2012 Activity Report

The European Voice of Directors

ecoDa

Confédération Européenne des Associations d'Administrateurs

European Confederation of Directors' Associations

Foreword by ecoDa Chairman, Patrick Zurstrassen

When looking back at a full year's accomplishments, it is obvious that in 2012 ecoDa enhanced its visibility towards European legislators and other stakeholders. ecoDa produced consistent policy papers (including reports, guidance, responses to consultations) and organized very high level events with distinguished speakers.

The European Voice of Directors took the initiative to organize a European conference on the Comply or Explain principle with the sponsorship of Mazars. Notwithstanding the quality of the contribution presented at this conference and the interesting ideas expressed during the different panel discussions, ecoDa decided to issue a printed report to further feed and enhance the European discussion.

A high level roundtable organised by ACCA (Association of Chartered Certified Accountants) in partnership with ecoDa was hosted at the European Parliament in the presence of the European Commission. Following our past guidance on audit committee, ecoDa continued to emphasize the vital function that audit committees (and other equivalent bodies) fulfil in many EU companies.

Moreover, ecoDa developed a working group on internal audit with ECIIA and organised a launch event to issue common guidance on internal audit developed for directors as a result of the reflection undertaken by the two organisations.

I would like to pay a special tribute to the members of our Policy Committee and its chairwoman Lutgart Van den Berghe for their commitments to defining ecoDa's opinion on key policy issues and to producing high quality position papers which enable ecoDa to play an active part in the European decision-making process.

When looking back at last year, I have also to mention our 2 day training programme for European directors, held twice in 2012. The interest in this unique pan-European programme remains high and we have tried to make it very practical.

I am very happy to report that we managed to attract new members from Germany, Sweden, Denmark, and Macedonia thanks to the efforts undertaken during the past years. I am delighted that these new members have already proved to be committed to taking part in our works.

In addition, ecoDa has given an international dimension to its reflection and actions by fostering a new relationship with the IFC (World Bank) and joining the newly created Global Network of Directors Institutes (GNDI).

I am honoured by the trust that the board places in me at the helm of our Confederation and I am delighted to serve for an additional year. ecoDa will be notably busy in following-up on the proposals outlined in the European Action Plan on Corporate Governance and voicing the interests of European directors.

Patrick Zurstrassen
ecoDa Chairman

About ecoDa

The European Confederation of Directors' Associations, ecoDa, is a not-for-profit association based in Brussels, acting since March 2005 as the "*European voice of directors*". Through its national institutes of directors (the main national institutes existing in Europe), ecoDa represents around fifty-five thousand board directors from across the EU member states.

ecoDa's mission is to promote good corporate governance and improve the effectiveness of boards of directors and/or supervisory boards, both by influencing the public policy debate at EU level and by promoting appropriate director training, professional development and boardroom best practice.

ecoDa membership includes full members, affiliated members, corporate associates and research associates.

The **full members** are the following national institutes of directors:

- Institute of Directors, IoD, United Kingdom
- Institut Français des Administrateurs, IFA, France
- GUBERNA, Belgium
- Institut Luxembourgeois des Administrateurs, ILA, Luxembourg
- The Directors' Institute of Finland, Finland
- Instituto de Consejeros – Administradores, IC-A, Spain
- The Slovenian Directors' Association, Slovenia
- The Polish Institute of Directors, Polski Instytut Dyrektorów, Poland
- The Norwegian Institute of Directors (Norsk Institutt for Styremedlemmer), Norway
- The Swedish Academy of Board Directors (StyrelseAkademien) Sweden.

The **affiliated members** are either directors' associations established outside of the laws of a Member State of the European Union or of the European Economic Area or alternatively non-profit associations of professionals contributing to the work of company directors. The affiliated members are currently:

- The Croatian Institute of Directors, HUCNO, Croatia
- The Macedonian Institute of Directors
- The British Institute of Chartered Secretaries and Administrators, ICSA, United Kingdom
- The European Confederation of Institutes of Internal Auditing (ECIIA)
- The Institute of Business Ethics (IBE)
- The Association "Femmes diplômées d'expertise comptable Administrateurs"AFECA

The **corporate associates** are firms that are adhering to ecoDa objectives, they are contributing to ecoDa in financial terms and are participating in the work of ecoDa.

The current corporate associates are:

- The Danish Board Network
- The Audit Committee Institutes' network of the KPMG member firms in Europe
- GermanBoardRoom

Our **research associate** (category for universities, research centres, and think tanks), is:

- The Canadian « Collège des Administrateurs de Sociétés/Laval University »

I – BUSINESS REVIEW

A– A BROADER NETWORK

➢ *An affiliation to the Global Network of Directors institutes (GNDI)*

ecoDa has joined the Global Network of Director Institutes (GNDI), an international partnership between nine leading membership organisations for company directors in Australia, Brazil, Canada, Europe, Malaysia, New Zealand, South Africa, the United Kingdom, and the United States. The GNDI will complement the work of its member organisations by fostering close cooperation between national director organisations and providing a global forum to share experiences, case studies, leading practices and current or emerging corporate governance issues affecting the boardroom and its stakeholders.

GNDI members will collaborate to:

- Anticipate and explore emerging issues having global impacts on corporate governance;
- Develop and promote leading practices and programs that enhance the ability of corporate directors to ensure long-term, sustainable performance for the benefit of shareholders and other stakeholders;
- Educate key influencers regarding the benefits and values of exemplary leadership in the boardroom; and
- Amplify the voices and perspectives of corporate directors on matters related to boardroom leadership.

The founding member institutes of the GNDI, which collectively represent more than 100,000 corporate directors worldwide, are:

- Australian Institute of Company Directors (AICD),
- Brazilian Institute of Corporate Governance (IBGC) in Brazil
- European Confederation of Directors Associations (ecoDa)
- Institute of Corporate Directors (ICD) in Canada,
- Institute of Directors in New Zealand (IoDNZ),
- Institute of Directors in Southern Africa (IoDSA),
- Institute of Directors (IoD) in the United Kingdom,
- Malaysian Alliance of Corporate Directors (MACD), and
- National Association of Corporate Directors (NACD) in the United States.

www.gndi.org

ecoDa members should be able to join the network.

➢ *A partnership signed with IFC (World Bank)*

ecoDa has signed a Memorandum of Understanding with the IFC (a member of The World Bank Group, which is an international organization whose mission is to promote sustainable private sector investment in developing countries, helping to reduce poverty and improve people's lives).

The objective of the Memorandum is to formalise close cooperation to achieve their common objectives. In particular, these discussions could cover:

- the provision of capacity-building support to Macedonian Institute of Directors;

- advocacy, sharing of best practices and institutional capacity building in the field of corporate governance in mutually agreed countries;
- development of knowledge products related to improving corporate governance in ECA;
- what each would seek to do to ensure the attainment of the common goals; and
- the expected timeframe within which each would hope to complete its work.

√ **Regional conference of IFC with the Macedonian IoD on Board Development Program at Skopje in Macedonia -** Patrick Zurstrassen in October 2012.

New members

√ **one new full member, two new affiliated members, one new corporate member and an application as a full member**

The Swedish Academy of Board Directors (StyrelseAkademien) joined ecoDa as a full member in January 2012. It is a non-profit organisation founded in 1991 whose aim is to strengthen the performance and growth of the Swedish corporate sector through greater professionalism in the boards of companies and organisations. Its mission is to be a leading forum for opinion building and professional development of company directors and owners. The Academy was founded by Öjvind Norberg (member of ecoDa's Education Committee), Peter Sponbergs and Nils Ekblad. The Academy has 17 members/chapters with 5127 individual members. These 17 members represent 17 financially and legally independent associations. The objective is to get 20 chapters in two years.

The Swedish Academy of Board Directors (StyrelseAkademien) is chaired by Lars-Erik Forsgårdh.

www.styrelseakademien.se

The **Macedonian Institute of Directors (Институт на директори)** joined ecoDa as an affiliated member in July 2012. The institute has been established recently and has 42 members. Their main aim is to increase the membership and to develop the Institute by undertaking training programmes. The Institute also intends to be active with the Media and to organise different events. The membership of the Institute currently comprises only individual members for the time being but its statutes made the Institute open to corporate members. The Institute benefits from the support of the IFC.

www.iod.org.mk

The **Danish Board Network** joined ecoDa as a Corporate Associate in November 2012. It is legally registered as an ApS – a Danish limited company. The shareholders are Ditte Kirstein Brammer and Jakob Stengel. The emphasis of the Danish Board Network is on value creation through forward-looking strategy and leadership. Hence, The Danish Board Network fulfils the rapidly growing need for collaboration and exchange of experience among like-minded Non-Executive Chairmen and Directors. The network exclusively addresses experienced Non-Executive Directors to ensure the greatest possible degree of valuable interaction between members. Members are accepted after an application process in writing that is reviewed by their Membership Committee. The Danish Board Network offers 4 annual meetings, including 3 annual members-only meetings and The Danish Board Conference. Membership includes access to all 4 meetings.

www.boardnetwork.dk

VARD VEREINIGUNG DER AUFSICHTSRÄTE IN DEUTSCHLAND e.V.

ecoDa received an application from the **German Directors' Association (Vereinigung der Aufsichtsräte in Deutschland e.V., VARD).** VARD is an independent individual membership based non-profit organization with no corporate affiliations. The goal of the Association is to contribute to improving the quality of Supervisory Board work with the ultimate goal of establishing Supervisory Board work as a profession and to develop working principles for this purpose. The Association will also represent the profession in discussions with policy makers, the scientific community, the media and in the public arena and will promote international cooperation in the Corporate Governance area from the Supervisory Board perspective.
Prof. Dr. Plumpe is VARD president and Peter Dehnen is vice-chairman of the advisory board.

www.vard.de

Femmes
Diplômées d'Expertise Comptable Administrateurs

The **French Association of "Femmes Diplômées d'Expertise Comptable Administrateurs",** (**AFECA**), a French association promoting women on boards, joined ecoDa as an affiliated member in June 2012. AFECA represents female accountants who are also directors or looking for directors mandates.
AFECA is chaired by Marie-Ange Andrieux.

www.femmes-experts-comptables.com

B – POLICY MAKING

1- ECODA'S RESPONSES TO THE EU INITIATIVES

➢ Participation in the survey conducted for the European Commission on gender quotas

The European Commission requested a study to support an impact assessment on the flexibility, costs and benefits of possible EU measures on gender quotas in company boardrooms from a European Public Policy Consultancy based in London. In parallel, the Commission was working on their own version of the impact assessment.

Most of ecoDa's members kindly contributed to this survey which was submitted to the Commission.

√ ecoDa members' views mentioned in a Report for the European Commission

➢ Response to EU Commission Consultation on Gender Equality in Corporate Board Rooms

On the basis of the Progress Report "Women in economic decision-making in the EU" presented by Vice-President Viviane Reding on 5 March 2012, the Commission launched a public consultation of stakeholders on possible measures in this context.

<u>ecoDa's response includes the following statements:</u>

It is hard to determine one common route to diversity throughout Europe. ecoDa is of the opinion that it is the direction which is important, not the method chosen and that the EU will not be able to define a general regulation with which every country will feel comfortable. Therefore, ecoDa suggests a route of self-regulation, with the stipulation that each national government should be able to decide its own route towards promoting gender diversity.

ecoDa is of the opinion that a first important step is to encourage boards to look at the diversity policy at large. In order to get more female representation in boardrooms it is of utmost importance to stimulate gender diversity throughout the company and especially in the ranks of middle and top management. This is the most relevant pool from which to attract future female board members. Another important action line is the professional development of potential directors. More attention for director education and training is crucial in this respect. Complementary to the director education programs already offered by ecoDa and its members, ecoDa also wants to promote mentoring programs throughout the European Union. Facilitating the transfer of practical knowledge from experienced directors to candidates for board mandates has proven to be a fruitful path towards enlarging the talent pool of female directors. Indeed, some member organizations, such as GUBERNA (Belgium) and IFA (France) have mentoring programs already in place. ecoDa would like to stress that such initiatives are equally relevant whether regulations are self-imposed or a legal requirement. We also hold that these initiatives should be of equal interest – and should be offered equally – to both genders.

In order to stimulate the companies to comply in a timely manner with the gender diversity recommendations, ecoDa would also like to suggest full transparency of the gender diversity policy, as well as of the concrete steps taken to implement this policy. Therefore, ecoDa is of the opinion that a more diverse board, including gender diversity, promotes a richer debate on corporate risk in the board room. Also, restricting recruitment to the male half of the population makes poor use of the other half of the talent pool and of society's investments in education. Simply said, to remain competitive, companies and countries will need to make optimal use of its resources, including education, experience, and manpower. Moreover, ecoDa points out that if we want business to reflect societal norms, women should play a role, otherwise business will not be legitimate.

ecoDa would like to propose investigating to what extent state-owned enterprises, as well as financially sensitive non-listed companies should be subjected to the same or similar recommendations or rules (whatever the system chosen).

ecoDa already pointed out that we should pay more attention to promoting gender diversity in middle and top management. This is a far more logical step for 'growing' the pool of potential female board candidates and is also very important for stimulating a culture of gender diversity within all layers of a company. However, ecoDa is of the opinion that copying the actual quota approach to executive board mandates and executive management is going too far for the time being.

The full position paper:
http://www.ecoda.org/docs/Position%20Papers/2012_05_25%20reaction%20to%20EU%20Commission%20Consultation%20on%20Gender%20Equality%20in%20Corporate%20Board%20Rooms/ecoDareaction-GenderDiversity-25May2012.pdf

√ **A GNDI draft policy paper on board diversity**

Latest EU developments:

On 14 November 2012, the European Commission issued a Directive which sets a minimum objective of 40% by 2020 for members of the under- represented sex for non-executive members of the boards of publicly listed companies in Europe, or 2018 for public undertakings. The proposal also includes, as a complementary measure, a "flexi quota": an obligation for listed companies to set themselves individual, self-regulatory targets regarding the representation of both sexes among executive directors to be met by 2020 (or 2018 in the case of public undertakings). Companies will have to report annually on the progress made. Qualification and merit will remain the key criteria for a job on the board. The directive establishes a minimum harmonisation of corporate governance requirements, as appointment decisions will have to be based on objective qualifications criteria. Inbuilt safeguards will make sure that there is no unconditional, automatic promotion of the under-represented sex. In line with the European Court of Justice's case law on positive action, preference shall be given to the equally qualified under-represented sex, unless an objective assessment taking into account all criteria specific to the individual candidates tilts the balance in favour of the candidate of the other sex. Member States that already have an effective system in place will be able to keep it provided it is equally efficient as the proposed system in attaining the objective of a presence of 40% of the under-represented sex among non-executive directors by 2020. And Member States remain free to introduce measures that go beyond the proposed system. Member States will have to lay down appropriate and dissuasive sanctions for companies in breach of the Directive.

On 12th December 2012, the European Commission launched a "Global Board Ready Women" searchable database list. The database and the forum are administered by the Financial Times Non-Executive Directors' Club on the global business platform, LinkedIn. All women listed in the Global Board Ready Women (GBRW) searchable database are suitable to be considered for publicly listed company board-level positions and meet a clear set of criteria as developed and defined over the last year and a half by the organization members of the European Business Schools/Women on Board initiative.

ecoDa repeated its position to the European Commission and European Parliament.
ecoDa encouraged its members to fill in the "Global Board Ready Women" searchable database list.

Forward looking: ecoDa has decided to set up a working group in 2013 to focus on diversity at large and to address the question of selection of professional board members.

➢ *Response to EU Consultation on the future of European Company Law*

DG Internal Market and Services launched a reflection exercise at the end of 2010 with the creation of an ad hoc reflection group composed of eminent academics. This group presented a report to the

Commission which contained a number of recommendations for action1. The report was discussed at a public conference in Brussels on 16 and 17 May 2012. The Commission then launched a public consultation to seek views from all stakeholders on European company law from 2012 onwards.

<u>ecoDa's response includes the following statements:</u>

For the purpose of Governance Recommendations and laws, ecoDa is of the opinion that the distinction between a listed and an unlisted company is far more relevant than the private/public distinction. Governance challenges and recommendations differ considerably between listed and unlisted companies. However, there should be more attention given to the following issues:

Listed companies are not a homogeneous group. They do not face the same governance challenges in all EU countries (and challenges may differ even within Member States). One of the main differential factors is the degree of shareholding concentration as well as the typology of the main shareholding blocks. A more nuanced approach is necessary in relation to the relevant governance mechanisms (e.g. greater focus on issues relating to shareholder activism and short term thinking in a model with highly volatile and dispersed shareholding versus the need to take account of private benefits and related parties transactions in models with controlling shareholders). Proportionality should be built into the system, in relation to the size of listed companies and the risks involved (cf. systemic banking institutions). However, economic importance might also be an important discriminating factor. Recommendations might need to become mandatory for unlisted companies if they are considered sensitive and economically important business firms (cf. subsidiary companies in sensitive sectors like financial sectors, utilities). Attention should be given to potential distortion of the level playing field between competing firms. This might arise due to the fact that listing on a regulated market becomes overly burdensome in comparison to listing on an alternative market or remaining unlisted. Moreover, politicians seem to adhere to the misconception that listed companies are part of the 'public domain'; ignoring the fact that (most of the time) they are private property. To take stock of potential distortions, critical cost-benefit analysis on a periodic basis is essential.

the diversity of corporate governance models reflects the complexity of modern business enterprises. This diversity should not be viewed as an obstacle, but as a treasure, proving that different solutions exist to a wide variety of business challenges. On the basis of the same line of thinking, we should not seek a complete European harmonization of governance regulation and corporate law, but rather favour flexibility by stimulating Member States to consider policy options from other jurisdictions to supplement their national solutions

ecoDa is of the opinion that the need for investors to make an increased contribution to governance and the long term viability of companies may require that amendments are made to the by-laws or the governance charter of (some) listed companies. Whatever the shareholding structure, it is the duty of the board to devote sufficient time to developing a long term viability policy, while also taking the short term imperatives of the business and its shareholders into account. The annual governance statement should give a clear description of such policy and its execution in practice.

The dismissal of directors at will (ad nutum) is a legal principle in different European countries (e.g. Belgium, France). If such a system of 'dismissal at will' exists, ecoDa wants to stress the need for integrating into the respective corporate governance codes some safeguards to guarantee that such rules do not hamper the independent attitude of directors, e.g. by providing enough transparency in case of any premature dismissal of independent directors.

ecoDa is of the opinion a more critical evaluation of the independent behaviour of directors might be far more important than any stringent a-priori check of the formal independence in comparison to a detailed list of independence criteria.

Whether firms opt for a one-tier board or a two-tier board, there should always be a clear delineation between the responsibilities of (non-executive) directors and managers (executive board).

Regarding group's companies, a special point of attention is the position of the 'external' director in the board of a subsidiary company (listed or unlisted). A clear indication should be given in the annual governance statement of the (listed) mother company of the model used to govern and manage the group.

The full position paper:
http://www.ecoda.org/docs/Position%20Papers/2012_06_01%20ecoDa%20response%20to%20the%20EU%20consultation%20on%20Company%20Law/ecoDa_CompanyLaw-1June2012.pdf

Latest EU developments:

The Commission Communication "Action Plan: European company law and corporate governance – a modern legal framework for more engaged shareholders and sustainable companies" of 12 December 2012 outlines the initiatives which the Commission intends to take in this area in the coming years in order to modernise and enhance the current framework.

The initiatives, which will be both legislative and non-legislative, follow three main lines:
- Enhancing transparency between companies and investors
- Encouraging long-term shareholder engagement
- Improving the framework for cross-border operation of companies

In addition, the Action Plan also launches a process of codification of most company law directives.

Press release issued by ecoDa on 12th December 2012 (jointly with EuropeanIssuers and ACCA)

- ***Response to Draft Guidelines for assessing the suitability of members of the management body and key function holders of a credit institution (EBA consultation)***

In April 2012, the European Banking Authority (EBA) launched a consultation on the draft guidelines on the assessment of the suitability of members of the management body and key function holders. The proposed Guidelines set out the process, criteria and minimum requirements for assessing the suitability of those persons. Once implemented, the Guidelines will help to ensure the quality of the assessments made.

ecoDa's response includes the following statements:

ecoDa welcomes that the EBA confirms that for governance matters a comply or explain approach is the most feasible route to offer sufficient flexibility to the Member States and hopes that the competent authorities will use the same approach in order to offer the flexibility needed in the very diverse landscape of financial institutions under their supervision.

ecoDa wants to propose not to use the term 'management body' as the main reference group, but rather the term 'board'. Whatever board model used, the term board applies to the one or two top organs that govern the company. On the contrary using the term 'management body' might be misleading for both models.

ecoDa welcomes the interest the EBA attaches to Internal Governance. ecoDa is indeed convinced that good governance does not stop at board level. On the contrary, good governance needs to be embedded throughout the organisation and should be an attitude at all levels of decision-making. However, ecoDa doubts to what extent the competent authorities have to intervene directly into the assessment and the nomination of numerous other key function holders.

Since the members of the management body perform specific functions and roles, it is assumed that the assessment process and criteria can differ (p7). ecoDa wants to point out that this 'functional' approach should be adapted for the assessment of the suitability of directors. Notwithstanding the increased role played by board committees, the legal assumption is that the (supervisory) board functions as a college. Any individual director assessment should therefore be judged within the framework of the overall board suitability. The assessment of the suitability of an individual (non-executive) director should be based on a double set of criteria: the general criteria for a professional board mandate should be coupled with the specific needs of a vacancy.

This last element has to be defined in relation to the necessary diversity and complementarity in experience. Moreover special attention might be paid to the increasingly important role of the chairman of the board.

Complementary to the intervention at the time of the nomination, the competent authorities or regulators should place greater emphasis on what happens after the appointment, e.g. in terms of induction, training and ongoing professional development. In that context, they will have an opportunity to influence the attitudes and approaches of the appointee in a way that reflects their distinctive responsibilities in running a major financial institution. Another requirement to which the EBA Guidelines point is the requirement that directors should devote 'sufficient time' to their board mandate. In contrast to the CRDIV, the EBA however does not substantiate what such requirement means in practice. ecoDa wants to explicitly warn for making simple limitations, such as 5 board mandates. There is no such thing as a simple and single rule to judge the 'time available' for a specific board mandate. Careful analysis is essential to judge the time investment associated with combinations of quite divergent types of non-executive functions coupled with or without executive responsibilities.

Although ecoDa welcomes the in-depth guidance on the assessment of the directors and managers of the financial institution, ecoDa also would like to warn against double and even triple assessment levels. In these Guidelines, nowhere is reference made to the key role shareholders have to play when it comes to assessing the suitability of directors. This contrasts with the CRDIV proposals that explicitly mention that this is a fundamental duty of the shareholders. More transparency on the nomination methodology used could be the route to stimulate a more professional governance process. ecoDa is of the opinion that improved transparency towards controlling authorities and shareholders of the nomination process and the suitability at the point of nomination as well as on a continuing basis might be the best guarantee for a flexible as well as efficient assessment process.

The full position paper:
http://www.ecoda.org/docs/Position%20Papers/2012_07%20ecoDa%27s%20response%20EBA%20Consultation/EBA%202012_07ecoDa%27sresponse-EBAConsultation.pdf

√ **Hearing organised by EBA on 1st June 2012:**
Participation of Roger Barker on behalf of ecoDa in London.

- ***Response to the proposal for a directive of the European Parliament and the Council amending directive 2006/43/EC on Statutory audits of annual accounts and consolidated accounts***

EU rules have partially regulated statutory audit through the Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts. However, the high degree of concentration in the audit market and the multitude of approval procedures necessary to provide cross-border statutory audits prevents small and medium-sized audit firms from benefiting from the internal market. The proposal on amending Directive 2006/43/EC aims to improve the internal market on statutory audits. It will coexist with a proposal for a regulation on the specific requirements on the statutory audit of public-interest entities. The two proposals are part of the ongoing regulatory reform in various domains of the financial sector.

According to the Commission, the reforms are intended to strengthen the independence of auditors and increase choice in the audit market. In addition, the Commission is proposing to create a Single Market for statutory audit services and a new approach to the supervision of auditors.

The key proposals are as follows:

- Requirement for audit committee. All public interest entities will be required to have an audit committee (or a body performing equivalent functions) comprised of non-executive directors (the majority of which must be independent).

- Mandatory rotation of audit firms: Audit firms will be required to rotate after a maximum engagement period of 6 years (with some exceptions). A cooling off period of 4 years will be applicable before the audit firm can be engaged again by the same client. Rotation can be extended to 9 years if joint audits (involving more than one audit firm) are performed.
- Mandatory tendering: Public-interest entities will be obliged to have an open and transparent tender procedure when selecting a new auditor.
- Non-audit services: Audit firms will be prohibited from providing non-audit services to their audit clients (although they may supply them to non-audit clients). In addition, large audit firms will be obliged to separate audit activities from non-audit activities in order to avoid conflicts of interest.
- European supervision of the audit sector: Oversight of auditor supervision activities within the EU will be undertaken by the European Markets and Securities Authority (ESMA).
- Freedom of movement for auditors: The Commission proposes the creation of a European passport for the audit profession.

<u>ecoDa response includes the following statements:</u>

ecoDa agrees with the European Commission that the market for audit firms in Europe is excessively concentrated, with negative implications for client choice. Furthermore, there is a high level of inertia in company-auditor relationships in many EU countries. As a general principle of sound corporate governance, companies should seek to rotate their auditors within a reasonable timescale.

However, in contrast to the Commission's approach, ecoDa believes that many of the challenges facing the EU audit market could be more effectively addressed by amendments to national corporate governance codes or – for issues where regulatory intervention is unavoidable – national-level regulation.

ecoDa has two key concerns with the current proposals. The first is that the Commission's proposals will reduce the ability of individual boards, audit committees and shareholders to make judgements concerning the appropriate relationship between the company and the external auditor. Many more aspects of the auditor-board relationship will be defined by legislative requirements.

In the view of ecoDa, such a limitation in the discretion of company-level decision making will not contribute to improved corporate governance or company performance. In most cases, audit committees – or equivalent company-level bodies - are better placed than regulators to make judgements about auditor independence and possible conflicts of interest.

A second major concern is that the proposed EU legislation imposes a "one-size-fits-all" regulatory solution across the 27 EU member states. Such an attempt to harmonise the workings of the audit market – and specifically the functioning of audit committees - does not take into account the diverse functioning of corporate governance in a number of countries. In our opinion, the proposed measures would create an unjustifiable disruption of existing practices without commensurate governance benefits.

ecoDa is supportive of the existing requirements– as defined in the 8th Directive on Statutory Audit - to include one individual with competence in accounting and/or auditing on the audit committee. However, the proposed new requirement for a second individual with an accounting/auditing background is unnecessary and overly prescriptive. Although specialist financial skills are a desirable attribute for at least some audit committee members, the audit committee should not be formulated as an excessively narrow and technically-focused body. Like the rest of the board and other committees, it should contain members with a balance of skills and professional experience.

The Commissions' proposals for the statutory responsibilities of audit committees are also likely to continue the process of shifting governance recommendations away from national corporate governance codes and into binding EU-level regulation. ecoDa does not believe that this is a desirable development. In many EU countries, audit committees work extremely well in the context of governance codes and the "comply or explain" principle. This permits boards and audit committees a degree of flexibility in terms of how they fulfil their role. The danger is that the legislative approach proposed by the Commission will reduce audit committees to organs of technical compliance rather than a sub-committee of the board with real judgemental responsibilities. Furthermore, the legal definition by the Commission of a highly prescriptive statutory role for audit committee is likely to lead to a situation in which the audit committee is regarded as a body that is distinct (and distant) from the board as a whole. This would be a negative development. All board committees – including the audit committee – exist to support the work of the full board in the fulfilment of its responsibilities.

A particular concern for ecoDa is that it will substantially reduce the power of boards and board committees (particularly the audit committee) to exercise their judgement in the engagement of professional advisers. This would be a negative development for European boards of directors and supervisory boards.

The Commission is now proposing mandatory audit firm rotation every six years for all Public Interest Entities (PIEs), or every nine years if the company is jointly audited by two auditors. As currently drafted, this proposal contains an implicit criticism of the audit committee's (or other relevant board committee's) ability to determine whether and when to change auditor. It constrains the audit committee's (and/or shareholders') choice of audit firm which could be detrimental to audit quality. Changes to national corporate governance codes - encouraging re-tendering and auditor rotation every ten years or so on a 'comply or explain' basis - would be a better solution from a cost-benefit perspective than mandatory rotation after only six years. Just as corporate governance codes suggest that a director can no longer be defined as 'independent' after a certain period of time, it would also be reasonable for codes to assign a similar time period to the 'independence' of the external auditor.

The decision as to whether to appoint joint auditors or not should be a matter for the individual company. ecoDa would not support European legislative proposals that overrode or second-guessed this company-level judgement.

ecoDa recognises that the sale of non-audit services by audit firms has the potential to create conflicts of interest that might bring the independence of the auditor into question. However, it should also be recognised that auditors are sometimes better placed than other external consultants to offer useful financial advice to the company, e.g. in relation to its internal control framework. Finding a balance between these considerations – within broad parameters - is a matter that is best left to the judgement of individual companies. We are also not convinced that pure audit companies are an effective solution to the problem of auditor independence. If an audit firm provides non-audit services to its non-audit clients, this is not necessarily a source of concern for auditor independence.

The full position paper:
http://www.ecoda.org/docs/Position%20Papers/2012_09_24%20ecoDa%27s%20position%20paper%20on%20EU%20Audit%20Reform/2012_09_24ecoDaPositionPaper_EUAuditReform.pdf

√ **Reinforcement of ecoDa positioning vis-à-vis the consulting firms:** various contacts with peer organisations (including FEE, ICAEW) and consulting firms (including Mazars and EFAQ Network regrouping the big four in Europe).

2- ECODA'S PROACTIVE INITIATIVES

➢ *Making the most of the internal audit function: recommendations for boards and audit committees*

ecoDa and ECIIA (the European Confederation of Institutes of Internal Auditors) set up a working group in January 2012 including Roland De Meulder, (Member of ECIIA Public Affair Committee (chair)), Dr Roger Barker (Head of Corporate Governance, Institute of Directors (Vice Chair)), Louis Vaurs (Advisor to the President of IFACI), Pierre-François Wéry (Partner, PWC Luxembourg, Governance Risk and controls leader), Laurent Berliner (Partner, Deloitte, Luxembourg), Jean Florent Rérole (KPMG), Christian Van Nedervelde (Corporate Senior Vice President Internal Audit, SES), Béatrice Richez-Baum (Secretary General ecoDa), Pascale Vandenbussche (Secretary General ECIIA) and Marie-Hélène Laimay (President of ECIIA).

Organisations want to be more robust in the future and need to strengthen their corporate governance. European listed companies are not achieving the full value and benefit from their internal audit departments. Recent ECIIA benchmarking shows that while most businesses have established such functions, they often fail to make a significant contribution to their strategic goals.

"Making the most of the Internal Audit Function" published by ecoDa and ECIIA, aims to address that problem.

Effective internal audit can not only provide assurance over a company's risk controls and governance processes, it can make sure that everyone is working effectively to that end with little waste or duplication. In addition, it can give comfort to directors and board committees that the decisions they make are based on sound assumptions and risk assessments – and can advise on how to improve the effectiveness of information flowing to the board.

The document poses ten major questions that companies must consider to achieve those benefits:

- Has there been a proper review of the need for an internal audit function where none exists?
- Has the board reviewed and approved an internal audit charter that gives the function the ability to act across the organisation and fulfil its assurance responsibilities?
- Does the chief audit executive report direct to the board and have unrestricted communication channels?
- Does the board contribute to the risk-based audit plan and approve it?
- Are internal audit staffing levels linked to the requirements of the risk-based audit plan?
- Is there are regular quality review of internal audit and who does it?
- Does internal audit give assurance on risk management across the entire organisation?
- How well does internal audit work with the external auditors?
- Does the board review internal audit reporting?
- And does it make sure internal audit recommendations have been followed through?

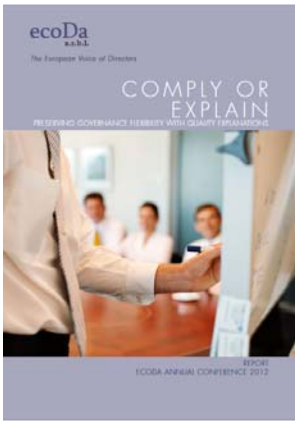
The document also challenges boards to put the three conditions in place that maximise internal audit's contribution to good governance practice: strong reporting lines to ensure its independence, a risk-based approach to the audit plan, and an investment in the professionalism and quality of staff. It contains a sample internal audit charter, audit committee charter and explanation of the Three Lines of Defence model of corporate governance advocated by ECIIA.

The Guidance:

http://www.ecoda.org/InternalAudit2012.html

√ **A publication sponsored by Deloitte and PWC,** largely circulated to stakeholders and subject of a dedicated conference.

➢ *Comply or explain: preserving governance flexibility with quality explanations*



The 2008 ISS/Risk Metrics study -to which ecoDa as a partner organization contributed actively- demonstrated that there was widespread support for this flexible approach but at the same time revealed that the quality of explanations deserved special attention. Although governance practices have improved considerably since then, the European Commission stated in its 2011 Governance Green Paper that the quality of company explanations could still be substantially improved. Although the Commission so far has dealt with this issue with caution and pragmatism, some make a plea for abandoning all together the flexibility that governance codes offer.

ecoDa 2012 conference on this issue was the basis for an ecoDa report (thanks to Lutgart van den Berghe), which also contains ecoDa strategic map for further improving the quality of corporate governance explanations in Europe.

The full Report:

http://www.ecoda.org/CoEreport.html

√ **A publication sponsored by Mazars,** largely circulated to stakeholders.

Forward looking: ecoDa will go on promoting its report.

➢ *Ethics and Corporate Governance*

In spite of a number of EU initiatives seeking to promote commonality across Europe regarding corporate governance, there remain different notions of what is fair and responsible governance in different countries – in terms of both governance arrangements and governance process. In addition, the context which influences ideas of right and ethical CG is ever changing. Are there are generally accepted principles across European member states or across large companies of an ethical way to govern business?

ecoDa joined an initiative conducted by the Institute of Business Ethics (IBE). The two organisations set up a working group including Philippa Foster Back (Chairwoman IBE, chair), Dr Roger Barker (Head of Corporate Governance, Institute of Directors), Benedikte Bettina Bjørn (Styreinstitutt, Norway), Amélie Bodson (Guberna), Julia Casson (Board Insight), Nicole Dando (IBE), Béatrice Richez-Baum (Secretary General ecoDa), Tapani Varjas (Directors' Institute of Finland) and Patrick Zurstrassen (Chairman ecoDa).

The objectives of the working group are:

1. To provide a comparative overview of the key ethical aspects of corporate governance frameworks within Europe (including examples from the EU, individual country and corporate levels).
2. To raise awareness of any key differences in principles of good/ethical governance and what this means in practice about the right way to govern a business.

√ **A survey conducted towards ecoDa members**

➢ *Follow-up of ecoDa Guidance on Corporate Governance for Unlisted companies*

√ **Reference in a book and insertion in a training pack for investors:**

ecoDa Guidance on Corporate Governance for Unlisted companies was circulated at a training programme organised by the European Private Equity and Venture Capital Association (EVCA) in November 2012. In addition, the lastest edition of a book on Corporate Governance published by Oxford University Press (OUP) and written by Christine Mallin will refer to the ecoDa Guidance.

C– COMMUNICATION & EVENTS

1. ECODA'S CONFERENCES

➢ ***Annual Conference on "Comply or Explain – Preserving Governance Flexibility with Quality Explanations",*** March 27, 2012 – Residence Palace, Brussels

√ **Around 90 participants**

Throughout Europe, the governance of listed companies is strongly influenced by governance codes that offer companies a frame of reference based on best practices, which companies are supposed to comply with, or in the case of non-compliance, explain why they deviate from the code's recommendation. Not surprisingly, comply-or-explain (CoE) in general and the quality of explanations more specifically is one of the top priorities of the European Action Plan on corporate governance.

Convinced that any move to dismantle comply or explain would be detrimental to a substantive improvement of the governance practices and would even be unfeasible for the largest part of the more qualitative governance recommendations, ecoDa –the Voice of European Directors- took the initiative to organize a European Conference sponsored by Mazars on this theme.

Fabrice Demarigny (Partner, Mazars) has moderated a first panel on *"The Comply or Explain principle: where do we stand?"* with Eddy Wymeersch (Chairman, the European Corporate Governance Institute (ECGI)), Jean-Nicolas Caprasse (Director ISS - Europe, European Governance Head) and Jaap Winter (Partner, De Brauw Blackstone Westbroek). A second panel on *"Practical application of the Comply or Explain in different European countries"* was moderated by Eric Ducoulombier (Acting Head of Unit, Unit F-2 - Corporate Governance and Social Responsibility, European Commission, Internal Market and Services DG), Herman Daems (Chairman of the Commission Corporate Governance Belgium and Chairman of BNP - Paribas Fortis & Barco), Peter Montagnon (Senior Investment Adviser, Financial Reporting Council), Jaap Winter (Partner, De Brauw Blackstone Westbroek), Per Lekvall (member of the Swedish Corporate Governance Board), Carmine Di Noia (Deputy Director General, ASSONIME), Ester Martinez (Head of Corporate Governance Unit, CNMV, Spain). A third panel related to *"Towards criteria to improve the quality of the explain option",* moderated by Patrick Zurstrassen (Chairman, ecoDa) included Prof. Dr. Lutgart Van den Berghe (Executive Director, GUBERNA), Simon Walker (Director General, the Institute of Directors (IoD)), Paul Moxey (Head of Corporate Governance and Risk Management, ACCA), Jesus Casado (Secretary General, European Family Businesses) and Jarkko Syyrila (Deputy Director General, EFAMA).

ecoDa is convinced that only an improvement of the quality of explanations can safeguard the flexibility offered today by the European governance approach.

It appeared from the discussion that for some years, the quality of governance in general and of the explanations for not following the recommended 'best practices' specified in corporate governance codes has been a key issue for policy makers, investors, companies and wider society. However, different factors have played a role in the gradual improvement of the quality of explanations. A first enhancement factor is the increasing role of the market regulators. Examples in this respect are the annual analysis of a sample of listed companies by the French AMF and its recommendations always expected with interest, and the annual monitoring studies done by the Dutch Monitoring Commission.

A second driver of more external monitoring can be found in the oversight role played by other stakeholders. Examples in this respect are the Swedish CG Board, which has monitored the content of the CG reports of the top tier listed companies and the Belgian joint venture between the business federation (VBO-FEB) 14 2012 Annual Conference — Comply or Explain and GUBERNA, who regularly examines the compliance with the governance codes by all companies of the large, mid- and small cap index. A third enhancement can be found in the increasing role of statutory auditors. The most striking example here is Sweden where the review of CG reports by external auditors is mandatory. More recently, a number of initiatives have been taken to develop best practices regarding qualitative explanations. Examples are the initiatives taken by the FRC in the UK and by the Belgian CG Commission (giving guidance on the content of the explanations as well as on the process the board should follow to this end).

Notwithstanding that there is some evidence that the quality of explanations and the quantity of the supervision are improving, it is obvious that more should be done to increase the effectiveness of the governance codes and to foster a better dialogue between companies and their shareholders. External transparency and accountability are key in building a corporate reputation that facilitates attracting the necessary financial and human resources. Given the self-regulatory approach, a thorough monitoring is essential to bring about the necessary credibility and legitimacy.

At the same time it is clear that transparency and monitoring based on this external information are only a first step in the direction of a well-governed company. Public disclosure and monitoring is a necessary but not at all a sufficient condition. It is not because we have a board composition that is fully in line with the code's recommendations, that we will make good decisions.

Complementary monitoring capability is best provided by a regular and thorough (independent) governance (or board) assessment. To this end, the requirement in the CG codes to foresee a regular board evaluation is the most important provision. But companies should not only enter into such an evaluation exercise for sake of compliance with the code. On the contrary, they should use this requirement to instil a culture of critical reflection and continuous improvement to make CG a value added for the company.

The whole discussion on CoE is valuable since it creates improved awareness of the complexities and possible dilemmas involved in developing good governance practices, tailored to the specific needs of the company. However the post financial crisis trauma led to an increased scepticism as to the effectiveness of governance codes in general and the self-regulatory approach with CoE more specifically.

In conclusion, as expressed by **Lutgart van den Berghe**, people should not forget that governance is not an end in itself but a means to an end. Companies should develop a governance model that helps them to reach the corporate goal and allows them to make effective decisions in the long term interest of the company, shareholders and stakeholders. The board is a crucial factor to this end. But also shareholders have to play their role to foster growth, strategy, entrepreneurship and sustainability. These questions should be at the heart of board and shareholder meetings and not the questions of compliance with a governance code. If too much attention is paid to overly formalistic questions in relation to governance compliance, the final goal of governance might be lost: making it a more successful and sustainable enterprise for all and not only a better governance-compliant company.

Report: ecoDa 2012 conference was subject to a report (thanks largely to Lutgart van den Berghe), which also contains ecoDa strategic map for further improving the quality of corporate governance in Europe.

http://www.ecoda.org/CoEreport.html

- ***Conference on "The future of audit policy: what is the most effective way to enhance its value and restore society's confidence?",*** with ACCA**,** September 25, 2012,

√ **Around 200 participants at the European Parliament**

On 25 September 2012, Sajjad Karim MEP, hosted a high level roundtable, organised by the ACCA (Association of Chartered Certified Accountants) in partnership with the ecoDa (the European Confederation of Directors' Associations), to discuss the various proposals linked to audit quality and transparency as well as those targeting independence and market structure. It brought together over 190 participants.

The main conclusions indicated that there is a general consensus that any reform needs to improve transparency and audit quality. It must help resolve the gap that exists between what auditors are asked to do and what stakeholders and citizens generally understand under “audit process”. There are however diverging perspectives on the appropriate tools on how to make auditing more effective and relevant in the 21st Century, especially in the area of auditor independence and market structure.

The first panel on transparency and quality, moderated by Sue Almond, Technical Director, ACCA was comprised of Liz Murrall, Member of the European Fund and Assets Management Association (EFAMA) , Jella Benner-Heinacher, President of Euroshareholders, Dan Montgomery, Task Force Chair of the auditor reporting project , International Auditing and Assurance Standards Board- IAASB, Laurent Degabriel, Head of investment and reporting unit, European Securities and Markets Authority (ESMA) , Hilde Blomme, Deputy CEO of the Federation des Experts-comptables Europeens (FEE).

The second panel on independence and market structure, moderated by Brendan Murtagh, IAASB board member included Sebastian Valentin Bodu, MEP, shadow rapporteur for the EPP on audit , Kristian Koktvedgaard, Businesseurope, Jos van Huut, President of European Group of International Accounting Networks and associations (EGIAN), Robert Peirce, PwC Partner – Belgium and Per Lekvall , member of the European Confederation of Directors' Associations (ecoDa) . The European Commission was represented by Nathalie Berger, head of the audit unit, DG MARKT.

On behalf of ecoDa, **Per Lekvall** welcomes the JURI committee’s review of the Commission’s proposed audit reform, which demonstrates a significantly better insight into and a more realistic understanding of the complex issues of auditing of major business corporations than the Commission’s proposal. ecoDa is particularly satisfied to see proposed amendments of several of the most problematic and cost-driving proposals, such as the removal of the proposed cap of 10%, the extension of the timescale for rotation from 6 to 25 years (ecoDa, however, asked whether encouraging the review of auditors would be better than having time defined rotation), the new lists of permitted and prohibited non-audit services.

However, ecoDa is disappointed about the Committee’s draft report on two main accounts:

- The uncritical acceptance of an EU Regulation, which would impose a “one-size-fits-all” regulatory regime at a very detailed level which will cause considerable difficulties when being forced upon the very diverse corporate governance systems across the 27 member states. Instead many of the issues addressed could be more effectively dealt with through national corporate governance codes, based on the comply-or-explain principle, whereas those where mandatory regulation is deemed necessary should be regulated through an EU Directive.

- The widely expanded role of the audit committee in the Commission proposal, only marginally challenged by the JURI committee. Audit committees play a vital role in many companies, not least to mitigate the integrity problem of mixed boards towards the company management in one-tier governance structures. However, in other jurisdictions, particularly in those with entirely or predominantly non-executive boards, the rationale of the audit committee is of a more practical nature. For example, the Nordic member states where the audit committee is a subcommittee within the board that can only deal with matters within the board’s scope of responsibilities and for the actions of whom the board as a whole is accountable. In these jurisdictions, the auditor is appointed by the shareholders at the AGM with the express duty to review the work of not only the CEO but also of the board. The extensive duties assigned the audit committee in the proposed regulation, referring to the audit committee as a more or less separate governance body with duties inter alia to oversee the audit, to appoint and dismiss the auditor and to supervise the audit report, is hence not consistent with current legal and/or code-based regulation in the Nordic area. Similar implementation difficulties might arise in other parts of the EU as well.

It would be most timely if the ECON committee would include some in-depth considerations of these two issues in its review of the Commission proposal.

Wrap-up Report: ACCA/ecoDa conference was subject to a full report (thanks to ACCA)

- ***Conference on "New guidance for Directors and Board Committees: Making the most of the Internal Audit Function",*** with ECIIA, December 3, 2012

√ **Around 56 participants at the European Economic and Social Committee (EESC)**

Patrick Zurstrassen, A vital ingredient of good board work is a well performing internal audit unit in the company. He noted that the audit committee is of growing importance and ecoDa began drafting guidelines for audit committees in 2009. These will be revised in the coming years. They were in close talks with the Commission when the Commission published its proposals for the reform of the audit market. Following this, they published their opinion on the reform a few weeks ago and this highlights the need to keep the reform not too prescriptive. The natural relationship between the audit committee and the Board must be preserved. He then noted the growing role of ECIIA and that they had the idea to create some guidelines for Board Committees and Directors about the role of internal audit. Overall, he emphasised that internal audit is an essential function within companies.

Marie-Hélène Laimay, Chairwoman, ECIIA, moderated a panel composed of Roger Barker (Head of CG, IoD), Philip Ratcliffe (Board member, ECIIA), Milena Angelova, (Rapporteur for the European Economic and Social Committee (EESC) on the Green Paper on Corporate Governance), Gilberte Lombard (Chairwoman of the audit committee, Zodiac Aérospace), Hans Richter (Management and Board Consultant, and Board member of various companies) and Laurent Berliner (Partner, Deloitte).

Roger Barker noted that ecoDa/ECIIA Guidance has been developed for directors. Examples of different corporate crises show the need for these guidelines. 'Roads to Ruin', a publication from Airmic and Cass Business School, clearly highlights the need for internal audit as it examines the common failures of internal governance in the failure of companies. A common theme is that the Board of Directors could have done more firstly to prevent the crisis, and secondly to better control the crisis.

The Roads to Ruin looks at where the Boards have gone wrong in different crises including:
- The inability of non-executives to control or properly oversee the executive board members
- Board risk blindness – Boards have failed to identify the key risks or failed to engage with the risks inherent in the business model
- Boards can fail to provide proper leadership in the ethos and moral direction of the company
- Defective communication, especially in terms of communication from the lower levels of the company to the board and vice-versa
- Excessive complexity – he asked if it is truly possible for a small board to effectively oversee a global business
- Inappropriate incentives
- The risk management glass ceiling – there are sometimes a number of people involved in risk management activity in a company that may lack the ability to have a proper line of communication with the Board.

The study concluded that there has been an important assumption that Boards fully understand the risks of a business, but this assumption is often misplaced. There is clearly an issue of Boards failing to be able to oversee the organisation and the common weaknesses ultimately highlight the role that internal audit can play. Internal audit can play a significant part of the solution to many of these implicit weaknesses.

Moreover, the ‘Roads to Ruin’ study recommended:

- The scope of risk management, including internal audit, needs to be fundamentally rethought.
Risk management functions need to have an improved scope and status and those who know about the weaknesses of a company need to be able to communicate this to the Board.
- The Board must drive through these changes as it is the only body which has the capacity to do so. In order to do this, the Boards need to be aware of their own weaknesses.

He then said that these guidelines are a way for Boards to understand how they should interact with internal auditors. Without a close relationship with the internal audit department, it is difficult to see how a Board can be successful.

Wrap-up Report: ecoDa/ECIIA conference was subject to a full report (thanks to Dods)

ecoDa/ECIIA Guidance:
http://www.ecoda.org/InternalAudit2012.html

Forward looking: ecoDa will organise a high-level conference on 4th February 2013 in partnership with EuropeanIssuers and ACCA to reflect on the EU Action plan on CG and company law.

ecoDa will be visible at the European Corporate Governance on 16 and 17 May 2013 and will promote the event.

ecoDa is a partner of the ICGN event in Milan on 4-5 March 2013 as it was done for their Paris event.

2. ECODA EXTERNAL VISIBILITY

√ A strong network of European peer organisations

Beside the press articles that ecoDa managed to publish, ecoDa pursues its relationship with peer organization based in Brussels (EuropeanIssuers, BusinessEurope, European Federation of Accountants (FEE), European Confederation of Institutes of Internal Auditors (ECIIA), European Federation of Risk Managers (FERMA), European Group of International Accounting Networks and Associations (EGIAN), European Fund and Asset Management Association (EFAMA) and ACCA) as well as with audit firms organising a variety of meetings with them.

ecoDa was visible in external events (for instance: intervention of Roger Barker at the ECIIA Annual Conference on “Explaining European CG” on 12-14 September 2012).

ecoDa has close contact with the European Commission and, in particular, with the unit responsible for corporate governance and CSR.

C– EDUCATION & BENCHMARK

➢ *Two days education programme for European directors*

Since 2011, ecoDa has run a European module for directors and supervisory board members seeking to gain a European perspective on board functioning and corporate governance. The education programme is targeted at directors with a cross-border mandate in their board activities, those looking for such a mandate, or anyone seeking to update their knowledge of recent EU policy developments in the field of corporate governance.

ecoDa organized its education programme for directors in Brussels in March and October 2012.

ecoDa managed to partner with well-known business schools, namely Vlerick and INSEAD. ecoDa called upon high-level speakers and organisations for the programme, including the European Commission, the FRC, Korn Ferry, and high-level board members.

On average, 35 participants took part in each of the two sessions. The participants' assessments of the programme are increasingly positive. Not surprisingly, the practical orientation of the course and the board simulation exercise have been extremely well appreciated. The participants look clearly for practical learning experiences and activities.

√ Two new training sessions
√ Partnership with Vlerick and INSEAD

The programme of the October session was as following:

Day 1:

8.30	**Welcoming speech**	**Roger Barker**, Chairman of ecoDa's Education Committee
8.45	**Presentation of the pending key topics at the EU level**	**Joanna Sikora-Wittnebel,** European Commission
9.15	**Company ownership : The contrasting influence of controlling shareholders and institutional investors in Europe**—Practical examples and exchanges with the course participants	**Roger Barker**, Head of Corporate Governance of the Institute of Directors - IoD and Senior Advisor to the Board of ecoDa
10.00	**Board structure :The functioning of one and two tier board systems in European companies**—Practical examples and exchanges with the course participants	**Peter Dehnen,** CEO, GermanBoardRoom GmbH
11.15	Coffee break	
11.45	**The Nordic Model: the impact of board membership on European board behaviour** – Practical examples and exchanges with the course participants	**Per Lekvall**, Founding Partner, Boardroom Consulting AB *Board member, Swedish Corporate Governance Board*
13.00	Buffet Lunch	
14.45	**The Italian model: a distinct**	**Paola Schwizer**, Professor in

	model of corporate governance	Financial Markets and Institutions, University of Parma (Italy) and SDA Bocconi School of Management, Member of the Board of Directors of Nedcommunity.
15.45	**Case study: How boards from two different countries can handle similar issues?** The impact of internal and external business environments on board decision-making.	**Frank Dangeard,** Managing Partner, Harcourt and Chairman of Goldbridge Capital partners (UK)
18.00	**Wrap-up session**	**Jean Coroller,** Director of IFA certification programme
19.30	**Dinner**	

Day 2		
8.30	**Introductory remarks**	**Béatrice Richez-Baum,** Secretary General of ecoDa
	Basic principles on the European Institutions, decision-making and main actors	**François van der Mensbrugghe,** Professor at the Law School of the University of Saint-Louis (FUSL-Brussels)& University of Liège (ULg)
9.45	**Challenges, benefits and risks of being a Director in Europe –** panel discussion	**Jérôme Wigny,** Partner, Elvinger Hoss & Prussen, Luxembourg **Patrick Zurstrassen**, Chairman of ecoDa, Independent Director
10.35	Coffee break	
10.45	**Investors' expectations towards European Directors**	**Peter Montagnon**, Senior Investment Adviser, Financial Reporting Council
11.45	**European Market for Directorships**	**Dominic Schofield,** Senior Client Partner, Korn/Ferry Whitehead Mann
13.00	**Lunch**	
15.00	**Simulation of real boardrooms on the basis of a case study circulated beforehand**	**Stanislav Shekshnia,** INSEAD **FACILITATORS:** **Roger Barker,** Head of corporate Governance of the Institute of Directors, IoD and Senior Advisor to the Board of ecoDa **Abigail Levrau,** member of the Management Committee of GUBERNA
17.40	Summary of the discussion	**Stanislav Shekshnia,** INSEAD
17.50	Assessment of the Group Dynamics	**Richard Zisswiller,** President of ecoDa's Benchmarking Committee

18.00	**Closing session - Synthesis**	**Roger Barker**, Chairman of ecoDa's Education Committee

European benchmarking

ecoDa carried out diverse benchmarking projects notably on:

- "requirements in the national CG codes in terms of education for board members",
- "election mechanisms to company boards in EU members",
- "board secretaries' role", "remuneration of board members",
- "existence of censors in EU boardrooms"
- "say on pay"
- and websites related to CG.

ecoDa has also pursued the benchmarking of its national institutes' business models by asking the new members to present their institutes in more in-depth.

The different benchmarks have been sent to the IFC (World Bank) which found them useful in helping the creation of new institutes.

√ Benchmarks sent to IFC (World Bank)
√ Presentation of the benchmark on say on pay at IFA conference by Béatrice Richez-Baum in June 2012

II – ACTIVITY REPORTS OF ECODA BOARD, COMMITTEES AND WORKING GROUPS

A – ECODA BOARD

ecoDa's Board of Directors is chaired by Patrick Zurstrassen [Luxembourg] and composed of Maarit Aarni-Sirviö [Finland], Juan Alvarez-Vijande [Spain], Daniel Lebègue [France], Irena Prijovic [Slovenia] Turid Solvang [Norway], Lutgart Van den Berghe [Belgium] and Simon Walker [UK]. Lars-Erik Forsgårdh [Sweden] also joined the board in January 2012.

Philippe Decleire acts as the treasurer. All the chairpersons of ecoDa committees are invited to the board meetings (Roger Barker, Philippe Decleire, Suzanne Liljegren and Richard Zisswiller).

ecoDa's board met 5 times in 2012. The strategic board meeting was held in Paris on IFA's premises in January and the November board meeting was hosted by the Norwegian Institute of Directors (Styreinstitutt). The other meetings were held in Brussels in the office of the Paris Ile-de-France Chamber of Commerce and Industry.

At its strategic meeting, the board revised ecoDa mission statement as follows:

ecoDa's mission is to promote Corporate Governance at large, to promote the role of directors towards shareholders and other corporate stakeholders, and to promote the success of its national institutes.

To perform its mission, ecoDa undertakes:

1- to promote the role of directors, to develop professionalism and European governance standards by acting as a standing body where national experiences are shared and discussed in detail,
2- to influence the European decision-making on corporate governance by reacting to pending issues in the European pipeline or by pro-actively taking own initiatives to generate European debate and reflection,
3- to provide services to its members, mainly by providing information regarding relevant European issues,
4- to facilitate the development of new national director institutes and attract new members in order to strengthen its European representativeness.

B – ECODA BOARD COMMITTEES

Two ecoDa committees are sub-committees of the board and report directly to the Board: the Nomination and Evaluation Committee and the Administrative Committee.

1. ECODA NOMINATION AND EVALUATION COMMITTEE

The Nomination and Evaluation Committee is chaired by Daniel Lebègue (IFA) and is additionally composed of Juan Alvarez-Vijande (IC-A) and Turid Solvang (Styreinstitutt). Béatrice Richez-Baum attends committee meetings as an observer.

The Board has given competence to the Nomination and Evaluation Committee to provide recommendations to the board over the nomination of the chairman of the board as well as of the chairmen of standing committees. Moreover the Nomination and Evaluation Committee has the duty of planning, preparing and analysing the evaluation of the board of directors every two years. It should also monitor the proper implementation of the adopted corrective measures.
The Nomination and Evaluation Committee had 3 conference calls.

Its achievements:

- Recommendations to the board regarding the nomination of the chairperson of the Education Committee and Communication Committee,
- Consideration of the possibility to renew the ecoDa chairmanship mandate for one year.

2. ECODA ADMINISTRATIVE COMMITTEE

The Administrative Committee is composed of Patrick Zurstrassen (chairman), Philippe Decleire (treasurer) and Béatrice Richez-Baum (secretary general).

The Administrative Committee met 6 times.

Its achievements:

- Approving payments of important expenses including expenses incurred by the General Secretariat,
- Management of ecoDa in terms of its relationships with banks, fiduciary company property owner, accountant and auditors,
- Discussion to reframe the fees structure,
- Discussion for new ecoDa premises.

C – ECODA COMMITTEES

1. ECODA POLICY COMMITTEE

The Policy Committee chaired by Lutgart Van den Berghe is composed of Marie-Ange Andrieux (IFA), Roger Barker (IoD), Philippe Decleire, Hana Horak (HUCNO), Fernando Iguarta (IC-A), Sophie Laguesse (ILA), Per Lekvall (StyrelseAkademien), Tomas Lindholm (Directors' Institute of Finland), Gorazd Podbevšek (SDA), Turid Solvang (Styreinstitutt), Béatrice Richez-Baum (ecoDa). Pascal Durand-Barthez (IFA) has also joined the policy committee.

The Policy Committee's mission is to express ecoDa's views on topical issues raised at the European level, to react to any initiatives taken by the Commission or the Parliament, and to initiate new policy developments on specific issues relevant in terms of corporate governance.

The policy committee worked mainly by emails and had three formal meetings.

Its achievements:

- Response to the EU Commission on Gender Equality in Corporate Board Rooms,
- Response to the EU consultation on the future of European Company Law,
- Response to draft guidelines for assessing the suitability of members of the management body and key function holders of a credit institution (EBA consultation),
- Response to the proposal for a directive of the European Parliament and the Council amending directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts,
- Redrafting of ecoDa report on “Comply or explain: preserving governance flexibility with quality explanations”.

2. ECODA MEMBERSHIP DEVELOPMENT COMMITTEE

The Membership Committee is chaired by Philippe Decleire and composed of Jean-Pierre Garitte, Patrick Zurstrassen, and Béatrice Richez-Baum. Richard Zisswiller (IFA) has left the membership committee while Alice Ho (IoD), Christer Ridström (StyrelseAkademien) and Irena Prijovic (SDA) have joined it.

The Membership Committee and the Fund Raising Committee have merged into the Membership Development Committee with the duties of framing the membership development strategy of ecoDa, of examining formal membership applications, ensuring the smooth integration of new members and ecoDa's enlargement to corporate members, and looking for sponsoring.

The Membership Committee organized 4 conference calls and had one physical meeting.

Its achievements:

- follow-up of the different country files,
- recommendations to the board on the Danish Board Network and VARD applications,
- simplification of the cross-membership convention and extension to new countries.

In addition ecoDa participated in different conferences abroad, such as the regional conference of the IFC with the Macedonian IoD on Board Development Program in Skopje in Macedonia, the regional conference on internal audit (IIA) and the first conference organized by VARD in Germany.

3. ECODA BENCHMARKING AND INFORMATION COMMITTEE

The Benchmarking and Information Committee is chaired by Richard Zisswiller (IFA) and composed of Roger Barker (IoD), Marie Chambourdon (ILA), Hana Horak (Croatia), Abigail Levrau (Guberna), Luis Sancho Martinez-Pardo (IC-A), Irena Prijovic (SDA), Suzanne Sandler (StyrelseAkademien) and Béatrice Richez-Baum (ecoDa). Jacques Grisé (CAS Canada) has also joined the BI Committee.

The Benchmarking and Information Committee's mission is to stimulate exchange of information and best practices among the national associations' members and therefore to support reflection on all issues related to corporate governance at large.

Its achievements:
- Benchmarks on specific items:
    - "requirements in the national CG codes in terms of education for board members",
    - "election mechanisms to company boards in EU members",
    - "board secretaries' role", "remuneration of board members",
    - "existence of censors in EU boardrooms"
    - "say on pay"
    - and websites related to CG,
- Benchmark on the business models of the newly affiliated ecoDa members.

The results of the different benchmarking projects have been sent to the IFC (World Bank). A panel discussion to provide a benchmark on the European CG practices will be integrated in the 2013 ecoDa education programmes.

4. ECODA EDUCATION COMMITTEE

In 2012, given the strategic importance of directors' education, the board considered it appropriate to establish a separate Education Committee Education Committee which would focus on sharing director practices in education and promoting cross-border education capacities.

Roger Barker (IoD) was appointed as the chairman. The Education Committee is composed of Jean Coroller (IFA), Abigail Levrau (Guberna), Öjvind Norberg (StyrelseAkademien), Merja Strengell (StyrelseAkademien), Véronique Vansaen (ILA), Richard Zisswiller (IFA) and Béatrice Richez-Baum (ecoDa). Gilles Bernier (CAS, Canada) also joined the Education Committee during the year.

The Education Committee organised 4 conference calls.

Its achievements:

- Improvement of ecoDa education programmes (2 sessions on 5/6 March and on 9/10 October),

- Consideration of the mentoring initiatives undertaken at Guberna and IFA,
- Meeting with Deutsche Börse to discuss the creation of standards for directors' education programmes in Germany,
- Comparison of the existing national certification programmes.

5. ECODA COMMUNICATION COMMITTEE

Suzanne Liljegren (StyrelseAkademien) took the chairmanship of the Communication Committee at the beginning of 2012. The Communication Committee is composed of Ineke Claus (Guberna), Clémence Décortiat (IFA), Ingrid Farmer (IoD), Pierre Margue (ILA) and Béatrice Richez-Baum (ecoDa). Rada Sibila (SDA) has replaced Valerija Božič and Maija Hiiri (Directors' Institute of Finland) has joined the committee.

The Communication Committee's mission is to promote ecoDa's activities, events and programmes towards its members, towards the Medias and other relevant organizations.

The Communication Committee had 3 conference calls and one physical meeting.

Its achievements:

- Helping the general secretariat in selecting the supplier for a new ecoDa website, defining the needs and improving the content and the design,
- Approaching Brussels media,
- Investigating the market in terms of boardbook tools.

D – ECODA WORKING GROUPS

1. WORKING GROUP ON INTERNAL AUDIT

ecoDa and the European Confederation of Institutes of Internal auditors (ECIIA) set up a common working group on internal audit at the beginning of 2012.

The working group on Internal Audit was chaired by Roland De Meulder, (Member of ECIIA Public Affair Committee) and composed of Roger Barker (Head of Corporate Governance, Institute of Directors (Vice Chair)), Louis Vaurs (Advisor to the President of IFACI), Pierre-François Wéry (Partner, PWC Luxembourg, Governance Risk and controls leader), Laurent Berliner (Partner, Deloitte, Luxembourg), Christian Van Nedervelde (Corporate Senior Vice President Internal Audit, SES), Jean Florent Rérolle (KPMG), Béatrice Richez-Baum (Secretary General ecoDa), Pascale Vandenbussche (Secretary General ECIIA) and Marie-Hélène Laimay (President, ECIIA).

The working group on Internal Audit had two conference calls and one physical meeting.
Its achievements:

- a guidance "Making the most of the internal audit function: recommendations for boards and audit committees", subject to a dedicated conference.

2. WORKING GROUP ON CORPORATE GOVERNANCE AND ETHICS

ecoDa and the Institute of Business Ethics (IBE) set up a common working group on CG and ethics at the beginning of 2012.

The working group on CG and ethics is chaired by Philippa Foster Back Chairwoman IBE, chair) and composed of Roger Barker (Head of Corporate Governance, Institute of Directors), Benedikte Bettina Bjørn (Styreinstitutt), Amélie Bodson (Guberna), Julia Casson (Board Insight), Nicole Dando (IBE), Tapani Varjas (Directors' Institute of Finland), Patrick Zurstrassen (Chairman ecoDa) and Béatrice Richez-Baum (Secretary General ecoDa).

The working group on CG and Ethics had one conference call and one physical meeting

Its achievements:

- A survey conducted by ecoDa members

3. *WORKING GROUP OF LEGAL EXPERTS*

The Board decided to set up an ad hoc Committee of legal specialists to review the internal rules and regulations drafted by Béatrice Richez-Baum and the proposed statutes' changes.

The working group is composed of Roger Barker (IoD), Hnia Ben Salah (Guberna), Pierre-Alexandre Degehet (ILA), Alain Martel (IFA) and Béatrice Richez-Baum (ecoDa).

The working group of legal experts had 3 conference calls.

Its achievements:

- Drafting of revised version of the internal rules and statutory regulations,
- examination of the coherence between the internal rules and regulations and the statutes' proposed changes to the statutes.

Forward looking: ecoDa will partner formally with INSEAD.

II – FINANCIAL STATEMENTS

ECODA ASBL
Rue de la Loi 42
BE-1000 BRUXELLES
BE0870.726.636

BALANCE SHEET in euros at

ASSETS		end 2012	end 2011
FIXED ASSETS	20/28	**4.423,01**	
I.Formation expenses	20		
II.Intangible assets	21		
III.Tangible assets	22/27	4.423,01	
CURRENT ASSETS	29/58	**169.197,74**	**144.751,00**
VII.Amounts receivable within one year	40/41	6.298,86	11.741,79
IX.Cash at bank and in hand	54/58	162.276,60	132.295,26
X.Deferred charges and accrued income	490/1	622,28	713,95
TOTAL ASSETS		**173.620,75**	**144.751,00**

LIABILITIES			
OWN FUNDS	10/15	**126.622,06**	**94.832,59**
I.Own Funds	10	103.333,00	100.000,00
Bonus & Loss carried forward (-)	141	23.289,06	(5.167,41)
AMOUNTS PAYABLE	17/49	**46.998,69**	**49.918,41**
IX.Amounts payable within one year (note V)	42/48	41.713,34	46.418,41
B. Financial Debts	43		219,74
C. Trade debts	44	28.585,57	34.732,33
E. Taxes; remunerations and social security	45	13.075,15	10.375,71
F. Other amounts payable	47/48	52,62	1.090,63
X.Accrued charges and deferred income	492/3	5.285,35	3.500,00
TOTAL LIABILITIES		**173.620,75**	**144.751,00**

PROFIT AND LOSS ACCOUNT

INCOME STATEMENT

I. Operating income and charges			
Turnover	70	50.011,24	
Other operating income	71/74	159.744,43	190.128,33
Goods for resale	60	(35.884,62)	
Services and miscellaneous goods	61	(104.358,69)	(150.423,41)
A.B. Gross operating margin (+)	70/61	69.512,36	39.704,92
C. Remuneration; social security and pensions (note VI; 2) (-)	62	(39.839,58)	(34.413,21)
E. Amounts written off stocks; contracts in progress and trade debtors	631/4	3.551,61	(5.137,68)
G. Other operating charges (-)	640/8	(5.629,58)	(699,84)
{ Operating profit (+)	70/64	27.594,81	
{ Operating lost (-)	64/70		(545,81)
II. Financial income	75	1.312,07	988,41
Financial charges (-)	65	(450,41)	(407,04)
{ Profit on ordinary activities before taxes (+)	70/65	28.456,47	35,56
{ Loss on ordinary activities before taxes (-)	65/70		
{ Profit for the period before taxes (+)	70/66	28.456,47	35,56
{ Loss for the period before taxes (-)	66/70		
IV. Income taxes (-) (+)	67/77		(137,79)
{ Profit fo the period (+)	70/67	28.456,47	
{ Loss for the period (-)	67/70		(102,23)
{ Profit for the period to be appropriated (+)	70/68	28.456,47	
{ Loss for the period to be appropriated (-)	68/70		(102,23)

APPROPRIATIONS AND TRANSFERS

I. Operating income and charges			
A. { Profit to be appropriated	70/69	28.456,47	
{ Loss to be appropriated (-)	69/70		(102,23)
1. Profit for the period avail. for appropr.	70/68	28.456,47	
Loss for the period avail. for appropr. (-)	68/70		(102,23)

RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

third parties, holders in their own name of goods and values at risk to and for the benefit of the enterprise	040	6.666,00	10.000,00
goods and values held by third parties intheir own name but at risk to and for the benefit of the enterprise	041	6.666,00	10.000,00

Crowe Horwath™

Callens, Pirenne, Theunissen & C°

member of Crowe Horwath International

ECODA – 31/12/2012

Dear Sirs,

We have the honour of delivering you our report on the limited audit we were asked to conduct for the year ended December 31, 2012 according to the mission statement that we received on May 31st, 2012.

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, 2012 with a balance sheet of €173,621 and a profit of €28,457.

Our limited review of the financial information was conducted in accordance with the recommended auditing standards on 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 recommendation, 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, 2012 is not prepared, in all material respects, in accordance with the accounting standards as adopted in Belgium.

Brussels, 13th March 2013

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

Original version of this auditor's report in French.

APPENDIX 1

Achievements of ecoDa's members, national institutes of directors – Key figures

- ***Institute of Directors, IoD, United Kingdom***

Number of members:
- 38,000

Main position papers taken in 2012:
- Revisions to the UK Corporate Governance Code, Guidance on Audit Committees and Stewardship Code. July 2012.
- Executive pay: shareholder rights consultation. May 2012
- The Kay Review of UK equity markets and long-term decision making. January 2012

Main events organised in 2012:
- Annual Convention. 25th April 2012, at the O2 Arena, London
- Women as Leaders conference. 8th November at the Lancaster Hotel, London
- Business Risk: A Practical Guide for Board members. Launch event at Willis HQ. 29th June 2012

- ***Institut Français des Administrateurs, IFA, France***

Number of members:
- 3175 members (+ 9 %) with 988 women

Main position papers taken in 2012:
- 6 main positions papers

Main events organised in 2012:
- 60 events. During 2013 they are celebrating their 10th anniversary.

- ***GUBERNA, Belgium***

Number of members:

- 1601 members

Main position papers taken in 2012:

- Quite a few reports and studies

Main events organised in 2012:

- New Year's Event (Jan 2012)
- National Member Forum @ AbInbev (September 2012)
- Dag van de Bestuurder / Journée de l'administrateur / Director's Day (November 2012)
- Regional Member Forum : RTL Belgium (Feb 2012), VRT (Oct 2012)
- Chairmen's Platform & CEO Platform
- Breakfast sessions Growth Companies
- Workshop Social Governance

Total number of activities: 70

- ***Institut Luxembourgeois des Administrateurs, ILA, Luxembourg***

Number of members:
- 600 members

Main events organised in 2012:
- 24 events

- ***Directors' Institute of Finland, Finland***

Number of members:
- 347 persons of which approximately 24 % women

Main position papers taken in 2012:
- one position paper to the Finnish Ministry of Justice on "Proposal for a Directive of the European Parliament and of the Council on improving the gender balance among non-executive directors of companies listed stock exchanges and related measures"
- Two regulation reviews and one comparative study on Finnish and Swedish governance in Boardview magazines (a member publication)

Main events organised in 2012:
- 7 lunch meetings with high level speaker
- Annual conference
- One-day directors' seminar with the Finnish Chamber of Commerce
- Joint event with KHT Media (publishing company of the Association for Authorized Public Accountants)
- Other events for members in cooperation with our partners

- ***Instituto de Consejeros – Administradores, IC-A, Spain***

Number of members:
- more than 400 individual members. The Spanish Board Directors' Association is an individual membership organization.

Main position papers taken in 2012:
- The Board functions and the Board Director role according to best Corporate Governance practices Remuneration principles for Board Directors in listed companiesNew labour Legal Reform Better Corporate Governance for Spanish listed CompaniesKey critical reforms in Corporate Governance to leave de economic crisis (Spain – Europe)Ethic code for enterprises

Main events organised in 2012:
- 15 events. During 2013 they are celebrating their 10th anniversary.

- ***The Slovenian Directors' Association, Slovenia***

Number of members:
- 589 members on 31.12.2012 – of which: 168 women (5% growth - 560 on 31.12.2011)

Main position papers taken in 2012:
- 2 position papers (Recommendations for directors recruitment, Guidelines for governance of unlisted companies and family owned companies

Main events organised in 2012:
- Slovenian CG Conference 2012;
- Seminar - Bank Governance;
- Annual meeting of certified directors

- ***The Polish Institute of Directors, Polski Instytut Dyrektorów, Poland***

Number of members:
- 40 individual members, 10 institutional members

Main events organised in 2012:

- 14 seminars, 17 workshops and conferences on topics related to corporate governance

➢ ***The Norwegian Institute of Directors (Norsk Institutt for Styremedlemmer), Norway***

Number of members:
- Apprx 400 individual members of which apprx 350 are associated to corporate memberships

Main position papers taken in 2012:
- Yearly survey on board remuneration
- Hearing on The Norwegian Code of Practice for Corporate Governance

Main events organised in 2012:
- Annual meeting: "An international Perspective on Corporate Governance and Corporate Culture"
- Networking conference: "Board Composition – Facts, Myths and ideas"
- 6 round table conferences on various board related topics
- Company Secretary Forum: 2 meetings

➢ ***The StyrelseAkademien, Sweden.***

Number of members:
- 5127 members, an increase of 1323 members (892 women) compared with the year before.

Main position papers taken in 2012:
- Answer to the Swedish government consultation regarding the EU Directive on Gender Balance
- An opinion piece about the need for a more professional recruitment of directors to public boards

Main events organised in 2012:
- 133 events were organized by our 17 members/chapters attracting 5906 participants. These events included full day and prestige events as well as shorter and more focused breakfast and lunch events.

➢ ***The German VARD***

Number of members:
- Almost 100

Main position papers taken in 2012:
- 1st and 2nd German Director's Conference

Main events organised in 2012:
- (year of foundation=2012)

CONTACT PEOPLE:

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