing on compliance with rules and regulations to also deliver added value to the competitiveness of their company. There is a need for a qualitative jump.

The conference addressed various points:

- The Professionalism of directors: Directors that deliver
- The importance of economic intelligence for boardrooms
- The Professionalism of Directors: Directors that are well selected
- The Professionalism of Directors: Challenges for the 10 coming years

KEY MESSAGE: There is a limit with what we can achieve with regulation. It is time to reflect where regulation has taken us.

This event brought together regulators (**Jeroen Hooijer** (Head of Unit, Company Law, DG Justice, European Commission), **Dana Purcarea** (Diplomatic counsellor, Interministerial Delegate for Economic Intelligence in France), **Cora Van Nieuwenhuizen**, Member of the European Parliament) and practitioners.

The conference was sponsored by Standard Life Investments.

To help its stakeholders better understand what ecoDa is striving for, a [video](#) sponsored by Sodali was shown at the 10th anniversary. Lars-Erik Forsgårdh (Chair at the time), Jeroen Hooijer (Head of Unit, Company Law, DG Justice, European Commission), Daniel Lebègue (Honorary Chair, ecoDa), Cristina Ungureanu (Head of CG Advisory, Sodali) and Béatrice Richez-Baum (Secretary General) were interviewed. [The video](#) provided recollection of the past ten years and a forward looking vision for the upcoming years.



2.2. A CONFERENCE ON THE SHAREHOLDERS' RIGHTS DIRECTIVE (3 February 2015)

On 3 February 2015, ecoDa, EuropeanIssuers, BUSINESSEUROPE and ACCA organised a [joint conference](#) on Shareholder Rights called "Striking the right balance in corporate governance and shareholder engagement".

The debate revealed that, while the objective of improving communication between companies and shareholders is welcome in principle, several speakers expressed the view that the proposals on related party transactions and remuneration go too far. And while companies are pleased with the proposal's intention to give them the right to identify their shareholders, they suggested that some of the wording needs to be better aligned to the complexities of today's capital markets.

Key message: Say on Pay may well be suitable for empowering shareholders and incentivising them to engage in the governance of companies in jurisdictions where shareholder power and engagement is weak. However, in jurisdictions with strong shareholder power, the drawbacks may well override the advantages, leading to worse rather than improved corporate governance standards.

This conference was a unique opportunity for ecoDa to strengthen its influence on the Draft Shareholders' Rights Directive by joining forces with its key peer organisations.

Jeroen Hooijer, Head of Unit of Company Law in DG Justice and Consumers at the European Commission, **Sergio Cofferati**, Member of the European Parliament, and **Cecilia Wikström**, Member of the European Parliament, were present.

2.3. A CONFERENCE ON CORPORATE CULTURE AND ETHICS (5 May 2015)

On 5 May, ecoDa and ACCA (the Association of Chartered Certified Accountants) jointly organised [a conference](#) called "Creating value through governance: channelling corporate culture and ethics in boards?".

Ethics has always been a topic of interest for ecoDa and this conference echoed the previous round table discussions organized by ecoDa in Brussels. With this type of conferences, ecoDa wants to avoid that the regulator step in too much in ethical and behavior issues.

Key message: The critical point is to make sure that boards and senior management understand the vital importance of corporate values and culture and how it will impact their business model.

The conference was hosted by MEP Cora van Nieuwenhuizen at the European Parliament.



2.4. A CONFERENCE ON RISKS CONVERSATION (10 July 2015)

On 10 July, ecoDa organized a conference in partnership with the American International Group, Inc. (AIG) and the Federation of European Risk Management Associations (FERMA).

The seminar tackled the risk conversation from different perspectives: the board, risk and audit committees, risk functions within the group and external auditors. It then looked forward to how emerging risks can be brought into the spotlight. The conference began by stressing that business without risk does not exist. However, there needs to be a good balance between sound risk management and efficient entrepreneurship if companies want to survive in these challenging times.

The organizers agreed that Risk Managers must simplify their language to help Board members shift from “risk awareness” to “risk intelligence” and so improve the quality of the risk conversation at Board level. Clear language is one of the top priorities if the risk conversation is to become useful for decision-making.

Key message: Boards must not abdicate their responsibilities to risk committees, Risk Managers and internal auditors.

The messages were conveyed to **Philippe De Backer**, Member of the European Parliament and **Marc Pickeur**, Member of the International Auditing and Assurance Standards Board (IAASB) who spoke at the conference.

2.5. A CONFERENCE ON THE COMPLY OR EXPLAIN PRINCIPLE (9 October 2015)

On 9 October, ecoDa organized an [event](#) in cooperation with Mazars to promote its survey on “Corporate Governance Compliance and Monitoring Systems across the EU”.

The objective for ecoDa is to secure a level playing field as to the scope and approach used; foster a better respect for flexibility and rehabilitate the route of explanations; promote a more harmonized approach to monitoring in general and evaluating/stimulating high quality explanations; continue to demand more attention for the decision-making process in respect of governance.

Key message: More attention might be needed to achieve objective monitoring of governance reporting.

The conference was hosted on the premises of the European Commission. It was attended by the “small community” of Corporate Governance with a few members of the European Corporate Governance Codes Network (ECGCN).

2.6. TWO EDUCATION SESSIONS (26&27 March 2015, 19&20 October 2015)

ecoDa continued to organize a European module for directors and supervisory board members seeking to gain a European perspective on board functioning and CG twice a year in Brussels. ecoDa adjusted its [programme](#) which now includes presentations on mega-trends. ecoDa education programme now includes an international dimension with a presentation on non-EU trends.

In 2015, ecoDa renewed its academic partnership with INSEAD.

The number of participants varied a lot: 25 participants in March 2015, 36 participants in October.

3. Our Knowledge / Sharing practices

The flow of information generated at ecoDa’s level is dense and serves the development and the influence of its members.

3.1. OUR WEEKLY UPDATES

Each week, ecoDa provides a sum-up of the EU information related to Corporate Governance. The trend is to include more and more national information. In addition, the secretary general sent quarterly comprehensive reports with details on the different legislative files. Newsletters are sent out regularly but with less detailed information in comparison to the news kept for the members.

3.2. OUR BENCHMARKS

ecoDa is an arena where our members meet, network and share knowledge about both corporate governance issues and IoDs business models. To increase our efficiency in this field, we have performed in 2015 a round of interviews among our members to gather their expectations with regard to Benchmark and Information Committees’ missions, work organization and key topics for the coming years.

3.2.1 Benchmarks on Corporate Governance Topics

✓ A benchmark on Employees' Representation in boardrooms

Given that the role of employees is becoming more and more a topic in the EU legislative debate (Shareholders' right Directive, Capital Market Union, A possible initiative report on "Workers representation on board level in Europe" to be issued in 2016), ecoDa has undertaken a related benchmark in comparison with ETUI (European Trade Union Institute) and EFES (European Federation of Employee Share Ownership).

Main outcome:

- The importance of the corporate governance topic related to employee on boards is confirmed by the increase of implementation of such systems in Europe and specifically among countries of ecoDa's members.
- Two thirds of European countries (65%) have put in place mechanisms of representation of employee on boards, either limited to state-owned sector (20%) or extended to private companies (45%). Only 35% of European countries remain without systems of employee on boards.
- This European trend is slightly emphasized among ecoDa's members, since 69% (vs 65% in Europe) have put in place mechanisms of representation of employee on boards, either limited to state-owned sector (16% vs 20% in Europe) or extended to private companies (53% vs 45% in Europe). Only 31% (vs 3% in Europe) of ecoDa members' countries remain without systems of employee on boards.

✓ A short benchmark on clawbacks

ecoDa analyzed briefly the sets of regulation in Member States on clawbacks which have not been implemented outside the CRD IV directive requirements.

It appeared that it is hard to make such clawback formula legally robust.

✓ A short benchmark on "digital board" surveys and studies

Topics related to digital boards are burning matters. Before designing an ecoDa's roadmap for next year in this field with orientations delivering new added value and innovative view, we realized a benchmark of main existing surveys and studies.

Main outcome: Three major concerns have been identified:

- What is the existing and required level of directors' know-how and how to recruit digital skilled directors?
- How are digital economy challenges taken into account in board's strategic debate to decide company's risk appetite level and future business model? What are the impacts on board efficiency?
- How to communicate on digital issues, on the one hand internally between board and top management, on the other hand externally to shareholders, investors and other stakeholders?

3.2.2 Benchmarks on Business Models of the IoDs

✓ A Benchmark on the Financing of our Institutes

Main outcome:

- Fund raising remains a key issue for IoDs with two objectives: to develop existing sources of revenues and to reach new ones (including *ad hoc* financing for projects).
- Consultancy is seen as a source of new developments (including boards' evaluation for some IoDs).
- A major concern for all IoDs: to deliver "value for money" to fund providers (members, partners...)

✓ A Benchmark on Induction Process for New Individual Members

ecoDa's members wanted to share operational information on the way they select their individual members and on how they welcome them in the organization in terms of communication but also with regards to materials that they receive in order to keep them active.

✓ A Benchmark on Research Committees Developed within the Institutes

Main outcome:

- Research brings added and sustainable value to:
 - (a) The IoDs: increased intellectual capital, reputation, image, networks, credibility as a player of reference in the CG world,
 - (b) The IoDs' members: additional knowledge, possibility to benefit by a process of open innovation including academics but in fine focused on relevant ways to best practice for an efficient board
 - (c) Other stakeholders: a leverage to reinforce their engagement and loyalty, all the more for those involved in some research projects
 - (d) The economic and business community: positive externalities delivered and global utility value, as parts of IoDs CSR.
- Research is an investment for IoDs:
 - Research corresponds to an investment in time and money as there is a:
 - (a) Need to manage a dedicated governance body (internal entity, research club...) to maintain and develop the research dynamics,
 - (b) Need to develop research projects, actions of communication and visibility (events, publication, award...)
 - (c) Need to develop constantly sustainable links with academics world and relevant networks, to remain at the heart of Corporate governance perspectives and challenges
 - (d) Need to disseminate research internally (specifically in local branches) and externally

PART 3 Our Annual Accounts & Auditor Report

ECODA asbl
Avenue des Arts 41
B-1040 BRUXELLES

VAT BE0870.726.636

BALANCE SHEET in euros at

		end 2015	end 2014	
ASSETS				
	FIXED ASSETS	20/28	7.188,29	15.057,09
I. Preliminary expenses (exhibit I)	20			
II. Intangible assets (exh. II)	21	72,06		5.059,02
III. Tangible assets (exh. III)	22/27	7.116,23		9.998,07
	FIXED ASSETS	29/58	202.979,99	177.310,54
V. Long-term accounts receivable (more than one year)	29			
VI.Stocks and orders in progress	3			
VII. Short-term receivables (up to one year)	40/41	26.625,86		23.381,18
VIII. Short-term investments (exh. VI)	50/53			
IX. Cash assets	54/58	173.533,69		153.564,90
X. Accruals (exh. VII)	490/1	2.820,44		364,46
TOTAL ASSETS		210.168,28		192.367,63
LIABILITIES				
	OWN FUNDS	10/15	146.352,51	135.129,83
I. Own funds	10	133.331,00		126.665,00
V. Bonus and malus carried forward	140	13.021,51		8.464,83
	LIABILITIES	17/49	63.815,77	57.237,80
VIII. Long-term liabilities (exh. X)	17			
IX. Short-term liabilities - up to one year (exh. X)	42/48	61.867,07		57.237,80
X. Accruals (exh. XI)	492/3	1.948,70		
TOTAL LIABILITIES		210.168,28		192.367,63

PROFIT AND LOSS ACCOUNT

INCOME STATEMENT

I. Sales and services	70/74	304.334,74	280.681,15
A. Turnover (exh. XII, A)	70	63.852,76	62.076,67
C. Fees, donations, bequests et grants (exh. XII, B)	72	238.433,64	217.152,00
D. Other operating revenues	74	2.048,34	1.452,48
II. Cost of sales and services	60/64	(301.499,35)	(284.447,93)
A. Procurement and merchandise	60	32.011,78	36.217,30
B. Miscellaneous goods and services	61	79.201,53	105.669,43
C. Salaries and wages, social expenses and pensions (exh. XII, C2)	62	171.655,98	132.956,27
D. Depreciations and amounts written down on preliminary expenses, intangible and	630	7.584,73	7.868,78
E. Amounts written down on stock, orders in progress and on trade debts (allowance)	631/4	6.557,46	1.693,00
G. Other operating expenses (exh. XII, F)	640/8	4.487,87	43,15
III. Operating bonus (+)	70/64	2.835,39	
Operating malus (-)	64/70		(3.766,78)
IV. Financial income	75	379,54	764,04
V. Financial expenses	65	(898,70)	(389,29)
VI. Current bonus before tax (+)	70/65	2.316,23	
Current malus before tax (-)	65/70		(3.392,03)
VII. Extraordinary revenues	76	9.116,64	
VIII. Charges exceptionnelles	66	(6.876,19)	(8.750,00)
IX. Bonus of current accounting year before tax	70/66	4.556,68	
Malus of current accounting year before tax (-)	66/70		(12.142,03)

RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

040000 Third Holders on their behalf of values	OUT	(30.000,65)	(13.333,33)
041000 Value Held by third Parties in their name	OUT	30.000,65	13.333,33



Crowe Horwath

Callens, Pirenne, Theunissen & C^o

member of Crowe Horwath International

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AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS
ON THE ANNUAL ACCOUNTS
FOR THE YEAR ENDED ON 31ST DECEMBER 2015

Réviseurs d'Entreprises | Bedrijfsrevisoren | Belgische Wirtschaftsprüfer
Agréé pour les Institutions Financières | Erkend voor de Financiële Instellingen | Für Finanzinstitute anerkannt
Agréé par l'Office de contrôle des mutualités | Erkend door de Controledienst voor de Ziekenfondsen | Von der Krankenkassenaufsicht anerkannt

Antwerp | Brussels | Hasselt | Kortrijk | Namur | Verviers | Luxembourg (L) | Berlin (G) | Lille (F)
Audit and Assurance | Accounting | Tax and Legal | Risk Consulting | Corporate Finance

Numéro d'Entreprise TVA | Ondernemingsnummer BTW BE 0427.897.088
Deutsche Bank: 611-0929540-59 | IBAN: BE84 6110 9295 4059 | BIC: DEUTBEBE
Société Civile ayant emprunté la forme d'une Société Cooperative | Burgerlijke vennootschap die de rechtsvorm van een cooperatieve vennootschap heeft aangenomen | Bürgerliche Gesellschaft die die Rechtsform einer Genossenschaft mit Beschränkter Haftung angenommen hat



Callens, Pirenne, Theunissen & C°

member of Crowe Horwath International

Dear Sirs,

We have the honour of delivering you our report on the limited audit you asked to conduct for the year ended December 31, 2015.

We have performed a limited review of the annual accounts prepared under the supervision of the board of directors for the financial year ended December 31, 2015 with a balance sheet of € 210.168 and a benefit of € 5.305.

Our limited review of the financial information was conducted in accordance with the standard "ISRE 2400" related to limited reviews applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises". A limited review consists of making inquiries of management and applying analytical and other review procedures to the financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on annual accounts as issued by the "Institut des Réviseurs d'Entreprises". Accordingly, we do not express an audit opinion.

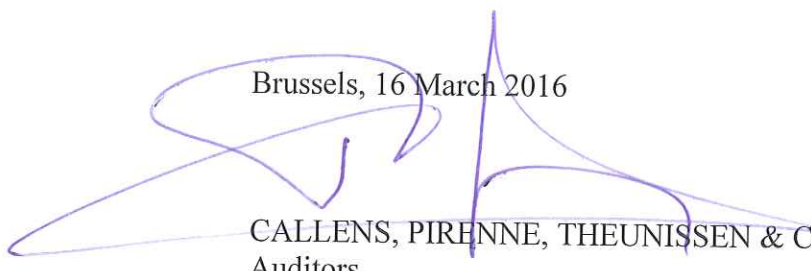
The board of directors of the company is responsible for the preparation and fair presentation of this financial information. Our responsibility is to express a conclusion on this financial information based on our review.

According to the ISRE 2400, we have taken into account the way of dealing with the administrative and financial matters of the Association and its internal control policies. The representatives of the Association have responded with clarity to our requests for explanations and information. We have examined the explanations related to the figures given on the financial statements by questioning.

In conclusion, while considering the work undertaken, our analysis of the financial statements has not revealed any elements that could lead to significant amendments of the financial statements.

Based on our limited review, nothing has come to our attention that causes us to believe that the financial information ended December 31, 2015 is not prepared, in all material respects, in accordance with the accounting standards as adopted in Belgium.

Brussels, 16 March 2016


CALLENS, PIRENNE, THEUNISSEN & Co SCC
Auditors
Represented by Baudouin Theunissen
Auditor

Original version of this auditor's report in French