

Martin Selmayr
Head of Transition team
European Commission
CHARL 9/234
Rue de la loi, 200
1049 Brussels
BELGIUM

1 October 2014

Subject: Unit MARKET F2 (Corporate Governance, Social Responsibility) moving from DG Internal Market and Services (MARKT) to the Directorate-General for Justice (JUST)

Dear Mr Selmayr,

We are writing you on behalf of the European Confederation of Directors' Associations (ecoDa), and EuropeanIssuers to express our concern over the consequences that may result from moving Unit MARKET F2 (Corporate Governance, Social Responsibility) from DG Internal Market and Services (MARKT) to the Directorate-General for Justice (JUST).

To us, and the European business community, Corporate Governance is the process by which companies try to ensure that they make better decisions and manage risks better, in order to be a more successful enterprise. We believe that corporate governance can strengthen the ability of European companies to stay competitive in a globalised world and that the Commission should consider professional directors to be key players in bringing the European economy back on track.

Much of corporate governance is not a matter of legislation, but of best practice, behavior and culture. Moving such a matter from MARKET to JUST would in this sense send the wrong signal against self-regulation and the role of national corporate governance codes. Our fears are strengthened by the fact that DG Justice is not included in the project team for "A new boost for jobs, growth and investment", thereby preventing the Corporate Governance unit from contributing to realizing a more competitive Europe.

Good Corporate Governance is crucial if Europe is to reach its ambitious goals of EU2020. Company law and corporate governance are both part of the business environment and belong to the growth and jobs agenda. Disconnecting Corporate Governance from enterprises and from the internal market would therefore risk removing support for the sustainability and the competitiveness of European companies and in the end lose the link between company law and value creation.

Corporate Governance should not be confined to the social, political agenda; it extends beyond diversity of boards and gender equality. From a governance point of view recruiting more female board members is embedded in the principle of diversity which in itself is beneficial to business.

However, gender balance in boardrooms is but one element helping boards to work in a more professional way.

The real challenge today is to build an efficient capital market. It is therefore fundamental that Corporate Governance remains closely connected with the development of European company law, something we believe is best served in the context of a DG dealing with the business environment. Moving the Unit F2 to the Directorate-General for Justice will confined Corporate Governance to legal aspects instead of promoting it to serve entrepreneurship.

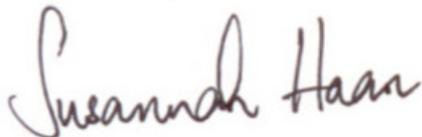
The fact that there is no mentioning of Corporate Governance in the mission letter addressed to Věra Jourová, Designated Commissioner for Justice, Consumers and Gender Equality, reinforces our conviction that DG Justice is not the natural forum in which to discuss Corporate Governance.

We wonder whether Corporate Governance would not fit better within the remit of Elżbieta Bieńkowska, Designated Commissioner responsible for Internal Market, Industry, Entrepreneurship and SMEs.

We would appreciate the opportunity of a meeting to discuss the intention and the potential unintended consequences of such a move.

We thank you for your consideration and we wish you great success with the new Commission.

Yours sincerely,



Susannah Haan
Secretary General
EuropeanIssuers



Beatrice Richez-Baum
Secretary General
ecoDa

Copy to: Luc Tholoniati (Economic Adviser, Transition Team), Ugo Bassi (Director, Directorate Markt F – Capital and Companies) and Jeroen Hooijer (Head of Unit Markt F2).