



2011 Annual Report

The European Voice of Directors

ecoDa

Confédération Européenne des Associations d'Administrateurs
European Confederation of Directors' Associations

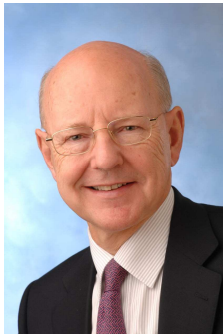
The European Confederation of Directors' Associations (ecoDa) acts as "the European Voice of Directors".

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

The missions of ecoDa are:

- 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.*

Foreword by ecoDa Chairman Patrick Zurstrassen



In 2011, ecoDa remained determined to contribute to the development of corporate governance standards and practices in Europe.

When reviewing 2011's achievements, ecoDa's leadership continued to be at the heart of the governance debate. We have participated in the European consultation on the future of Corporate Governance. We have stressed the need for Governance flexibility and plurality rather than a legalistic, box-ticking approach. Thanks to the expertise and the involvement of both Lutgart Van den Berghe, Chairman of our Policy Committee, and Roger Barker, Head of Corporate Governance at the IoD, we managed to provide complete and argued responses. We are now

eager to see the final initiatives that the European Commission might take in this field.

In line with our ongoing objective to develop best practices in Corporate Governance, we published Guidance on Audit Committees. While the debate is focusing on the introduction of more stringent rules for the audit sector, it is important to better understand appropriate processes and behavioural practices for audit committees. We are very grateful to Tim Copnell, KPMG, who performed a tremendous work and helped us in providing a very rich and practical Guidance.

When looking back at a full year's accomplishments, we can be proud of our 2 days development programme for directors launched in March with the good determination of Richard Zisswiller, Chairman of our Benchmarking Committee. We are strongly convinced that the greater use of external board evaluations and improved board training will be two major contributors to board effectiveness in the future. Our members are playing an important role on this purpose. ecoDa has brought a European perspective to the existing national education programmes.

The further expansion of membership remains ecoDa's long-term aim. In 2011, we succeeded in enlarging our Membership to two new full members (the Baltic institute of corporate governance and the Swedish StyrelseAkademien), two new affiliated members (the European Confederation of Institutes of Internal Auditors and the Institute of Business Ethics), to one new Corporate Associate (Germanboardroom) and one Research Associate (the Canadian Collège des Administrateurs de Sociétés/Laval University). It goes without saying that our ever-growing membership generates a continuing emulation and experiences' sharing among members which keeps ecoDa in a dynamic and virtuous circle.

These achievements have set the stage for exciting prospects throughout 2012 and beyond.

During the year, Miles Templeman and Pierre Klees, Honorary Chairmen, have retired from the board. We would like to thank them for their contribution at the time of ecoDa's creation and since then. Olli V. Virtanen has also retired from the board; we also show our appreciation for everything he has done. The newly-appointed board members are: Maarit Aarni-Sirvio, Turid Solvang, Lutgart Van den Berghe, and Simon Walker. Their expertise and qualifications will add value to our future strategy.

A handwritten signature in blue ink, appearing to read 'Patrick Zurstrassen', written over a light blue horizontal line.

Patrick Zurstrassen
Chairman

I – GOVERNANCE

Through its 13 national institutes of directors (the main national institutes existing in Europe) covering 14 countries, ecoDa represents around sixty thousand board directors from across the EU member states.

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 Finnish Association of Professional Board Members, Hallitusammattilaiset ry, Finland.
- Instituto de Consejeros – Administradores, IC-A, Spain.
- The Slovenian Directors' Association, Slovenia.
- The Polish Institute of Directors, Polski Instytut Dyrektorów, Poland.
- The Norwegian Styreinstitutt, Norway.
- The Baltic Institute of Corporate Governance, Lithuania.

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 works of company directors. The **affiliated members** currently are:

- The Croatian Association of Certified Supervisory Board Members, HUCNO, Croatia.
- The Norwegian Styreakademiet
- The British Institute of Chartered Secretaries and Administrators, ICSA, United Kingdom.
- EPEGON, European People Governance Network
- The European Confederation of Institutes of Internal Auditing (ECIIA)
- The Institute of Business Ethics (IBE)

The **corporate associates** are firms that are adhering to ecoDa objectives, are contributing to ecoDa on financial terms and are participating to ecoDa works. The current corporate associates are:

- 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.

The ecoDa's **Board of Directors** is chaired by Patrick Zurstrassen and met five times in 2011 (including one board meeting hosted in Helsinki).

The board was composed of:



- Maarit Aarni-Sirviö [Finland]



- Juan Alvarez-Vijande [Spain]



- Daniel Lebegue [France]



- Irena Prijovic [Slovenia]



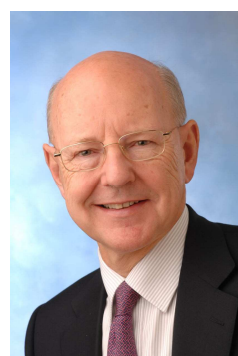
- Turid Solvang [Norway]



- Lutgart Van den Berghe[Belgium]



- Simon Walker [UK]



- Patrick Zurstrassen [Luxembourg]

Miles Templeman, Pierre Klees and Olli V. Virtanen have retired and were replaced by Simon Walker, Lutgart Van den Berghe and Maarit Aarni-Sirviö.

The Board conducted an evaluation of its effectiveness for the first time in September 2011.

ecoDa works are undertaken by its Committees composed of representatives of its full members. The Committees currently are:

- The **Policy Committee** chaired by Lutgart Van den Berghe was composed of

Andrieux	Marie-Ange	Member	IFA/ Deloitte (France)
Barker	Roger	Member	IoD (UK)
Callens	Peter	Member	Guberna (Belgium)
Decleire	Philippe	Observer	ecoDa
Horak	Hana	Member	HUCNO (Croatia)
Iguarta	Fernando	Member	IC-A (Spain)
Laguesse	Sophie	Member	ILA (Luxembourg)
Lindholm	Tomas	Member	Hallitusammattilaiset ry (Finland)
Podbevšek	Gorazd	Member	SDA (Slovenia)
Richez-Baum	Béatrice	Secretary General	ecoDa
Solvang	Turid	Member	Styreinstitutt (Norway)
Van den Berghe	Lutgart	Chairwoman	Guberna (Belgium)

- The **Benchmarking and Information Committee** chaired by Richard Zisswiller was composed of

Barker	Roger	Member	IoD (UK)
Chambourdon	Marie	Member	ILA (Luxembourg)
Horak	Hana	Member	HUCNO (Croatia)
Levrau	Abigail	Member	Guberna (Belgium)
Martinez-Pardo	Luis Sancho	Member	IC-A (Spain)
Prijovic	Irena	Member	SDA (Slovenia)
Richez-Baum	Béatrice	Secretary General	ecoDa
Zisswiller	Richard	Chairman	IFA (France)

- The **Membership Committee** chaired by Philippe Declaire was composed of

Declaire	Philippe	Chairman	IFA/Guberna
Garitte	Jean-Pierre	Member	
Osborne	Nicole	Member	IoD (UK)
Peklar	Leonardo	Member	SDA (Slovenia)
Richez-Baum	Béatrice	Secretary General	ecoDa
Zisswiller	Richard	Member	IFA (France)
Zurstrassen	Patrick	Member	ILA (Luxembourg)

- The **Communication Committee** chaired by Olli V. Virtanen until the end of 2011 was composed of

Barker	Roger	Member	IoD (UK)
Claus	Ineke	Member	Guberna (Belgium)
Decortiat	Clémence	Member	IFA (France)
Farmer	Ingrid	Member	IoD (UK)
Margue	Pierre	Member	ILA (Luxembourg)
Richez-Baum	Béatrice	Secretary General	ecoDa
Virtanen	Olli V.	Chairman	Hallitusammattilaiset ry (Finland)

- The **Nomination Committee** chaired by Daniel Lebègue conducted the board's evaluation.

Alvarez-Vijande	Juan	Member	IC-A (Spain)
Klees	Pierre	Member	Guberna (Belgium)
Lebègue	Daniel	Chairman	ecoDa
Templeman	Miles	Member	IoD (UK)

- The **Administrative Committee** chaired by Patrick Zurstrassen was created in July 2011. Its composition comprises:

Declaire	Philippe	Treasurer	IFA/Guberna
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Richez-Baum	Béatrice	Secretary General	ecoDa
Zurstrassen	Patrick	Chairman	ecoDa

The preparation and coordination of all ecoDa governing bodies was carried out by ecoDa General Secretariat:

Béatrice Richez-Baum, General Secretary, Philippe Declaire, Treasurer and Amandine Fivet, assistant.



ecoDa was also supported by ad hoc committees:

Working Group on CG and People Governance

Andrieux Marie-Ange	Member (France)	IFA/ Deloitte (France)
Bellefroid	Marie-Elisabeth	Guberna (Belgium)
Hubert Serge	Member	EPEGON/Deloitte
Klees Pierre	Chairman / overseeing the working group for ecoDa's board	Guberna (Belgium)
Richez-Baum Béatrice	Secretary General	ecoDa

Working Group on State Owned enterprises

Ahdekivi Eeva	Member	Hallitusammattilaiset ry (Finland)
Barker Roger	Member	IoD (UK)
Horak Hana	Member	HUCNO (Croatia)
Bellefroid Marie-Elisabeth	Member	GUBERNA (Belgium)
Kaas Mortensen Kristian	Member	BICG (Baltic countries)
Bailly Olivier	Member	IFA (France)
Podbevšek Gorazd	Member	SDA (Slovenia)
Prijovic Irena	Observer	SDA (Slovenia)
Richez-Baum Béatrice	Secretary General	ecoDa
Van den Berghe Lutgart	Chairwoman	Guberna (Belgium)
Weyer Jeannot	Member	ILA (Luxembourg)
Belen Romana	Member	IC-A (Spain)
Luis Sancho	Observer	IC-A (Spain)

Working Group on Audit Committee

Beegun Ravi	Member	KPMG/ILA
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Barker Roger	Member	IoD (UK)
Copnell Tim	Chairman	KPMG (UK)
Discours Jean-Marc	Member	KPMG (France)
De Wilde Annelies	Member	Guberna (Belgium)
Li John	Member	KPMG/ILA
Richez-Baum Béatrice	Secretary General	Secretary General - ecoDa
Zurstrassen Patrick	Member	ecoDa

II– BUSINESS REVIEW

A – POLICY MAKING

In 2010, ecoDa continued its close involvement in policy development in Europe with regular meetings with the European Commission and the European Parliament. ecoDa also held a number of meetings with other institutions, standard-setters and its fellow European partners. ecoDa’s Policy Committee worked intensively in responding to the European initiatives. The Policy Committee and other ecoDa’s Working Groups also worked towards the adoption of new CG standards.

1- ECODA’S RESPONSES TO THE EU INITIATIVES

ecoDa kept on monitoring the European activities and issuing various EU Updates including newswatch and newsletters (ecoDa provided about 280 informative emails during the year).

➤ *Green Paper on Corporate Governance on CG Framework*

In April 2011, the European Commission launched a public consultation that addressed the ways in which corporate governance of European companies can be improved. The consultation covered a number of issues such as how to improve the diversity and functioning of the boards of directors and the monitoring and enforcement of existing national corporate governance codes, and how to enhance the engagement of shareholders.

ecoDa put forward its opinion and reflected in the same time with other European stakeholders. ecoDa met the main Rapporteur Sebastian Valentin Bodu of the leading JURI Committee and the Rapporteur of the advisory Committee (ECON Committee), Ashley Fox.

ecoDa’s response was developed in a press article in the Parliament Magazine (July Issue).

According to the results of the consultation, it appeared that the comply or explain principle has to be maintained but it is not enough to leave certain issues to this principle such as rules on disclosure, minority shareholders and related party transactions. In consequence, ecoDa decided to organise its next annual conference on “Comply or Explain: Preserving Governance Flexibility with Quality Explanations” and approached potential partners /speakers including the European Commission.

ecoDa’s response:

<http://www.ecoda.org/ecoDa%27sresponsetoEUgreenpaperonCGforlistedcompanies.pdf>

Key points in ecoDa’s response:

- Both corporate governance and corporate social responsibility are key elements in building societal trust and in improving the sustainable competitiveness of the European business world. They should not be viewed as separate issues, but within an integrated policy framework.
- Corporate governance practices should reflect the size and complexity of individual companies. Smaller listed companies and unlisted companies are likely to require a different type of corporate governance regime to large listed companies. Proportionality is a key component of good governance.
- The Comply or Explain approach to corporate governance – in relation to national corporate governance codes – should be retained as a key feature of the European

corporate governance landscape. The Green Paper rightly observes that comply or explain could work better in certain instances, particularly in relation to the quality of company explanations and shareholder engagement. However, notwithstanding these issues, comply or explain is far preferable to a corporate governance regime which embeds mandatory governance requirements into legislation. The Commission is advised not to follow this route. Governance flexibility and plurality are preferable to a legalistic, box-ticking approach.

- Diversity in board membership is an important component of board effectiveness. Companies should disclose their diversity policies, both in terms of gender and with respect to other dimensions of diversity. However, the issue of gender quotas should be determined at national level, reflecting the political context of individual EU member states.
- Two major contributors to board effectiveness in the future will be the greater use of external board evaluations and improved board training. Both offer the potential to significantly improve the performance of directors and/or supervisory board members in the fulfilment of their board-level responsibilities.
- Significant or reference shareholders continue to play a useful but underestimated role in European corporate governance. They often underpin companies in adopting a longer-term investment perspective. In contrast, greater thought must be given to the internal governance of institutional investors, whose diffuse shareholdings, short-term performance horizon and reliance on market trading can translate into weak corporate governance in their invested companies.
- Minority shareholder protection – particularly the control of related party transactions – is still an issue of concern in certain EU member states. However, in most EU countries, encouraging institutional shareholders to fulfil their governance responsibilities is a more important objective than the granting of additional rights to minority shareholders.

➤ *Draft proposal on CRDIV*

In July 2011, the Commission published the revised Capital Requirements Directive (CRD IV).

The draft directive included the following proposed requirements:

- The roles of chairman and CEO cannot be combined unless authorised by the competent authority.
- No individual can hold more than four non-executive directorships or one executive and two non-executive directorships, unless authorised by the competent authority.
- Boards must have a policy “promoting gender, age, geographical, educational and professional diversity” on the board.
- Competent authorities are to ensure that the board undertakes periodic reviews of its effectiveness and takes appropriate steps to address any deficiencies. While it is clear that the board will undertake the review, it is less clear whether it is the board or competent authorities who will judge whether appropriate steps have been taken.
- The European Banking Authority is to develop regulatory technical standards for assessing the suitability of board members which will cover: “the notion of sufficient time commitment”, “the notion of adequate collective knowledge, skills and experience of the management body”, “the notions of honesty, integrity and independence of mind”, “the notion of adequate human and financial resources devoted to the induction and training of members of the management body”, and “the notion of diversity to be taken into account for the selection of members of the management body”.
- The board’s responsibilities for risk are described.

ecoDa met the European Banking Authority in October 2011 in London to address its opinion.

➤ *Draft proposal on Audit*

With its proposal for a regulation on the quality of audits of public-interest entities and its proposal for a directive to enhance the single market for statutory audits (issued in November 2011), the European Commission intends to clarify the role of the auditors, to introduce more stringent rules for the audit sector aimed in particular at strengthening the independence of auditors as well as greater diversity into the current highly-concentrated audit market.

On 6 December 2011, ACCA (the Association of Chartered Certified Accountants) and ecoDa organised a joint roundtable on 6 December 2011 in Brussels to discuss for the first time the newly published Commission's proposals on audit. Bringing together about 85 high profile participants from diverse background and nationality, including EU and national decision-makers, academics, representatives from the financial services sector and from large and small businesses, regulators and supervisors as well as the audit profession, the event provided an informed platform to explore ways in which we might most effectively enhance the value and quality of audit and restore society's confidence in the ability of audit to add value to corporate activity. This event also allowed participants to exchange good practices and recommendations, namely on the role of audit committees and proportionate audit for SMEs at EU level. At that time, ecoDa insisted on the fact that audit committees are committees of the boards. A press release following the conference was repeated on Euractiv.com

ecoDa exchanged opinion with a various range of stakeholders and organised a meeting with the Rapporteur at the European Parliament.

2- ECODA'S PROACTIVE INITIATIVES

➤ *A Guidance on Audit Committees in conjunction with KPMG*



Thanks to its Working Group on Audit Committees chaired by Tim Copnell (KPMG), ecoDa issued Guidance on Audit Committees in conjunction with KPMG.

This guidance has been motivated by the belief that audit committees are a key feature of a strong corporate governance culture and bring significant benefits to organisations. This new ecoDa guidance for audit committees articulates the principles underlying the audit committee's role and aims to help steer organisations through the new requirements set out in the Directive. In so doing, it provides non-prescriptive guidance to help audit committees (and those working with them) gain a better understanding of appropriate processes and behavioural practices.

The carefully designed recommendations presented in the ecoDa guidance can also help audit committees to maximise their benefit to the main board, shareholders and other stakeholders. However, it is important that each board and audit committee should assess their own circumstances when defining a specific audit committee approach. Practices that work best for one organisation

may not be ideal for another – especially in a governance environment where culture, risk and governance needs can vary dramatically from company to company. Nevertheless, the guiding principles set out in the new ecoDa publication should underlie the effectiveness of every audit committee. The appropriate application of these principles can help to ensure that ‘company specific’ practices are applied effectively – that is, by the right people with the right information, processes and perspectives.

ecoDa’s Guidance was presented in a press article in the Parliament Magazine.

650 copies of the guidance were largely circulated over Europe.

ecoDa organised a dedicated event on 7 September 2011.

➤ *Reflection on CG for State-Owned Enterprises (SOEs)*

ecoDa initiated reflection on CG for SOEs within its dedicated Working Group.

The Working Group has identified the main Governance challenges in SOEs. The OECD which intends to revise its Principles of Corporate Governance and its SOE Guidelines was associated at the early stage of the reflection.

➤ *Reflection on CG and people governance*

ecoDa finalized a working document on CG and people governance within its Working Group on CG and people governance. A conference should be organised to enable further developments.

➤ *Reflection on Gender diversity*

In December 2011, ecoDa sent a letter to Commissioners Michel Barnier and Viviane Reding with regards to gender diversity and mentoring for women.

Numerous initiatives are already taken at national level, each trying to tailor the measures to the local business environment and societal norms. ecoDa advocated a mandatory disclosure which better serves the intention to reach a ‘tailored’ gender policy. ecoDa acknowledged that mentoring, networking and adequate training for management and board positions are essential for women wanting to follow a career path that leads to eligibility for board positions. Some ecoDa’s members - like in Belgium (Guberna) and in France (IFA) - have developed in cooperation with women networks different mentoring programmes to help women climb the corporate ladder. All these initiatives support not only gender and international diversity but moreover professionalism and effectiveness in boardrooms. They are less visible than figures in terms of board mandates but contribute to gradual changes in behaviour.

B – BENCHMARK & EDUCATION

➤ *European benchmark:*

ecoDa's Benchmarking and Information Committee carried out diverse benchmarks notably on "say on pay", "regulated conventions" and "trainings' fees".

ecoDa's members were updated with national topical CG issues through information's exchanges among them.

➤ *Education programmes*



ecoDa has developed a European module for directors and supervisory board members seeking to gain a European perspective on board functioning and corporate governance. The training programme is targeted at directors with a cross-border mandate in their board activities or looking for such a mandate. Anyone seeking to update their knowledge of recent EU policy developments in the field of corporate governance will also benefit from the module.

As a result of global economic forces, modern boards are becoming increasingly diverse in their composition and business perspectives. For companies operating across Europe, directors and supervisory board member must rapidly gain an understanding of unfamiliar corporate governance systems, regulations, and best practices. They also need an overview of the rapidly changing and often complex EU policy debate on corporate governance.

ecoDa organized from A to Z its European two days developments for directors in Brussels in March and October 2011.

ecoDa managed to partner with KPMG, INSEAD and other well known organizations. ecoDa called upon high-level speakers including ISS, Clifford Chance, European Commission, European Parliament, etc.

On average, 35 participants took part in each of the first two sessions.

In addition, ecoDa module has been integrated into some National certification programmes and all sessions were dully evaluated.

C- COMMUNICATION & EVENTS

➤ *Three events*

The European Confederation of Directors' Associations (ecoDa) organised its annual conference on 19 May 2011 on the topical issue of **diversity in boardrooms** with the kind sponsor of Eversheds. High level speakers including senior directors with international experiences, academics and representative from the European Commission debated this issue.

According to directors who testified from their national experiences at the ecoDa conference, the impact of diversity on the functioning of the boards is clearly positive. Diversity generally favours more open debate, greater creativity and renewal in the board's composition. Moreover, when boards have to address difficult questions, different views, different ways of analysing things and a broader perspective to secure that all arguments are taken into consideration are required to find out the best solutions.

The speakers agreed that having diversity is a good risk management strategy and that diversity improves governance quality. Finding the right balance has to do with a vision on good governance, a view on adequate forms/models of governance and on the composition and functioning of boards. Diversity goes beyond gender diversity; it is about professional and international diversity. It is about mindset and introducing countervailing powers within the board.

However, diversity should not be resolved by ticking the box. Women should be chosen because of their qualifications and not because they are women. It is important that companies should not get diversity that they can not manage. Companies should have in fact the opportunity to make a choice for tailor made solutions and to take time to adjust to their needs. Diversity is indeed good as long as it serves the businesses. It should be also kept in mind that diversity is about providing equal opportunities and valuing minority opinions. One attendee challenged the discussion by pointing out that women equality will not be gained by boards' diversity and that too many concentrations on the same women will not enlarge the directors' network. Furthermore, overloading the agenda of listing companies and fixing quotas might generate down side effects like delisting.

Even where quota law has been taken, the speakers agreed that the law should not be perceived as a aim in itself but a tool helping the companies to start a process in the right direction. The law should be seen as "an order to reflect". Boards must instill the right mindset and boardroom dynamics to make diversity effective. An atmosphere of respect and trust among people is first needed to let the people speak their mind. Education of board members should increasingly focus on board dynamics and personal behaviour instead of only improving technical knowledge.

Companies should analyze the skills set around their board. To get the right person, they should address "questions outside the box"; they should test the courage to disagree with the policy, they should test the sensibility to ethical issues, they should carry due diligence on candidates and check their reputation. If board members don't open up their eyes, the board will be put into a group thinking mode. Stakeholders should be allowed to be involved in the board selection process.

Furthermore, it is essential to fix the shared goals as well the shared values of the company and to challenge them to avoid any predefined ideology. It will then be easier to manage diversity from a common platform and a common understanding. A more open minded board will lead at the end to better corporate culture. It is obvious that the chairman of the board has a pivotal and leading role to play in that perspective. Leadership programs should be developed in that sense.

In addition, mentoring, new training and certification programs, partnership with head hunters cabinets as well as executive women associations, directory book and on line offer of mandates constitute practical tools to enlarge the women directors' pool. However, it seems that finding good women directors is not the most difficult task for board which face more difficulties in finding non national directors, younger directors or directors with specific expertise (risk managers, for instance). In Germany, there is a much higher standard which is being used to select female candidates – who usually comply with the international diversity as well – than for male candidates.



ecoDa launched its **Guidance on Audit Committees** at an event on 7 September 2011 with 75 registrations and in presence of both the European Commission and the European Parliament (Masip Hidalgo, the Rapporteur at the EP). The conference costs were covered by KPMG.

A joint roundtable was organized with ACCA (the Association of Chartered Certified Accountants) on 6 December 2011 on Commission's proposals on **Audit Reform**.

➤ *Visibility at European/ International conferences*

ecoDa partnered with the Polish Institute of directors which was involved in the organization of the **European CG Conference in Warsaw** in November 2011. The Conference offered an opportunity to exchange opinions within the corporate governance community. The European Commission issued at that time the results of its Green Paper on CG.

ecoDa also partnered with **ICGN** for its September event in Paris. The conference was hosted by Europlace.

The **Zagreb University** held the 1st International Conference on „Corporate governance – new experiences: Implementation in South Eastern Europe“ in November 2011 with close cooperation of ecoDa.

➤ *Relationships with stakeholders*

During the year, ecoDa kept in particularly close touch with European stakeholders.

D – DEVELOPMENT

In 2011, ecoDa was successful in attracting new members and associates:

- Two new full members: the Baltic institute of corporate governance and the Swedish StyrelseAkademien
- Two new affiliated members: European Confederation of Institutes of Internal Auditors + Institute of Business Ethics
- One new Corporate Associate: Germanboardroom
- One Research Associate: The Canadian Collège des Administrateurs de Sociétés/Laval University.

In addition, ecoDa has devoted time in approaching new national institutes and in keeping relationship with existing bodies. Extensive travels were organized for this purpose and for the good integration of new members.

All these initiatives should provide concrete outcomes in the short run and probably already in 2012.

Furthermore, ecoDa has decided to apply and join the **Global Director Development Circle**. The GDDC consists of leading professional membership organizations for directors from countries around the world that wish to share, amongst the GDDC membership, expertise in corporate governance and professional director development in order to enhance corporate governance from the director's perspective around the world. The general purpose of the GDDC is to be an internationally recognized association of leading membership organizations for directors from countries around the world, which share a common mission to advance good corporate governance practices from the director's perspective, in their respective countries and/or regions.

III- AUDITED FINANCIAL STATEMENTS

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

BALANCE SHEET at end 2011 in euros

ASSETS			
	FIXED ASSETS		
I. Formation expenses	20/28 20		
II. Intangible assets (note I; A)	21		
III. Tangible assets (note I; B)	22/27		
	CURRENT ASSETS		
VII. Amounts receivable within one year	29/58 40/41		144.751,00
A. Trade debtors	40	11.741,79	
IX. Cash at bank and in hand	54/58	132.295,26	
X. Deferred charges and accrued income	490/1	713,95	
TOTAL ASSETS			144.751,00
LIABILITIES			
	OWN FUNDS		
I. Own Funds (note III)	10/15 10		94.832,59
Own funds	100	100.000,00	
Loss carried forward (-)	141	(5.065,18)	
Balance 6 and 7	149	(102,23)	
	AMOUNTS PAYABLE		
IX. Amounts payable within one year (note V)	17/49 42/48		49.918,41
B. Financial Debts	43		46.418,41
1. Credit institutions	430/8	219,74	
C. Trade debts	44		
1. Suppliers	440/4	34.732,33	
E. Taxes; remunerations and social security	45		
1. Taxes	450/3	2.932,35	
2. Remunerations and social security	454/9	7.443,36	
F. Other amounts payable	47/48	1.090,63	
X. Accrued charges and deferred income	492/3		3.500,00
TOTAL LIABILITIES			144.751,00

PROFIT AND LOSS ACCOUNT

INCOME STATEMENT

I. Operating income and charges

Other operating income	71/74	190.128,33
Services and miscellaneous goods	61	(150.423,41)
A.B. Gross operating margin (+)	70/61	39.704,92
C. Remuneration; social security and pensions (note VI; 2) (-)	62	(34.413,21)
E. Amounts written off stocks; contracts in progress and trade debtors (appropriations -; write-backs +)	631/4	(5.137,68)
G. Other operating charges (-)	640/8	(699,84)
{ Operating profit (+)	70/64	
{ Operating lost (-)	64/70	(545,81)

II. Financial income

Financial charges (-)

{ Profit on ordinary activities before taxes (+)	70/65	35,56
{ Loss on ordinary activities before taxes (-)	65/70	
{ Profit for the period before taxes (+)	70/66	35,56
{ Loss for the period before taxes (-)	66/70	

IV. Income taxes (-) (+)

{ Profit for the period (+)	70/67	
{ Loss for the period (-)	67/70	(102,23)
{ Profit for the period to be appropriated (+)	70/68	
{ Loss for the period to be appropriated (-)	68/70	(102,23)

APPROPRIATIONS AND TRANSFERS

I. Operating income and charges

A. { Profit to be appropriated

{ Loss to be appropriated (-)

1. Profit for the period avail. for appropri.	70/68	
Loss for the period avail. for appropri. (-)	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	10.000,00
goods and values held by third parties in their own name but at risk to and for the benefit of the enterprise	041	10.000,00

ecoDa

www.ecoda.org | contact@ecoda.org

Tel : +32 02 231 58 11 | Fax: + 32 02 231 58 31

rue de la Loi 42 - 1040 Brussels

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