

APPENDIX 3

DETAILED METHODOLOGY AND TEMPLATES

Final Report

STUDY ON MONITORING AND ENFORCEMENT PRACTICES IN CORPORATE GOVERNANCE IN THE MEMBER STATES

23 September 2009

STUDY CONDUCTED BY MAIN CONTRACTOR:

RiskMetrics Group - ISS Governance Services



AND SUBCONTRACTORS:



ecoDa



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DETAILED METHODOLOGY

1. Introduction

On August 2nd, 2008 DG Internal Market and Services commissioned a Study on the monitoring and enforcement systems concerning Member States' corporate governance codes. The objectives of the Study are:

- to describe the relationship, in the 27 Member States, between legislation and "soft" law (codes) in corporate governance;
- to examine the existing monitoring and enforcement mechanisms in the Member States as far as corporate governance codes are concerned and to evaluate their effectiveness;
- to obtain an impression of the companies' perception of the codes; and
- to evaluate the perception of shareholders as to the quality of companies' disclosure on the application of corporate governance principles and of explanations given where the company declares not to comply, and of their reactions to disclosure perceived as insufficient.

A consortium led by RiskMetrics Group submitted a bid on September 19th, 2008 for producing the Study.

The production of the Study was awarded to the consortium led by RiskMetrics Group on December 23^d, 2008.

The present appendix contains a detailed overview of the methodology used in accordance with the terms of the bid. This methodology was further reviewed with and endorsed by the European Commission, among others during the kick-off meeting of January 22nd, 2009 and in a meeting organised to present the interim report on April 1st, 2009.

The *drafting date* of the Study, referred to in the text of the Study, corresponds to the delivery day of the draft final report to the European Commission on July 23rd, 2009. Unless mentioned otherwise, information is valid as of July 23rd, 2009. Additionally, complementary information has been introduced on a number of key points upon completion of the final report on September 23rd, 2009.

2. Legal analysis

The legal analysis contained in the Study has been drafted by RiskMetrics Group, on the basis of a legal review of the 27 EU Member States performed by law firm Landwell & Associés and its network of European affiliates, based on their corporate governance expertise and experience.

Landwell & Associés created an analysis template for individual Member States following the structure laid down by the European Commission in the invitation to tender¹. After discussions with RiskMetrics Group and the European Commission's approval, Landwell & Associés, circulated the analysis template to each of the 27 designated lawyers specialising in corporate governance issues in their respective Member States. Following a quality check from RiskMetrics Group and comments from the European Commission on the first drafts of each country analysis, Landwell & Associés and its network provided RiskMetrics Group with the final version of the legal analysis for each of the 27 Member States², on which RiskMetrics Group founded Chapter One of this Study.

Work timetable	
January 2009	Preliminary phase
Beginning of January 2009	First draft of a legal template (France) by Landwell & Associés
21 Jan. 2009	Conference call with Christophe Guénard (Landwell & Associés) to discuss the draft legal template
22 Jan. 2009	Kick-off meeting with the European Commission
24 Feb. 2009	Finalisation of legal template
March 2009	Analysis phase
9-16 March 2009	Primary analysis conducted by Landwell & Associés and its network of European affiliates
16-31 March 2009	Quality checks by RiskMetrics on the analysis for 20 Member States
01 April 2009	Interim meeting with the Commission
April 2009	Quality checks by RiskMetrics on the analysis for the seven remaining Member States
April/May 2009	Feedback from the European Commission and the Network of securities regulators and stock exchanges on the analysis for the 27 Member States
May/June 2009	Review by Landwell & Associés and its network of European affiliates of the analysis for the 27 Member States
May/June 2009	Drafting of Chapter One of the Study by RiskMetrics Group

¹ Invitation to tender Nr MARKT/2008/23/F, p.18-19.

² The country analysis for each of the 27 Member States can be found in Appendix 1.

3. Company practice

Coverage

Concerning the examination of a sample of companies, the methodology contained an original sample of 270 companies over 18 Member States, with 15 companies to be analysed per Member State. The objective was to have a sample containing:

- The first five listed companies by capitalization for each Member State
- 10 mid cap companies

We have identified the sample based on all listed companies on a European stock exchange (based on Reuters database) on February 2nd, 2009. Consequently:

- A ranking of top 5 companies (in market capitalisation) was produced per market of listing.
- Companies listed in a State which was not one of the 18 Member States as identified by the Commission were eliminated from this list.
- Companies with a free float below 1 percent were eliminated from this list as well.
- Companies which had completed an IPO and therefore had not yet been able to refer back to a full accounting year were eliminated from this list as well.
- The list of companies was then reclassified according to the country of domicile (a company with domicile in a particular country was analysed as a company from that country even if was listed in another country).
- The list of top market caps was capped at EUR 2 billion.
- Mid cap companies were identified as of a market cap below EUR 2 billion in a descending order.
- In so far a market had fewer than 5 companies with a market cap above EUR 2 billion, the remaining companies were analysed as a mid-cap companies.

Composition of the sample of large-cap companies (February 2nd, 2009 - Reuters database)

Country of primary listing	Country of domicile	Name	Market capitalisation in EUR
BELGIUM LARGE CAP COMPANIES			
1 Belgium	Belgium	Anheuser-Busch InBev N.V.	30,457,845,342
2 Belgium	Belgium	Belgacom SA	8,986,735,349
3 Belgium	Belgium	Groupe Bruxelles Lambert	8,883,058,071
4 Belgium	Belgium	Etn. Fr. Colruyt N.V.	5,675,691,685
5 Belgium	Belgium	KBC Groep NV	4,907,591,000
DENMARK LARGE CAP COMPANIES			
1 Denmark	Denmark	Novo Nordisk A/S	21,943,409,248
2 Denmark	Denmark	AP Moller Maersk A/S	16,378,739,754
3 Denmark	Denmark	Vestas Wind Systems A/S	6,739,949,243
4 Denmark	Denmark	Danske Bk	5,399,389,535
5 Denmark	Denmark	TDC A/S	4,458,961,547
FINLAND LARGE CAP COMPANIES			
1 Finland	Finland	Nokia Oyj	35,895,068,176
2 Finland	Finland	Fortum Oyj	13,262,168,662
3 Finland	Finland	Sampo Oyj	6,748,099,008
4 Finland	Finland	Stora Enso Oyj	4,264,821,373
5 Finland	Finland	UPM-Kymmene Oyj	3,748,948,466
FRANCE LARGE CAP COMPANIES			
1 France	France	Total S.A.	92,354,710,000
2 France	France	Electricite de France S.A.	68,032,715,240
3 France	France	GDF Suez S.A.	65,932,902,186
4 France	France	Sanofi-Aventis	58,260,317,146
5 France	France	France Telecom SA	46,393,202,501
GERMANY LARGE CAP COMPANIES			
1 Germany	Germany	Volkswagen AG	74,702,507,687
2 Germany	Germany	E.ON AG	49,068,008,257
3 Germany	Germany	Deutsche Telekom AG	41,382,557,549
4 Germany	Germany	Siemens Aktiengesellschaft	39,456,895,036
5 Germany	Germany	SAP AG	33,682,141,821
GREECE LARGE CAP COMPANIES			
1 Greece	Greece	Greek Organisation of Football Prognostics S.A.	7,062,142,391
2 Greece	Greece	National Bank of Greece SA	6,190,945,746
3 Greece	Greece	Organismos Telepikoinonon Tes Ellados A.E.	5,640,634,674
4 Greece	Greece	Coca-Cola Hellenic Bottling Company S.A.	3,804,208,804
5 Greece	Greece	Demosia Epicheirese Elektrismoy A.E.	2,970,611,246
HUNGARY LARGE CAP COMPANIES			
1 Hungary	Hungary	MOL Magyar Olaj- es Gazipari Rt.	3,549,560,793
2 Hungary	Hungary	Orszagps Takarekpenztar es Kereskedelmi Bank Nyilvanosan Mukodo Reszvenytarsasag	2,217,144,512
IRELAND LARGE CAP COMPANIES			
1 Ireland	Ireland	CRH PLC	9,468,935,908
2 Ireland	Ireland	Ryanair Holdings PLC	4,510,040,781
3 Ireland	Ireland	Elan Corporation, plc	2,727,472,213
4 Ireland	Ireland	Kerry Group PLC	2,547,350,004

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Country of primary listing	Country of domicile	Name	Market capitalisation in EUR
ITALY LARGE CAP COMPANIES			
1 Italy	Italy	ENI SpA	66,384,282,594
2 Italy	Italy	Intesa Sanpaolo S.p.A.	29,842,369,927
3 Italy	Italy	Enel Spa	26,527,763,753
4 Italy	Italy	Assicurazioni Generali S.p.A.	22,203,891,108
5 Italy	Italy	Telecom Italia SpA	17,301,313,660
LUXEMBOURG LARGE CAP COMPANIES			
1 Netherlands	Luxembourg	ArcelorMittal SA	25,594,715,355
2 Luxembourg	Luxembourg	SES, Societe Anonyme	6,729,212,766
3 Luxembourg	Luxembourg	RTL Group PLC	4,653,890,559
NETHERLANDS LARGE CAP COMPANIES			
1 United Kingdom	Netherlands	Royal Dutch Shell Plc	117,189,590,000
2 Netherlands	Netherlands	Unilever N.V.	57,839,666,630
3 Netherlands	Netherlands	Koninklijke KPN NV	17,728,594,271
4 Netherlands	Netherlands	Koninklijke Philips Electronics NV	13,992,952,176
5 Netherlands	Netherlands	ING Groep NV	12,621,253,617
POLAND LARGE CAP COMPANIES			
1 Poland	Poland	Bank Polska Kasa Opieki S.A.	6,115,725,410
2 Poland	Poland	Telekomunikacja Polska SA	6,056,786,284
3 Poland	Poland	Polskie Gornictwo Naftowe i Gazownictwo SA	4,361,568,245
4 Poland	Poland	Powszechna Kasa Oszczednosci Bank Polski Spolka Akcyjna	2,887,323,675
5 Poland	Poland	Polski Koncern Naftowy Orlen Spolka Akcyjna	2,044,967,967
PORTUGAL LARGE CAP COMPANIES			
1 Portugal	Portugal	EDP - Energia de Portugal, S.A.	8,457,014,480
2 Portugal	Portugal	Galp Energia SA	6,273,750,899
3 Portugal	Portugal	Portugal Telecom SGPS, SA	6,028,564,910
4 Portugal	Portugal	Banco Comercial Portugues, S.A.	3,717,165,598
5 Portugal	Portugal	Brisa - Autoestradas de Portugal S.A.	3,063,472,765
SPAIN LARGE CAP COMPANIES			
1 Spain	Spain	Telefonica S.A.	64,842,560,910
2 Spain	Spain	Banco Santander SA	47,193,467,742
3 Spain	Spain	Iberdrola, S.A.	29,681,207,898
4 Spain	Spain	Banco Bilbao Vizcaya Argentaria SA	26,798,344,890
5 Spain	Spain	Endesa SA	25,624,587,349
SWEDEN LARGE CAP COMPANIES			
1 Sweden	Sweden	H & M Hennes & Mauritz AB	22,078,248,824
2 Sweden	Sweden	Telefonaktiebolaget LM Ericsson	19,874,274,605
3 Sweden	Sweden	TeliaSonera AB	15,327,034,162
4 Sweden	Sweden	Nordea Bank AB	10,366,167,446
5 Sweden	Sweden	Investor AB	6,609,502,057
UNITED KINGDOM LARGE CAP COMPANIES			
1 United Kingdom	United Kingdom	BP PLC	100,891,700,000
2 United Kingdom	United Kingdom	Vodafone Group PLC	74,868,496,074
3 United Kingdom	United Kingdom	HSBC Holdings PLC	71,252,449,779
4 United Kingdom	United Kingdom	GlaxoSmithKline PLC	71,030,393,531
5 United Kingdom	United Kingdom	AstraZeneca PLC	43,417,922,897

Composition of the sample of mid-cap companies (February 2nd, 2009 - Reuters database)

	Country of primary listing	Country of domicile	Name	Market capitalisation in EUR
BELGIUM MID CAP COMPANIES				
1	Belgium	Belgium	Sofina SA	1,803,918,757
2	Belgium	Belgium	Umicore	1,663,369,977
3	Belgium	Belgium	Telenet Group Holding NV	1,317,364,555
4	Belgium	Belgium	Elia System Operator S.A.	1,258,479,269
5	Belgium	Belgium	Ackermans & van Haaren NV	1,102,329,476
6	Belgium	Belgium	Solvac SA	972,701,064
7	Belgium	Belgium	Befimmo S.C.A.	944,147,201
8	Belgium	Belgium	Banque Nationale de Belgique SA	871,573,957
9	Belgium	Belgium	N.V. Bekaert S.A.	858,922,541
10	Belgium	Belgium	Distrigaz S.A.	795,739,251
BULGARIA MID CAP COMPANIES				
1	Bulgaria	Bulgaria	Petrol AD	488,377,691
2	Bulgaria	Bulgaria	Korporativna trgovska banka AD Sofia	224,277,460
3	Bulgaria	Bulgaria	Sopharma AD Sofia	136,879,433
4	Bulgaria	Bulgaria	Zhelezopatna infrastruktura holdingovo druzhestvo AD Sofia	127,630,017
5	Bulgaria	Bulgaria	Chimimport AD	95,584,907
6	Bulgaria	Bulgaria	Monbat AD Sofia	81,339,484
7	Bulgaria	Bulgaria	Druzha Staklarski Zavodi AD Sofia	73,539,395
8	Bulgaria	Bulgaria	Bulgartabac Holding AD Sofia	69,837,136
9	Bulgaria	Bulgaria	Purva investitsionna banka AD	56,959,355
10	Bulgaria	Bulgaria	Bulgaro-Amerikanska Kreditna Banka AD	53,932,214
11	Bulgaria	Bulgaria	Blagoevgrad-BT AD Blagoevgrad	47,536,957
12	Bulgaria	Bulgaria	Sparky AD Ruse	46,016,715
13	Bulgaria	Bulgaria	Zarneni Hrani Bulgaria EAD	45,599,239
14	Bulgaria	Bulgaria	Bulstrad Insurance and Reinsurance PLC	40,156,345
15	Bulgaria	Bulgaria	Neohim AD Dimitrovgrad	39,485,024
DENMARK MID CAP COMPANIES				
1	Denmark	Denmark	Coloplast A/S	1,957,140,796
2	Denmark	Denmark	Topdanmark A/S	1,542,641,037
3	Denmark	Denmark	William Demant Holding	1,490,832,411
4	Denmark	Denmark	Genmab	1,484,949,535
5	Denmark	Denmark	DSV A/S	1,405,612,887
6	Denmark	Denmark	Danisco A/S	1,355,980,301
7	Denmark	Denmark	Koebenhavns Lufthavne A/S	1,109,877,312
8	Denmark	Denmark	FLSmidth & Co. A/S	1,096,148,695
9	Denmark	Denmark	Dampskibsselskabet "NORDEN" A/S	1,089,017,467
10	Denmark	Denmark	Rockwool International AS	1,052,266,148
ESTONIA MID CAP COMPANIES				
1	Estonia	Estonia	AS Eesti Telekom	689,233,690
2	Estonia	Estonia	Tallink Grupp A.S.	228,461,866
3	Estonia	Estonia	Tallinna Vesi AS	181,494,806
4	Estonia	Estonia	Tallinna Kaubamaja AS	93,010,970
5	Estonia	Estonia	Olympic Entertainment Group AS	88,842,705
6	Estonia	Estonia	AS Starman	69,122,054
7	Estonia	Estonia	Merko Ehitus AS	49,422,432
8	Estonia	Estonia	Norma	33,040,032
9	Estonia	Estonia	Eesti Ehitus AS	30,978,067
10	Estonia	Estonia	Kalev	19,841,854
11	Estonia	Estonia	Silvano Fashion Group AS	16,753,367
12	Estonia	Estonia	AS Baltika	16,733,786
13	Estonia	Estonia	Harju Elekter	16,418,299
14	Estonia	Estonia	AS Ekspress Grupp	12,675,342
15	Estonia	Estonia	Viisnurk AS	3,364,929

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	Country of primary listing	Country of domicile	Name	Market capitalisation in EUR
FINLAND MID CAP COMPANIES				
1	Finland	Finland	Kesko Oyj	1,919,294,242
2	Finland	Finland	Waertsilae Oyj Abp	1,917,762,888
3	Finland	Finland	Orion Corporation	1,816,378,047
4	Finland	Finland	Rautaruukki Oyj	1,697,975,168
5	Finland	Finland	Outokumpu Oyj	1,510,917,555
6	Finland	Finland	Sanoma Oyj	1,477,640,687
7	Finland	Finland	Pohjola Pankki Oyj	1,451,185,445
8	Finland	Finland	Metso Oyj	1,106,857,668
9	Finland	Finland	Nokian Renkaat Oyj	916,315,903
10	Finland	Finland	Konecranes Oyj	728,079,369
FRANCE MID CAP COMPANIES				
1	France	France	BIC SA	1,946,910,204
2	France	France	Bolloré Investissement	1,921,341,686
3	France	France	PagesJaunes Groupe	1,892,170,234
4	France	France	Neopost SA	1,891,316,577
5	France	France	Imerys	1,862,716,147
6	France	France	Television Francaise 1 SA	1,766,390,302
7	France	France	Metropole Television S.A.	1,557,949,487
8	France	France	Zodiac SA	1,521,137,092
9	France	France	Eurazeo	1,442,535,229
10	France	France	Vicat	1,436,841,524
GERMANY MID CAP COMPANIES				
1	Germany	Germany	Deutsche Postbank AG	1,957,188,130
2	Germany	Germany	HOCHTIEF Aktiengesellschaft	1,812,853,886
3	Germany	Germany	Berlin-Hannoversche Hypothekenbank AG	1,795,733,873
4	Germany	Germany	Axel Springer AG	1,786,171,956
5	Germany	Germany	SolarWorld AG	1,770,303,127
6	Germany	Germany	Altana AG	1,757,128,997
7	Germany	Germany	Fresenius SE	1,720,949,539
8	Germany	Germany	Lechwerke AG	1,691,975,919
9	Germany	Germany	Rhoen Klinikum	1,691,496,487
10	Germany	Germany	TUI AG	1,604,571,172
GREECE MID CAP COMPANIES				
1	Greece	Greece	Hellenic Petroleum S.A.	1,688,518,900
2	Greece	Greece	Piraeus Bank S.A.	1,636,571,341
3	Greece	Greece	Vivartia S.A.	1,612,631,620
4	Greece	Greece	ATEbank	1,074,488,030
5	Greece	Greece	Titan Cement Company S.A.	990,257,400
6	Greece	Greece	Motor Oil (Hellas) Corinth Refineries SA	824,147,002
7	Greece	Greece	Viohalco SA	755,897,491
8	Greece	Greece	Trapeza Tes Ellados	752,770,317
9	Greece	Greece	Emporike Trapeza	723,491,392
10	Greece	Greece	Ellaktor SA	684,858,777
HUNGARY MID CAP COMPANIES				
1	Hungary	Hungary	Magyar Telekom Nyrt.	1,993,394,222
2	Hungary	Hungary	Richter Gedeon Vegyeszeti Gyar Nyilvanosan Mukoedo Rt.	1,724,250,202
3	Hungary	Hungary	Budapesti Elektromos Muvek NyRt	500,147,049
4	Hungary	Hungary	EGIS Nyrt	312,037,202
5	Hungary	Hungary	Eszak-Magyarorszag-i Aramszolgaltrato NyRt	242,464,384
6	Hungary	Hungary	Tisza Chemical Group Public Ltd Co	193,077,159
7	Hungary	Hungary	FHB Jelzalogbank Nyilvanosan Mukodo Reszvenytarsasag	122,354,143
8	Hungary	Hungary	Danubius Hotels Nyrt	120,877,270
9	Hungary	Hungary	Zwack Unicum Likoripari es Kereskedelmi Nyilvanosan Mukodo Reszvenytarsasag	87,199,364
10	Hungary	Hungary	Budapesti Ingatlan Hasznositasi es Fejlesztési Nyrt.	78,833,143
11	Hungary	Hungary	FOTEX Elso Amerikai-Magyar Vagyonkezele Nyilvanosan Mukodo Reszvenytarsasag	73,055,909
12	Hungary	Hungary	Linamar Hungary Autoipari es Gepgyarto Nyilvanosan Mukodo Reszvenytarsasag	43,163,685
13	Hungary	Hungary	Allami Nyomda NyRt	31,755,915

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IRELAND MID CAP COMPANIES				
1	Ireland	Ireland	Allied Irish Banks PLC	1,164,643,660
2	Ireland	Ireland	DCC PLC	921,089,242
3	Ireland	Ireland	Dragon Oil PLC	862,753,150
4	Ireland	Ireland	Glanbia PLC	800,646,181
5	Ireland	Ireland	Bank of Ireland	630,897,096
6	Ireland	Ireland	Aer Lingus Group Plc	532,472,321
7	Ireland	Ireland	United Drug PLC	531,561,709
8	Ireland	Ireland	Paddy Power PLC	519,153,077
9	Ireland	Ireland	Kingspan Group PLC	428,831,638
10	Ireland	Ireland	Irish Life & Permanent PLC	414,119,082
11	Ireland	Ireland	Irish Continental Group PLC	392,774,034
ITALY MID CAP COMPANIES				
1	Italy	Italy	Acea S.p.A.	1,946,405,452
2	Italy	Italy	IFIL Investments S.p.A.	1,938,851,284
3	Italy	Italy	Banca Popolare di Sondrio Societa Cooperativa per Azioni	1,905,214,307
4	Italy	Italy	Buzzi Unicem S.p.A.	1,775,213,485
5	Italy	Italy	Fondiaria-SAI S.p.A.	1,749,047,556
6	Italy	Italy	Italcementi - Fabbriche Riunite Cemento SpA	1,724,434,336
7	Italy	Italy	Prysmian S.p.A.	1,688,822,739
8	Italy	Italy	Unipol Gruppo Finanziario S.p.A.	1,651,395,503
9	Italy	Italy	Banca Popolare di Milano SCaRL	1,641,042,851
10	Italy	Italy	Fastweb SpA	1,483,467,198
LUXEMBOURG MID CAP COMPANIES				
1	Luxembourg	Luxembourg	Espirito Santo Financial Group SA	1,720,475,961
2	Luxembourg	Luxembourg	Reinet Investments SCA	1,387,321,495
3	Luxembourg	Luxembourg	Cegebel SA	1,086,425,912
4	Luxembourg	Luxembourg	Quilvest	573,387,709
5	Luxembourg	Luxembourg	Luxempart SA	484,592,122
6	Luxembourg	Luxembourg	Socfinasia SA	294,916,594
7	Luxembourg	Luxembourg	Gefinor SA	268,216,738
8	Luxembourg	Luxembourg	Compagnie de l'Occident pour la Finance et l'Industrie SA	255,146,885
9	Luxembourg	Luxembourg	BIP Investment Partners SA	233,243,736
10	Luxembourg	Luxembourg	Foyer	224,346,652
11	Luxembourg	Luxembourg	Societe Financiere Luxembourgeoise SA	177,504,109
12	Luxembourg	Luxembourg	Intercultures SA	165,795,505
NETHERLANDS MID CAP COMPANIES				
1	Netherlands	Netherlands	Koninklijke Vopak N.V.	1,744,387,339
2	France	Netherlands	Gemalto N.V.	1,650,104,769
3	Netherlands	Netherlands	Fugro NV	1,595,898,030
4	Netherlands	Netherlands	SBM Offshore N.V.	1,329,629,969
5	Netherlands	Netherlands	koninklijke Boskalis Westminster nv	1,279,139,936
6	Netherlands	Netherlands	Imtech N.V.	970,055,176
7	Netherlands	Netherlands	Crucell N.V.	963,092,872
8	Netherlands	Netherlands	Schuitema N.V.	952,111,976
9	Netherlands	Netherlands	Jetix Europe N.V.	934,644,906
10	Netherlands	Netherlands	Nutreco NV	882,510,689
POLAND MID CAP COMPANIES				
1	Poland	Poland	KGHM Polska Miedz S.A.	1,298,589,898
2	Poland	Poland	Grupa Zywiec SA	1,239,259,093
3	Poland	Poland	Bank Handlowy w Warszawie SA	995,322,644
4	Poland	Poland	BRE Bank SA	837,403,657
5	Poland	Poland	Fortis Bank Polska SA	823,283,935
6	Poland	Poland	Bank Zachodni WBK SA	822,105,464
7	Poland	Poland	ING Bank Slaski SA	804,507,361
8	Poland	Poland	Asseco Poland SA	788,636,547
9	Poland	Poland	Globe Trade Centre S.A.	610,447,605
10	Poland	Poland	Getin Holding SA	533,599,615

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Country of primary listing	Country of domicile	Name	Market capitalisation in EUR
PORTUGAL MID CAP COMPANIES			
1 Portugal	Portugal	Banco BPI SA	1,322,020,132
2 Portugal	Portugal	ZON Multimedia Servicos de Telecomunicacoes e Multimedia	1,248,675,538
3 Portugal	Portugal	SGPS SA	961,324,136
4 Portugal	Portugal	Sonae SGPS, SA	782,801,058
5 Portugal	Portugal	REN - Redes Energeticas Nacionais, S.G.P.S., S.A.	776,850,123
6 Portugal	Portugal	Portucel-Empresa Produtora DE Pasta E Papel, S.A.	730,444,628
7 Portugal	Portugal	Semapa-Sociedade de Investimento e Gestao, SGPS, S.A.	480,579,360
8 Portugal	Portugal	Mota-Engil, SGPS, S.A.	408,692,641
9 Portugal	Portugal	Sonaecom Sgps S.a.	397,892,459
10 Portugal	Portugal	Banif SGPS, SA	331,078,437
SPAIN MID CAP COMPANIES			
1 Spain	Spain	Sacyr Vallehermoso, S.A.	1,876,425,612
2 Spain	Spain	Iberia Lineas Aereas de Espana SA	1,748,485,277
3 Spain	Spain	Sociedad Anonima Damm	1,711,305,422
4 Spain	Spain	Corporacion Financiera Alba, S.A.	1,666,166,394
5 Spain	Spain	Gestevision Telecinco, S.A.	1,603,641,136
6 Spain	Spain	Ebro Puleva	1,476,076,384
7 Spain	Spain	Grupo Catalana Occidente, S.A.	1,436,002,858
8 Spain	Spain	Prosegur Compania de Seguridad SA	1,404,984,751
9 Spain	Spain	Bolsas y Mercados Espanoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.	1,334,135,337
10 Spain	Spain	Sos Cuetara, S.A.	1,292,497,643
SWEDEN MID CAP COMPANIES			
1 Sweden	Sweden	SSAB Svenskt Staal AB	1,752,537,236
2 Sweden	Sweden	Electrolux AB	1,750,776,496
3 Sweden	Sweden	Ratos AB	1,689,504,037
4 Sweden	Sweden	Meda AB	1,584,390,225
5 Sweden	Sweden	AB Industrivaerden	1,551,131,342
6 Sweden	Sweden	Investment AB Kinnevik	1,454,369,508
7 Sweden	Sweden	Holmen AB	1,340,212,860
8 Sweden	Sweden	Husqvarna AB	1,219,249,054
9 Sweden	Sweden	Lundin Petroleum Ab	1,207,667,236
10 Sweden	Sweden	L E Lundbergforetagen AB	986,362,948
UNITED KINGDOM MID CAP COMPANIES			
1 United Kingdom	United Kingdom	Balfour Beatty PLC	1,968,824,389
2 United Kingdom	United Kingdom	Home Retail Group plc	1,943,952,373
3 United Kingdom	United Kingdom	Amlin plc	1,938,080,209
4 United Kingdom	United Kingdom	Thomas Cook Group plc	1,795,647,923
5 United Kingdom	United Kingdom	Pennon Group Plc	1,757,240,071
6 United Kingdom	United Kingdom	Vedanta Resources plc	1,726,361,448
7 United Kingdom	United Kingdom	Tate & Lyle PLC	1,640,404,355
8 United Kingdom	United Kingdom	Intercontinental Hotels Group PLC	1,634,034,640
9 United Kingdom	United Kingdom	ICAP Plc	1,582,665,045
10 United Kingdom	United Kingdom	Whitbread PLC	1,527,427,968

Company analysis - process

The analysis of the companies is based on data sources which are publicly available: articles of association, annual reports and other company documents publicly disclosed, issued in the course of 2008.

- Each lead analyst allocated companies within the team and their analysis was performed, based on a pre-defined analysis grid agreed upon between the European Commission and RiskMetrics.
- Upon completion, the analysis was checked internally by the country team leaders. The results were compared with existing databases in RiskMetrics and a further check was made before the findings were sent out to the company.
- RiskMetrics reached out to each company analysed to verify the findings on the comply-or-explain principle as well as on the other sections relating to board elections, independence, audit committees and remuneration. To that effect a summary report was created and sent out by email with an accompanying letter explaining the European Commissions' research project. Companies were asked to check data for factual accuracy in order to ensure the highest quality of the overall results.
- The lead analyst received comments if any from the issuer and, after discussion with the project leaders, amended the company profile if appropriate. 36 percent of the companies in the whole sample replied and their comments were included in the results.
- The analysis was consolidated along with all company profiles in the country, to check for consistency and coherence across that country.

Respondent companies		
	number of respondents	percentage vs. analysed companies
BE	2	13%
BG	2	13%
BK	8	53%
EE	1	7%
FI	4	27%
FR	6	40%
DE	6	40%
GR	5	33%
HU	7	47%
IE	7	47%
IT	6	40%
LU	4	27%
NL	9	60%
PL	2	13%
PT	3	20%
ES	8	53%
SE	10	67%
UK	7	47%
EU (18 Member States)	97	36%

Work timetable	
September 2008	Preparation of a preliminary analysis grid for the invitation to tender
January 2009	Preliminary phase
January 2009	Consultations with RiskMetrics Group country analysts on the analysis grid prepared for the invitation to tender, after completion tests on two companies per Member State to analyse
January 2009	Draft of an updated version of the analysis grid
	Draft of a provisional methodology to identify the universe of companies to analyse (coverage methodology)
22 Jan. 2009	Kick-off meeting with the European Commission
30 Jan. 2009	Finalisation of the analysis grid & finalisation of the coverage methodology
February 2009	Analysis phase
3 Feb. 2009	Launch of the company analysis phase Deadline set for 6 March 2009
Feb./March 2009	Quality checks by the project managers on the company analysis, on an individual and a consolidated basis
01 April 2009	Interim meeting with the Commission
April 2009	Further quality checks by the project managers on the consolidated results
April 2009	Corporate verification phase
20 April-15 May 2009	Emailing of all 270 analysis grids to companies for factual accuracy Follow-up with one reminder email to non-responding companies after two weeks
18-22 May 2009	Analysis of the 97 responses received Performance of further quality checks
May/June 2009	Drafting of Chapter Two of the Study by RiskMetrics Group

Company Analysis - description of the analysis grid

The analysis grid contained the following sections:

- General - references to corporate governance codes or documents
- Comply-or-explain
- Important shareholders
- Independence of board of directors (or supervisory board)
- Remuneration statement
- Shareholder involvement in remuneration
- Board elections
- Existence and composition of the audit committee
- Functioning of the audit committee
- Functioning of the audit committee in relation to internal audit

Under the “general” section, analysts were asked to verify the references to corporate governance codes or documents companies disclosed. A reference to a corporate governance code or document was accepted if a company mentioned referring to any of such document in

any of the company documents issued. Generally four different types of documents were recognised:

- National corporate governance code (of the country where the company is domiciled)
- International corporate governance code (such as OECD guidelines)
- Other national corporate governance code (of a country where the company is not domiciled)
- Other corporate governance reference document (such as a specific corporate governance law or foreign listing rules).

For each of the references analysts enacted which type of code or document the company referred to and whether this code applied the comply-or-explain procedure.

Under the “comply-or-explain” section, analysts were asked to verify whether or not the company discloses comply-or-explain information per category of codes they referred (as described in the “general section”). If companies disclosed such information, it was examined whether the disclosure of comply-or-explain information was done on a general basis or on a provision-per-provision basis.

Secondly, a distinction was made between companies disclosing explanations on deviations and companies indicating compliance with all provisions of the corporate governance code. This was carried out for all four categories of codes or documents as mentioned above. Companies disclosing information on a provision-per-provision basis were separated from companies disclosing general information (such as statements whereby companies only indicate compliance with all provisions or with most provisions).

Thirdly, analysts were asked to copy all explanations of deviations listed by companies per type of code or document. These explanations were categorised according to the following subsections:

- Board of directors (or supervisory board)
- Remuneration
- Shareholder rights and duties
- Disclosure
- Audit
- Other

For each company the reference corporate governance code was identified. The reference corporate governance code is defined as the main corporate governance code the companies referred to.

All explanations of the reference corporate governance code were subsequently categorized in terms of “informative quality”. To this end RiskMetrics ranked qualified each explanation as follows:

- “Invalid”: Explanations of deviations which only indicate a deviation without further explanation were classified as “invalid”.
- “General”: Explanations of a general nature in which the company mostly indicates disagreement with the code provision without identifying a company specific situation, were classified as “general”.
- “Limited”: Explanations in which companies do not explain the reasons for deviating from the code, but where additional information was given such as an alternative procedure, were classified as “limited”.
- “Specific”: Explanations relating to a specific company situation were classified as “specific”.

- “Transitional”: If companies indicated that the code provision from which they currently deviate will be applied at a later stage, these explanations were classified as “transitional”.

This typology serves as a ranking of informative quality for explanations provided by the companies. It does not indicate whether or not the explanation provided by the company is acceptable for deviating from the code provision.

Under the section on “important shareholders” analysts were asked to verify the presence of “important shareholder” in each of the companies subject to analysis. An “important shareholder” was identified if a shareholder held a strategic interest of at least 10 percent of the voting rights or any other shareholder with specific authority which is not normally attributed to any shareholder.

If such shareholder was recognized, analysts had to verify whether or not any of the explanations of deviations based its explanation on the existence of such shareholder. Secondly, analysts examined whether or not special rules were in place for such shareholder which could influence the composition of the board of directors or whether or not “other special rules” attributed to such shareholder existed. Special rules were identified as anything beyond normal voting rights which are attributed to any shareholder.

Under the section on “independence”, analysts were asked to verify the type of references to independence definitions companies disclosed. References to the following different documents were enacted:

- References to national law
- References to the national corporate governance code
- References to an international corporate governance code
- References to another national corporate governance code (as the country where the company under analysis is domiciled)
- References to another corporate governance code
- Company’s own definition of independence

Furthermore analysts checked all possible indicators according to which a breach of independence occurred according to the definition of independence the company disclosed. These indicators were categorized as follows:

Definition of independence	
- executive or managing director of the company or an associated company	<i>cooling off period (in number of years)</i>
- employee of the company or an associated company	<i>cooling off period (in number of years)</i>
- receiving, or having received, significant additional remuneration from the company or an associated company apart from a fee received as non-executive director	<i>cooling off period (in number of years)</i>
- not being a controlling shareholder or a director of such a shareholder	<i>cooling off period (in number of years)</i> <i>proportion of shareholding (in percentage towards share capital)</i>
- not being a controlling shareholder or executive officer of such a shareholder	<i>cooling off period (in number of years)</i> <i>proportion of shareholding (in percentage towards share capital)</i>
- significant business relationship with the company or an associated company	<i>cooling off period (in number of years)</i>
- partner or employee of the current or former external auditor of the company or an associated company	<i>cooling off period (in number of years)</i>
- executive or managing director of another company in which an executive or managing director of the company is a non-executive or managing director, and not having other significant links with executive directors of the company through involvement in other companies or bodies - Interlocks	
- having served on the board as a non-executive director for more than	<i>years</i> <i>terms</i>
- close family member of an executive or managing director or of persons in the situations described above	
- temporarily managed the company	
- not a corporate officer of a company in which the company holds, either directly or indirectly, a directorship, or in which a directorship is held by an employee of the company designated as such or by a current or former corporate officer of the company	<i>cooling off period (in number of years)</i>
- entitled to any fees as a board member that are dependent on the company's performance or to any share options	
- catch all provision	

Subsequently to the analysis of the definition of independence companies refer to, analysts verified indications of non-compliance companies disclosed and for which indicator this deviation applied, based on the list of indicators mentioned in the table above.

Under the "remuneration statement" section analysts were asked to examine the types of variable remuneration companies disclosed. In general variable remuneration components were categorized under seven types:

- Annual bonus plan: An annual bonus plan is defined as a short-term performance related remuneration component over a 1-year span.
- Stock option plan: A stock option plan is defined as a long-term remuneration component whereby the beneficiary receives the right to purchase a share at a pre-defined price after a period longer than 1 year.
- Performance share plan: A performance share plan (or conditional share plan) is defined as a long-term performance related remuneration component, whereby shares are granted (or vested) to the beneficiary after the achievement of pre-defined results.
- Matching plan: Matching plans are defined as a long-term remuneration component whereby the beneficiary has invested in shares which can be matched after a pre-determined period.
- Deferral plan with matching elements: A deferral plan with matching elements is defined as a remuneration component whereby a short-term performance related component is invested in company shares which can be matched after a pre-defined period longer than one year.
- Phantom share plan: A phantom share plan is defined as a long-term performance related remuneration component. It operates like a performance share plan, but the transaction is carried out in cash, rather than in shares.
- Phantom stock option plan: A phantom stock option plan is defined as a long-term performance related remuneration component. It operates like a stock option plan, but the transaction is carried out in cash, rather than in shares.

Based on the existence of variable remuneration components analysts verified firstly for ex ante policy information related to these components:

- Does the company disclose a ratio of variable remuneration versus compared to fixed remuneration?
- Does the company disclose a general performance measure (such as Earnings Per Share) and a performance period during which such performance measures should be attained?
- If such performance measures were disclosed, does the company disclose further information, such as linking of the performance measure to peer groups or the disclosure of targets.
- Finally, if the company disclosed linking to peer groups, analysts examined whether or not the composition of the peer group was disclosed and whether or not the vesting schedule (or performance schedule relative to the peer group was disclosed).

Last element on variable remuneration components related to ex-post information. Analysts verified whether or not companies with variable remuneration components disclosed ex post information on the performance measures which these companies indicated the variable remuneration components depended on. It was furthermore checked whether or not the performance period disclosed ex post was in line with the performance period communicated by the company ex ante.

Other remuneration issues examined were related to:

- Non-cash benefits (disclosure of monetary value and disclosure of overview of benefits)
- Pension benefits (disclosure of monetary value and overview of the workings of the pension scheme)
- Executive contracts (disclosure of the length of the contract, disclosure of information on the severance agreement, disclosure of the notice period)
- Severance agreements (expression of severance payments in years of salary or any other method)

- Setting of executive remuneration (existence of remuneration committees, proportion of independence disclosed by the company, status of the chairman of the committee, disclosure of terms of reference and activity reports of the committee, and information disclosed on the use of remuneration consultants such as the names and overview of the types of services delivered).

On the section on “shareholder involvement in remuneration” analysts were asked to verify whether or not companies - during the past three years (2006, 2007 and 2008) - proposed to shareholders for voting:

- A remuneration report or remuneration policy
- A share based scheme
- Board of directors (or supervisory board) remuneration

On the section on “board elections” analysts were asked to examine if companies proposed issues on director elections to shareholders during the past three years (2006, 2007 and 2008). For each proposal on elections analysts verified whether or not this proposal concerned the election of only one person and if in case more than one person was proposed for election, whether or not the agenda indicated that elections were to occur in a bundled fashion.

Furthermore analysts checked what possibilities shareholders have to influence the composition of the board of directors (or supervisory board) themselves.

Finally, analysts verified what proportions of board members (or supervisory board members) were elected by which categories:

- Proportion of board members to be elected by ordinary shareholders
- Proportion of board members to be elected by specific shareholders
- Proportion of board members to be elected by the State
- Proportion of board members to be elected by the employees
- Proportion of board members to be elected by other parties

On the section of “existence and composition of the audit committee” analysts were asked to verify whether or not companies have set up an audit committee. Other issues related to this section involved:

- Size of the audit committee
- Proportion of non-executive directors on the audit committee
- Proportion of independent directors on the audit committee
- Proportion of financial experts on the audit committee
- Position of the chairman of the audit committee

On the section on “functioning of the audit committee” analysts were asked to verify disclosure standards of companies in relation to:

- Number of meetings held by the audit committee
- Number of meetings held by the audit committee outside the presence of executives
- Number of meetings held by the audit committee in presence of the external auditor

- Indication of the involvement of the audit committee in relation to the appointment of the external auditor
- Indication of the involvement of the audit committee in relation to the supervision of the fees paid to the external auditor
- Indication of the involvement of the audit committee in relation to monitoring the independence of the external auditor
- Disclosure of the fees paid to the external auditor (with a breakdown into audit fees and non-audit fees)
- Disclosure of whether or not the audit committee has access to outside advisors
- Disclosure of a charter of the audit committee
- Disclosure of an activity report of the past year of the audit committee

On the section on “functioning of the audit committee in relation to internal audit” analysts were asked to verify disclosure standards of companies in relation to:

- Indication of involvement of the audit committee in relation to monitoring the effectiveness of the internal audit
- Indication of the involvement of the audit committee in relation to the appointment of the internal auditor
- Indication of involvement of the audit committee in relation to supervising the internal auditor
- Number of meetings held by the audit committee in presence of the internal auditor

4. Company and director perception of corporate governance codes

Scope and context of the Study

Chapter Three of the Study seeks to get an impression of the effectiveness of the Codes through the perception of the companies.

Survey instrument

GUBERNA, member of ecoDa, agreed to draft the questionnaire for both ecoDa and BUSINESSEUROPE. The aim of the questionnaire was to achieve an overall impression of the perception on the corporate governance codes by companies. The first deadline given by ecoDa and BUSINESSEUROPE to respond was March 5th, 2009 but it was extended until April 20th, 2009.

The survey contains a broad spectrum of important governance issues related to the codes. First, the associations were asked to **identify themselves** and indicate whether their answers were based on a public consultation, reflection meetings or hearings, public conferences/seminars, research input from a qualified selection of membership or the own opinion of the association itself. All public opinions and official papers that have been annexed to the questionnaires to substantiate their answers are identified at the end of this methodological review and available through hyperlinks or upon request.

In addition, respondents were asked to **identify the corporate governance code** they were referring to in the survey to emphasise the fact that the survey proceeds on asking questions related to this given code. An additional question on how long the code has been in operation was also inserted.

The questionnaire contains **6 major sections**:

- Objectives and effectiveness of the corporate governance code
- Structure of the code
- Content of the code
- Legislation and corporate governance codes
- The 'comply or explain' approach
- Costs of compliance with the corporate governance code

The first section seeks to find the initial **objectives of the codes**. Twelve general subjects, collected through research, were taken as basic objectives for corporate governance codes. Respondents needed to identify if they believed these subjects are also an objective of their code on corporate governance and to what extent these objectives have been reached by the code.

Further on, the **effects of the code** were measured for different topics relating to the **board, management, shareholders and stakeholders**. Respondents had to answer these questions in function of their board structure (two-tier boards, one-tier boards, or either).

Key governance topics (functioning of the board, roles and responsibilities, remuneration, etc.) were extracted and summarized in different tables. For example, for the board, fourteen topics were presented. Respondents were entitled to mark whether the code had a significant effect (significance of effect) on each of these topics. Furthermore, they were asked if they believed this effect was positive or negative (positiveness/negativeness of effect).

Section two refers to the **structure of the code** and asks for an overall assessment of the adequacy and clarity of the recommendations.

Section three regards the **content of the code**. It searches for the completeness of the codes in dealing with the appropriate topics. Next to an overall assessment of the code's content,

respondents were asked the degree of completeness for twenty-five issues which are treated by most national codes.

Section four elaborates on the **complementarity between legislation and the codes**. It searches to analyse if the codes have significant impact on legislation.

The fifth section goes more in depth on the '**comply or explain**' approach. Different questions are asked on the flexibility of this principle and its consequences.

Finally the **costs of compliance** with the code in relation to the benefits are set out.

The identification of the topics and issues dealt with by the questionnaire is the outcome of international comparison of corporate governance codes, academic research, and best practice observations. GUBERNA, as a member of the Belgian Corporate Governance Committee, has a great deal of experience in this matter.

The questionnaire was established in English and approved by the European Commission before sending it to the respondents.

Sample selection and description

The questionnaire was set up and sent out among the **business associations** and **institutes of directors** in the Member States. To disseminate these questionnaires and increase the number of responses, BUSINESSEUROPE and ecoDa used their extensive network and contacted their members in the EU Member States to inform and request them to take part in the study. ecoDa also contacted institutes of directors which are not members of its confederation yet, as well as other organisations e.g. Stock Exchanges. All addressed associations were informed on the study and its objectives.

The use of both networks made it possible to have a broad view on the perception of codes by companies. National business federations and directors' associations from the EU contacted by BUSINESSEUROPE and ecoDa provided their perception of the codes on corporate governance by responding to the questionnaire. Through the efforts of both organisations the study covers the perception of a **broad spectrum of business leadership**, of both **non-executive** and **executive** directors.

For some countries (11) it was not possible to gather more than one response, resulting in one single opinion on the corporate governance code of these countries.

The questionnaires have been sent to the concerned associations by e-mail. To increase the degree of response, these organisations were contacted regularly.

Members of the subcontractors

ecoDa: Ten full members from the EU, one affiliated member being from a non-European country and another affiliated member representing Chartered Secretaries),

1. British Institute of Directors (IoD), United Kingdom
2. GUBERNA, Belgium
3. Institut Français des Administrateurs (IFA), France
4. Institut Luxembourgeois des Administrateurs (ILA), Luxembourg
5. Finnish association of Professional Board Members (Hallitusammattilaiset ry), Finland
6. Instituto de Consejeros - Administradores, (IC-A), Spain
7. Czech Institute of Directors (CloD), Czech Republic
8. Slovenian Directors' Association, Slovenia
9. Polish Institute of Directors (Polski Instytut Dyrektorów), Poland
10. Institute of Chartered Secretaries and Administrators (ICSA), United Kingdom
11. Croatian Association of Certified Supervisory Board Members (HUCNO), Croatia
12. Institute of Chartered Secretaries and Administrators (ICSA), United Kingdom

(all members from ecoDa (except the Croatian association, not concerned by the survey) have provided responses to the questionnaire).

In addition, three institutes of directors, not members of ecoDa, responded to the questionnaire:

1. Irish Institute of Directors, Ireland,
2. StyrelseAkademien Sverige, Sweden,
3. NedCommunity, Italy

BUSINESSEUROPE: 30 members from the EU.

1. Industriellenvereinigung - I.V., Austria
2. Fédération des Entreprises de Belgique - Verbond van Belgische Ondernemingen - FEB-VBO, Belgium
3. Bulgarian Industrial Association - Union of the Bulgarian Business - BIA, Bulgaria
4. Employers & Industrialists Federation Cyprus - OEB, Cyprus
5. Confederation of Industry of the Czech Republic
Svaz průmyslu a dopravy České republiky - SPCR, Czech Republic
6. Bundesverband der Deutschen Industrie e.V. - BDI, Germany
7. Bundesvereinigung der Deutschen Arbeitgeberverbände e.V. - BDA, Germany
8. Confederation of Danish Industry - DI, Denmark
9. Confederation of Danish Employers - DA, Denmark
10. Confédération des Employeurs Espagnols - CEOE, Spain
11. Estonian Employers' Confederation - ETTK, Estonia
12. Mouvement des Entreprises de France - MEDEF, France
13. Confederation of Finnish Industries - EK, Finland
14. Hellenic Federation of Enterprises - SEV, Greece
15. Munkaadók és Gyáriparosok Országos Szövetsége - MGYOSZ (Confederation of Hungarian Employers and Industrialists), Hungary
16. Confederazione Generale dell' Industria Italiana - CONFINDUSTRIA, Italy
17. Irish Business and Employers Confederation - IBEC, Ireland
18. Fedil - Business Federation Luxembourg, Luxembourg
19. Lietuvos Pramonininkų Konfederacija - Lithuanian Confederation of Industrialists - LPK, Lithuania
20. Latvijas Darba Devēju Konfederacija (Employers' Confederation of Latvia) - LDDK, Latvia
21. Malta Chamber of Commerce, Enterprise and Industry - MCCEI, Malta
22. Vereniging VNO-NCW, The Netherlands
23. Associação Industrial Portuguesa - AIP, Portugal
24. Confederação da Indústria Portuguesa - CIP, Portugal

25. Polish Confederation of Private Employers Lewiatan - PKPP Lewiatan, Poland
26. Alianta Confederațiilor Patronale din, Romania - ACPR, Romania
27. Svenskt Näringsliv (Confederation of Swedish Enterprise) - SN, Sweden
28. Republikova Unia Zamestnavateľov (RUZ), Slovak Republic
29. Združenje Delodajalcev Slovenije - ZDS (Employers' Association of Slovenia), Slovenia
30. Confederation of British Industry - CBI, United Kingdom.

(21 members provided responses to the questionnaire)

Additional respondents contacted by ecoDa:

1. Spanish Stock Exchange Regulator, Spain,
2. A response based on a consultation of Spanish Listed Companies, Spain,
3. Association of Bulgarian Investor Relations Directors, Bulgaria
4. Union of Listed Companies ENEISET, Greece,
5. Corporate Governance Committee of the American Chamber of Commerce in Hungary in conjunction with the Hungarian Venture Capital Association, Hungary,
6. Austrian Federal Economic Chamber, Austria.

Input from 25 EU countries has been provided with a total of 42 responses received. Only Romania and Slovakia are missing.

Work timetable	
January 2009	Preliminary phase
Beginning of January	Awareness campaign of ecoDa and BUSINESSEUROPE's members and call for interest to attract other national institutes of directors.
13 Jan. 2009	First draft questionnaire by Astrid Rubens (GUBERNA).
13 /20 Jan. 2009	Draft questionnaire submitted to ecoDa's experts Board and to BUSINESSEUROPE for comments.
21 Jan. 2009	Meeting with Marta Alegrias (BUSINESSEUROPE), Béatrice Richez-Baum (ecoDa), Roger Barker (IoD), Astrid Rubens (GUBERNA) and RiskMetrics to adjust the subcontractors' questionnaire to RiskMetrics' investor survey questionnaire.
22 Jan.2009	Kick-off meeting with the European Commission.
February 2009	Questionnaire launch
10 Feb. 2009	Final questionnaire circulated to ecoDa and BUSINESSEUROPE's members and other national institutes of directors which have confirmed their interest, as well as to stock exchanges in Member States where there are no identified director institutes.
April 2009	Data collection
01 April 2009	Interim meeting with the European Commission
20 April 2009	Final deadline to respond to the questionnaire
27 April 2009	Statistics made by Astrid Rubens (GUBERNA) and Roger Barker (IoD)
May 2009	Drafting of Chapter Three of the Study by ecoDa and BUSINESSEUROPE
27 April /27 May 2009	Drafting of Chapter Three by Béatrice Richez-Baum (ecoDa) and Marta Alegrias (BUSINESSEUROPE).
27 May 2009	Meeting with Marta Alegrias (BUSINESSEUROPE), Béatrice Richez-Baum (ecoDa), Roger Barker (IoD), Astrid Rubens (GUBERNA) and Daniel Lebègue (IFA) to comment the first draft of Chapter Three.
June 2009	Final phase
9 June 2009	Meeting with Marta Alegrias (BUSINESSEUROPE), Béatrice Richez-Baum (ecoDa), Roger Barker (IoD), Astrid Rubens (GUBERNA) and RiskMetrics to adjust the Chapter Three to the other parts of the study.

Statistical analysis

The processing of the received questionnaires, as well as the first analysis of the survey and the data were done by GUBERNA in Belgium, in cooperation with the Institute of Directors (IoD) in the UK, both members of ecoDa.

To address our research questions we used the statistical program SPSS 15.0 for Windows as well as Microsoft Office Excel 2003.

Qualitative analysis

The analysis made by BUSINESSEUROPE and ecoDa reflects the responses received to the questionnaire.

For 15 Member States (Austria, Belgium, Bulgaria, Cyprus, Finland, France, Greece, Ireland, Italy, Luxembourg, Poland, Slovenia, Spain, Sweden and the UK) more than one respondent has provided responses to the questionnaire. In these cases, the results presented reflect the average of their responses.

Where results are evaluated as significantly above/below the median this means that they are 1.5 or more points distant from the median. If the results score below 1.5 points (in general 1 point) they are indicated as above/below the European median.

Differences of assessments between two respondents from the same country have been stressed when there is a gap of at least two points, considering that disagreement among respondents is observed.

When just one respondent replied to a question (the other did not reply or had no opinion) that response is given for the country for the concerned topic.

Each figure has been rounded up in order to represent them in the report in a similar way.

List of documents to the questionnaire (available upon request)

- Report on the effectiveness of “comply or explain” in Estonia, 2006;
- “La gouvernance des sociétés cotées - Synthèse des recommandations sur le rôle et les modes d’action des conseils”, IFA, May 2007 ;
- ["Rapport 2008 de l'AMF \(Autorité des Marchés Financiers\) sur le gouvernement d'entreprise et le contrôle interne", November 2008;](#)
- "Recommandations sur le gouvernement d’entreprise", Association Française de la Gestion financière (AFG), March 2009;
- v. Werder, Axel/Talaulicar, Till: Kodex Report 2008: Die Akzeptanz der Empfehlungen und Anregungen des Deutschen Corporate Governance Kodex. In: Der Betrieb, 2008 (61. Jg.), S. 825-832;
- Hellenic Observatory of Corporate Governance Review 2007;
- [Hellenic Observatory of Corporate Governance Review 2008;](#)
- [An analysis of the compliance with the Italian corporate governance code, Assonime \(2007\);](#)
- [The Nedcommunity 10 guidelines on Corporate Governance;](#)
- Monitoring report on the implementation of the ten principles of CG of the Luxembourg Stock Exchange, 2007;
- [Third report Dutch monitoring Commission, December 2007;](#)
- [Revised Dutch corporate governance code 2008, not yet in force;](#)
- Spanish annual report of Corporate Governance of companies issuing securities in secondary markets;
- [Spanish annual report of Corporate Governance of IBEX \(35 companies\);](#)
- “Corporate Governance in Spain” by Jaun Alvarez-Vijande Igartua and Vanesa Sañudo (Chapter of IoD handbook of International Corporate Governance);
- [Comments by the Confederation of Swedish Enterprise to the Commission’s Consultation on future priorities for the Action Plan on Modernising Company Law and Enhancing Corporate Governance in the European Union;](#)
- [Companies responses to the most recent consultation of the Financial Reporting Council on the functioning of the UK Combined Code \(published by FRC in November 2007\);](#)
- [Response by the Confederation of British Industries to the Financial Reporting Council consultation on the review of impact of the UK Combined Code, July 2007;](#)
- [Response by the Confederation of British Industries to the Financial Reporting Council on the Consultation on amendments to the UK Combined Code, July 2004.](#)

5. Investor perception of corporate governance codes

Design of the investor survey

The questionnaire to investors was designed by RiskMetrics and harmonised with the questionnaire to companies prepared by BUSINESSEUROPE and ecoDa to ensure a thorough and balanced overview. It was later reviewed by the ECGF and the European Commission and fully endorsed by the latter.

Survey distribution and investor responses

The questionnaire was emailed two times to over two thousand institutional investors, primarily based in Europe, whose portfolios include a significant proportion of shares issued by EU listed companies, listed in the RiskMetrics' database. The breadth of RiskMetrics' database, compiled based on third party databases (mainly Thomson Financial and Bigdough) as well as its own database of clients, prospects and other business contacts, guarantees maximum representativeness of investors based in all Member States.

Pro-active follow-up via telephone call was conducted by RiskMetrics staff to European-based institutional investors with assets under management in excess of USD 10 billion.

In addition, RiskMetrics asked for responses from associations of institutional investors as well as associations of retail shareholders based in Europe. Besides, the invitation to participate in the survey was further promoted via investor publications and networks such as the ICGN.

One hundred survey responses were ultimately received. It is therefore important to note that the investor views outlined in the rest of this chapter reflect a self-selecting sample of investors, primarily those already involved in exercising their right to assess company corporate governance explanations.

List of insitutional investors and investor associations which contributed to the Survey*	
AEGON Asset Management UK	Henderson Global Investors
AFG	Hermes Equity Ownership Services Ltd
AGICAM	Hermes Fund Managers
APG Asset Management	ING Investment Management
Association of British Insurers	JPMorgan Asset Management
Assogestioni	Legal & General Investment Management ltd
Aviva Investors (London Office)	Local Authority Pension Fund Forum
Blackrock	Mn Services
CalSTRS	National Association of Pension Funds
Capital Guardian International Inc	Natixis Asset Management
Credit Agricole Asset Management	Newton Investment Management
Credit Suisse Asset Management KAG	PGGM
Dexia Asset Management	Pictet Asset Management Limited
DIF Broker	Railpen Investments
DSW	Robeco
Dutch Shareholders' Organisation (VEB)	Sarasin & Partners
Elana Fund Management	SF City & County
F&C Investments	SNS AM
Fédéris Gestion d'Actifs	SPF Beheer
Florida State Board of Administration (SBA)	Standard Life Investments
Fortis Investments	Syntrus Achmea Asset Management
Gartmore Investment Management ltd	Threadneedle Asset Management
Governance for Owners	TIAA-CREF
Halbis Capital Management / HSBC Asset Management	UBS Global Asset Management

* The list only includes institutional investors and investor associations which accepted to be named as having contributed to the survey.

Work timetable	
January 2009	Preliminary phase
Beginning of January 2009	First draft questionnaire to investors
21 Jan. 2009	Meeting with Marta Alegrias (BUSINESSEUROPE), Béatrice Richez-Baum (ecoDa), Roger Barker (IoD), Astrid Rubens (GUBERNA) to adjust the questionnaire to the subcontractors' survey to companies
22 Jan. 2009	Kick-off meeting with the European Commission
February 2009	Questionnaire launch
4/5 Feb. 2009	EC Study announcement and final investor survey link e-mailed to: <ul style="list-style-type: none"> - database of 2000 investors with holdings in the EU - regulatory/market influencer contacts - global client newsletter IN THE KNOW Deadline set on 16 March 2009
Feb./March 2009	Data collection & Follow-up with institutional investors
12 Feb. 2009	RMG client webcast on European contentious governance issues including announcement of EC Study and investor survey launch
3 March 2009	Announcement at ICGN mid-year conference in Amsterdam
5 March 2009	Article in Global Proxy Watch (governance industry newsletter)
16 March 2009	RiskMetrics Group website advertises extended deadline of 30 March 2009
20 March 2009	European Commission launches dedicated website
End of March 2009	Follow-up with at least two reminder emails plus a call to the 298 key contacts for the survey
April 2009	Data collection & Follow-up with institutional investor associations
01 April 2009	Interim meeting with the Commission
May/June 2009	Drafting of Chapter Four of the Study by RiskMetrics Group

6. Conclusions and recommendations

Upon specific request by the Commission, all conclusions and recommendations were drawn up by RiskMetrics Group without further review by the subcontractors. The conclusions and recommendations are made on the basis of the findings from Chapters 1 to 4. To this end, RiskMetrics Group has also made reference to statements, comments and contributions made by regulatory bodies, financial market authorities, companies and shareholder trade bodies as well as some academics.

COMPANY ANALYSIS GRID

0. Profile

Name of the company

Name of the country

1. General

1.1	Does the company refer to the national corporate governance code (of the country where it is incorporated)?
1.1.1	<i>If yes, which code does the company refer to?</i>
	<i>If other, please specify</i>
1.1.2	<i>Does this code use the "comply or explain" method?</i>
1.2	Does the company refer to an international corporate governance code (OECD, ICGN, other)?
1.2.1	<i>If yes, which code does the company refer to?</i>
	<i>If other, please specify</i>
1.2.2	<i>Does this code use the "comply or explain" method?</i>
1.3	Does the company refer to another national corporate governance code (only if not dual listed on two different markets - see below)
1.3.1	<i>If yes, which code does the company refer to?</i>
	<i>If other, please specify</i>
1.3.2	<i>Does this code use the "comply or explain" method?</i>
1.4	Does the company refer to another governance document (such as listing rules)?
1.4.1	<i>If yes, which document does the company refer to?</i>
1.4.2	<i>Does this document use the "comply or explain" method?</i>
1.5	If the company is listed on another market (dual listing) as well, does it refer to the corporate governance code of the other country?
1.5.1	<i>If yes, which code does the company also refer to?</i>
	<i>If other, please specify</i>
1.5.2	<i>Does this document use the "comply or explain" method?</i>

2. Comply or explain

2.1	Disclosure of comply or explain information
2.1.1	Does the company give comply or explain information related to the national corporate governance code it refers to?
2.1.2	Does the company give comply or explain information related to the international corporate governance code it refers to?
2.1.3	Does the company give comply or explain information related to the other national corporate governance code it refers to?

2.1.4	Does the company give comply or explain information related to the other governance document it refers to?
2.1.5	If listed on another market (dual listing), does the company give comply or explain information related to the other corporate governance code?
2.2	Compliance with all code provisions
2.2.1	Does the company state its compliance with all provisions of the national code it refers to?
2.2.2	Does the company state its compliance with all provisions of the international code it refers to?
2.2.3	Does the company state its compliance with all provisions of the other national code it refers to?
2.2.4	Does the company state its compliance with all provisions of the other governance document it refers to?
2.2.5	If listed on another market (dual listing), does the company state its compliance with all provisions of the other code?
2.3	Explanation of non-compliance
2.3.1	If the company has not indicated to follow all code provisions (national code), does it give explanations for non-compliance?
2.3.1.1	Insert number of explanations (per issue)
2.3.2	If the company has not indicated to follow all code provisions (international code), does it give explanations for non-compliance?
2.3.2.1	Insert number of explanations (per issue)
2.3.3	If the company has not indicated to follow all code provisions (other national code), does it give explanations for non-compliance?
2.3.3.1	Insert number of explanations (per issue)
2.3.4	If the company has not indicated to follow all code provisions (other governance document), does it give explanations for non-compliance?
2.3.4.1	Insert number of explanations (per issue)
2.3.5	If the company has not indicated to follow all code provisions (national code - in case of dual listing), does it give explanations for non-compliance?
2.3.5.1	Insert number of explanations (per issue)
2.5	Copy explanations provided by the company on deviating from the code of best practice (indicate for which code if more than one applies)
2.5.1	Board composition
2.5.2	Board election
2.5.3	Board practices
2.5.4	Board committees
2.5.4.1	<i>audit committee</i>
2.5.4.1	<i>nomination committee</i>
2.5.4.1	<i>remuneration committee</i>
2.5.5	Executives or Management

2.5.6	Remuneration
2.5.6.1	<i>Non-executive remuneration</i>
2.5.6.2	<i>Executive remuneration</i>
2.5.6.3	<i>share-based remuneration</i>
2.5.7	Shareholder rights and duties
2.5.8	Disclosure
2.5.9	Auditor
2.5.10	Other
3. Important Shareholders	
3.1	Are any of the explanations for non-compliance based on the presence of important shareholders?
3.1.1	If yes, copy the explanation here
3.2	In case there is an important shareholder, does the company have any special rules in place influencing the role of the board/independent directors?
3.2.1	If yes, copy rules here
3.3	Has the company disclosed other special rules in relation to the existence of an important shareholder
3.3.1	If yes, copy rules here
4. Independence of board of directors (or supervisory board for two tier companies)	
4.1	Does the company refer to a definition of independence?
4.2	Is the reference based on :
4.2.1	- national company law (or other national law)
4.2.2	- national corporate governance code
4.2.3	- international corporate governance code
4.2.4	- other national corporate governance code
4.2.5	- other governance document
4.2.6	- other national corporate governance code (dual listing)
4.2.7	- company's own definition
4.4	Indicate independence definition(s) used as well as deviations applied
4.4.1	- executive or managing director of the company or an associated company
4.4.1.1	<i>cooling off period (in number of years)</i>
4.4.2	- employee of the company or an associated company
4.4.2.1	<i>cooling off period (in number of years)</i>
4.4.3	- receiving, or having received, significant additional remuneration from the company or an associated company apart from a fee received as non-executive director
4.4.3.1	<i>cooling off period (in number of years)</i>
4.4.4	- not being a controlling shareholder or a director of such a shareholder
4.4.4.1	<i>cooling off period (in number of years)</i>

4.4.5	<i>proportion of shareholding (in percentage towards share capital)</i> - not being a controlling shareholder or executive officer of such a shareholder
4.4.5.1	<i>cooling off period (in number of years)</i>
4.4.5.2	<i>proportion of shareholding (in percentage towards share capital)</i>
4.4.6	- significant business relationship with the company or an associated company
4.4.6.1	<i>cooling off period (in number of years)</i>
4.4.7	- partner or employee of the current or former external auditor of the company or an associated company
4.4.7.1	<i>cooling off period (in number of years)</i>
4.4.8	- executive or managing director of another company in which an executive or managing director of the company is a non-executive or managing director, and not having other significant links with executive directors of the company through involvement in other companies or bodies - Interlocks
4.4.9	- having served on the board as a non-executive director for more than
4.4.9.1	<i>years</i>
4.4.9.2	<i>terms</i>
4.4.10	- close family member of an executive or managing director or of persons in the situations described above
4.4.11	- temporarily managed the company
4.4.12	- not a corporate officer of a company in which the company holds, either directly or indirectly, a directorship, or in which a directorship is held by an employee of the company designated as such or by a current or former corporate officer of the company
4.4.12.1	<i>cooling off period (in number of years)</i>
4.4.13	- entitled to any fees as a board member that are dependent on the company's performance or to any share options
4.4.14	- catch all provision
4.5	Does the company disclose non-compliance with the definition of independence for one or more of its directors?
4.6	Does the company explain why it deviates from the definition?
4.7	For how many directors does the company indicate it does not comply with the definition of independence it refers to?
4.8	Indicate specific explanations per person for which the company states non-compliance from the definition of independence it refers to.
	Copy explanation per person
5. Remuneration Statement	
5.1	Indicate below which of the following incentive plans are outstanding for executives?
5.1.1	- stock options

5.1.2	- performance shares
5.1.3	- deferral with matching elements
5.1.4	- matching plans
5.1.5	- phantom shares
5.1.6	- phantom stock options
5.2	Does the company grant annual bonuses to its executives?
5.3	Does the company explain the relative importance of the variable versus the non- variable components?
5.3.1	Does the company disclose the relative importance of fixed versus variable remuneration (directly)?
5.3.2	Does the company disclose the relative importance of fixed versus variable remuneration (indirectly - based on target)?
5.3.3	Does the company disclose an explanation on the above ratios?
5.3.3.1	<i>If yes, copy explanation</i>
5.4	Does the company sufficiently disclose information on performance criteria for share-based remuneration?
5.4.1	Did the company disclose a performance measure for stock options (latest plan)?
5.4.1.1	<i>Did the company disclose a performance period?</i>
5.4.1.2	<i>Are the performance objectives linked to a peer group?</i>
5.4.1.3	<i>If yes, is the composition of the peer group disclosed?</i>
5.4.1.4	<i>If the performance is based on peer group comparison, does the company disclose a vesting schedule?</i>
5.4.1.5	<i>Did the company disclose a target (or performance hurdle)?</i>
5.4.2	Did the company disclose a performance measure for performance shares (latest plan)?
5.4.2.1	<i>Did the company disclose a performance period?</i>
5.4.2.2	<i>Are the performance objectives linked to a peer group?</i>
5.4.2.3	<i>If yes, is the composition of the peer group disclosed?</i>
5.4.2.4	<i>If the performance is based on peer group comparison, does the company disclose a vesting schedule?</i>
5.4.2.7	<i>Did the company disclose a target (or performance hurdle)?</i>
5.4.3	Did the company disclose a performance measure for deferral with matching elements (latest plan)?
5.4.3.1	<i>Did the company disclose a performance period?</i>
5.4.3.2	<i>Are the performance objectives linked to a peer group?</i>
5.4.3.3	<i>If yes, is the composition of the peer group disclosed?</i>
5.4.3.4	<i>If the performance is based on peer group comparison, does the company disclose a vesting schedule?</i>
5.4.3.7	<i>Did the company disclose a target (or performance hurdle)?</i>

5.4.4.	Did the company disclose a performance measure for matching plans (latest plan)?
5.4.4.1	<i>Did the company disclose a performance period?</i>
5.4.4.2	<i>Are the performance objectives linked to a peer group?</i>
5.4.4.3	<i>If yes, is the composition of the peer group disclosed?</i>
5.4.4.4	<i>If the performance is based on peer group comparison, does the company disclose a vesting schedule?</i>
5.4.4.7	<i>Did the company disclose a target (or performance hurdle)?</i>
5.4.5.	Did the company disclose a performance measure for phantom shares (latest plan)?
5.4.5.1	<i>Did the company disclose a performance period?</i>
5.4.5.2	<i>Are the performance objectives linked to a peer group?</i>
5.4.5.3	<i>If yes, is the composition of the peer group disclosed?</i>
5.4.5.4	<i>If the performance is based on peer group comparison, does the company disclose a vesting schedule?</i>
5.4.5.7	<i>Did the company disclose a target (or performance hurdle)?</i>
5.4.6.	Did the company disclose a performance measure for phantom stock options (latest plan)?
5.4.6.1	<i>Did the company disclose a performance period?</i>
5.4.6.2	<i>Are the performance objectives linked to a peer group?</i>
5.4.6.3	<i>If yes, is the composition of the peer group disclosed?</i>
5.4.6.4	<i>If the performance is based on peer group comparison, does the company disclose a vesting schedule?</i>
5.4.6.7	<i>Did the company disclose a target (or performance hurdle)?</i>
5.5	Does the company sufficiently disclose information on the link between remuneration and performance (ex post)?
5.5.1	Did the company provide an overview of the performance of the company related to the performance conditions required under the latest stock option plan?
5.5.1.1	<i>If yes, does the period of the overview of the performance match the performance period of the stock option plan?</i>
5.5.1.2	<i>If the company provides extra information on the link of performance and remuneration, copy the text of the company here</i>
5.5.2	Did the company provide an overview of the performance of the company related to the performance conditions required under the latest performance share plan?
5.5.2.1	<i>If yes, does the period of the overview of the performance match the performance period of the performance plan?</i>
5.5.2.2	<i>If the company provides extra information on the link of performance and remuneration, copy the text of the company here</i>
5.5.3	Did the company provide an overview of the performance of the company related to the performance conditions required under the latest deferral plan?
5.5.3.1	<i>If yes, does the period of the overview of the performance match the performance period of the latest deferral plan?</i>

5.5.3.2	<i>If the company provides extra information on the link of performance and remuneration, copy the text of the company here</i>
5.5.4	Did the company provide an overview of the performance of the company related to the performance conditions required under the latest matching plan?
5.5.4.1	<i>If yes, does the period of the overview of the performance match the performance period of the latest matching plan?</i>
5.5.4.2	<i>If the company provides extra information on the link of performance and remuneration, copy the text of the company here</i>
5.5.5	Did the company provide an overview of the performance of the company related to the performance conditions required under the latest phantom plan?
5.5.5.1	<i>If yes, does the period of the overview of the performance match the performance period of the latest phantom plan?</i>
5.5.5.2	<i>If the company provides extra information on the link of performance and remuneration, copy the text of the company here</i>
5.5.6	Did the company provide an overview of the performance of the company related to the performance conditions required under the latest phantom stock option plan?
5.5.6.1	<i>If yes, does the period of the overview of the performance match the performance period of the latest phantom stock option plan?</i>
5.5.6.2	<i>If the company provides extra information on the link of performance and remuneration, copy the text of the company here</i>
5.5.7	Did the company provide an overview of the performance of the company related to the performance conditions required under the annual bonus plan?
5.5.8	Copy information released by the company on performance versus remuneration
5.6	Does the company sufficiently disclose information on the main parameters and the rationale for any annual bonus scheme?
5.6.1	Did the company disclose a performance measure for the annual bonus?
5.6.2	Did the company disclose a target for this performance measure?
5.6.3	Are the performance objectives linked to a peer group?
5.6.3.1	<i>If yes, is the composition of the peer group disclosed?</i>
5.6.3.2	<i>If the performance is based on peer group comparison, does the company disclose a vesting schedule?</i>
5.7	Does the company sufficiently disclose information on the main parameters and the rationale for non-cash benefits for executives?
5.7.1	Did the company disclose information on benefits for its executives?
5.7.2	Did the company disclose the monetary value of such benefits?
5.7.3	Does the company provide an overview of such benefits (taxation purposes, housing, social security, car, insurance)?
5.8	Does the company sufficiently disclose information on the main characteristics of supplementary pension or early retirement schemes for executives?

5.8.1	Does the company disclose any information on the amounts engaged in the pension benefits?
5.8.2	Does the company explain in general how the pension scheme works for the beneficiaries?
5.8.2.1	<i>If yes, copy explanation</i>
5.9	Does the company sufficiently disclose information on the contracts of executives?
5.9.1	Does the company disclose the length of the contracts of the executives?
5.9.2	Does the company disclose the notice periods of the executives?
5.9.3	Does the company disclose the severance agreement for executives in the event of early termination?
5.9.3.1	<i>If yes, does the severance agreement define the severance pay as a number of years of fixed remuneration?</i>
5.9.3.2	<i>If the severance agreement cannot be determined as a number of years of fixed remuneration, did the company disclose another way by which the level of the severance agreement can be determined?</i>
5.9.3.3	<i>If yes, please describe</i>
5.9.4	Does the company disclose information on the future of equity based remuneration in the event of early termination?
5.10	Does the company disclose sufficient information on how the remuneration is set?
5.10.1	Does the company have a remuneration committee?
5.10.2	Is the proportion of non-executives in the remuneration committee disclosed (of the board in case it is specifically mentioned that the board takes up the function of the remuneration committee)?
5.10.3	What is the proportion of non-executives on the remuneration committee?
5.10.4	Is the proportion of independent members in the remuneration committee disclosed (of the board in case it is specifically mentioned that the board takes up the function of the remuneration committee)?
5.10.5	What is the proportion of independent-non-executives on the remuneration committee?
5.10.6	Is the chairman non-executive?
5.10.7	Is the chairman independent?
5.10.8	Did the company disclose regulations / terms of reference of the committee?
5.10.9	Did the company disclose a report on the activities of the committee in the past year?
5.10.10	Did the company disclose having worked with outside advisors on remuneration?
5.10.10.1	<i>If yes, has the company disclosed the names of these advisors?</i>
5.10.10.2	<i>Has the company disclosed some information on the types of services provided by these advisors?</i>

5.10.11	Does the company mention in 2008 that it plans to apply changes to the remuneration policy?
5.10.11.1	<i>If yes, did it provide an explanation?</i>
5.10.11.2	<i>If an explanation was provided, copy the explanation here</i>
6. Shareholder involvement in remuneration	
6.1	Have shareholders voted on the remuneration policy/report in 2008
6.1.1	Have shareholders voted on the remuneration policy/report in 2007
6.1.2	Have shareholders voted on the remuneration policy/report in 2006
6.2	Have shareholders voted on share-based remuneration plans in 2008
6.2.1	Have shareholders voted on share-based remuneration plans in 2007
6.2.2	Have shareholders voted on share-based remuneration plans in 2006
6.3	Have shareholders voted on board remuneration in 2008?
6.3.1	Have shareholders voted on board remuneration in 2007?
6.3.2	Have shareholders voted on board remuneration in 2006?
6.4	Have shareholders launched a shareholder proposal on remuneration in 2008?
	<i>If, yes, describe</i>
6.4.1	Have shareholders launched a shareholder proposal on remuneration in 2007?
	<i>If, yes, describe</i>
6.4.2	Have shareholders launched a shareholder proposal on remuneration in 2006?
	<i>If, yes, describe</i>
7. Board Elections	
7.1	Did the company propose the election of directors in 2008?
7.1.1	Were shareholders able to vote on directors individually?
7.2	Did the company propose the election of directors in 2007?
7.2.1	Were shareholders able to vote on directors individually?
7.3	Did the company propose the election of directors in 2006?
7.3.1	Were shareholders able to vote on directors individually?
7.4	Proportion of board members elected by shareholders
7.4.1	- % elected by shareholders at the General Meeting
7.4.2	- % elected by holders of specific shares
7.4.3	- % elected by employees
7.4.4	- % elected by the State
7.4.5	- % elected through co-option without further confirmation by the GM
7.5	Shareholder proposals on elections
7.5.1	Can shareholders propose candidates to the board on their own?
7.5.2	Is this based on the possibility to put items on the agenda?
7.5.3	If yes, what is the threshold requirement to do so?

7.5.4	If yes, what is the capital amount to do so?
7.5.5	Are there other possibilities for shareholders to propose candidates to the board?
	<i>If yes, explain here</i>
8. Existence of Audit Committees	
8.1	Is there a code recommendation on the presence of an audit committee?
8.1.1	Does the company have an audit committee?
8.1.2	Is there a code recommendation on the size of the audit committee?
8.1.3	Does the company disclose the size of the audit committee?
8.1.4	What is the size of the committee?
8.1.5	Is it in line with the code recommendation?
8.1.5.1	<i>If not, does the company provide an explanation?</i>
8.1.5.2	<i>If yes, copy explanation</i>
8.2	Is there a code recommendation on the composition (non-executives) of the committee?
8.2.1	Is the proportion of non-executives in the audit committee disclosed (of the board in case it is specifically mentioned that the board takes up the function of the audit committee)?
8.2.2	What is the proportion of non-executives on the audit committee?
8.2.3	Is it in line with the code recommendation?
8.2.3.1	<i>If not, does the company provide an explanation?</i>
8.2.3.2	<i>If yes, copy explanation</i>
8.3	Is there a code recommendation on the composition (independence) of the committee?
8.3.1	Is the proportion of independent members in the audit committee disclosed (of the board in case it is specifically mentioned that the board takes up the function of the audit committee)?
8.3.2	What is the proportion of independent members on the audit committee?
8.3.3	Is it in line with the code recommendation?
8.3.3.1	<i>If not, does the company provide an explanation?</i>
8.3.3.2	<i>If yes, copy explanation</i>
8.4	Is there a code recommendation on the composition (financial expertise) of the committee?
8.4.1	Is the proportion of financial experts in the audit committee disclosed (of the board in case it is specifically mentioned that the board takes up the function of the audit committee)?
8.4.2	What is the proportion of financial experts on the audit committee?
8.4.3	Is it in line with the code recommendation?
8.4.3.1	<i>If not, does the company provide an explanation?</i>
8.4.3.2	<i>If yes, copy explanation</i>

8.5	Is there a code recommendation on the chairman of the committee?
8.5.1	Is the chairman non-executive?
8.5.2	Is the chairman independent?
8.5.3	Does the company specifically disclose the chairman being financial literate?
8.5.4	Is chairmanship in line with the code recommendation?
8.5.4.1	<i>If not, does the company provide an explanation?</i>
8.5.4.2	<i>If yes, copy explanation</i>
9. Functioning of the audit committee	
9.1	Is there a code recommendation on the number of committee meetings?
9.1.1	Does the company disclose the number of committee meetings?
9.1.2	Is this in line with the code provisions?
9.1.2.1	<i>If not, does the company provide an explanation?</i>
9.1.2.2	<i>If yes, copy explanation</i>
9.2	Is there a code recommendation on committee meetings with or outside the presence of executives?
9.2.1	Does the company report on meetings with or outside presence of executives?
9.2.2	Is this in line with the code provisions?
9.2.2.1	<i>If not, does the company provide an explanation?</i>
9.2.2.2	<i>If yes, copy explanation</i>
9.3	Is there a code recommendation on committee meetings with the presence of the external auditor?
9.3.1	Does the company report on meetings with presence of the external auditor?
9.3.2	Is this in line with the code provisions?
9.3.2.1	<i>If not, does the company provide an explanation?</i>
9.3.2.2	<i>If yes, copy explanation</i>
9.4	Is there a code recommendation attributed to the audit committee related to the appointment of the external auditor?
9.4.1	Does the company report on being involved in the appointment of the auditor?
9.4.2	If, yes, is it in line with the code provision?
9.4.2.1	<i>If not in line, does the company provide an explanation?</i>
9.4.2.2	<i>If yes, copy explanation</i>
9.5	Is there a code recommendation related to the audit committee being involved in the approval or the supervision of audit fees?
9.5.1	Does the company disclose the fees paid to the auditor overall?
9.5.2	Does the company disclose the audit fees?
9.5.3	Does the company disclose the non-audit fees?
9.5.4	Does the company report on the involvement of the audit committee in relation to such fees paid to the auditor?
9.5.5	Is the company in line with the code provision in this respect?

9.5.5.1	<i>If not in line, does the company provide an explanation?</i>
9.5.5.2	<i>If yes, copy explanation</i>
9.6	Is there a code recommendation related to the monitoring of the independence of the auditor (beyond the appointment) for the audit committee?
9.6.1	Does the company disclose the audit committee's responsibility of monitoring the independence of the auditor?
9.6.2	Is the company in line with the code provision in this respect?
9.6.2.1	<i>If not in line, does the company provide an explanation?</i>
9.6.2.2	<i>If yes, copy explanation</i>
9.7	Is there a code recommendation on access to outside advisors for the audit committee?
9.7.1	Does the company disclose the possibility for the audit committee to have access to outside advisors?
9.7.2	Is the company in line with the code provision in this respect?
9.7.2.1	<i>If not in line, does the company provide an explanation?</i>
9.7.2.2	<i>If yes, copy explanation</i>
9.8	Is there a code recommendation on disclosing the charter of the audit committee (or similar document)?
9.8.1	Does the company disclose such document?
9.8.2	Is the company in line with the code provision in this respect?
9.8.2.1	<i>If not in line, does the company provide an explanation?</i>
9.8.2.2	<i>If yes, copy explanation</i>
9.9	Is there a code recommendation on disclosing a yearly report on the activities of the audit committee?
9.9.1	Does the company report on the activities of the past year of the audit committee?
9.9.2	Is the company in line with the code provision in this respect?
9.9.2.1	<i>If not in line, does the company provide an explanation?</i>
9.9.2.2	<i>If yes, copy explanation</i>
10. Functioning of the audit committee in relation to the Internal audit	
10.1	Is there a code recommendation attributed to the audit committee related to the monitoring of the effectiveness of internal control?
10.1.1	Does the company mention that the audit committee is responsible for monitoring the effectiveness of internal control?
10.1.2	Is the company in line with the code provision in this respect?
10.1.2.1	<i>If not in line, does the company provide an explanation?</i>
10.1.2.2	<i>If yes, copy explanation</i>
10.2	Is there a code recommendation attributed to the audit committee related to the appointment of the internal auditor?

10.2.1	Does the company mention that the audit committee is responsible for or involved in the appointment of the internal auditor?
10.2.2	Is the company in line with the code provision in this respect?
10.2.2.1	<i>If not in line, does the company provide an explanation?</i>
10.2.2.2	<i>If yes, copy explanation</i>
10.3	Is there a code recommendation related to the supervision of the internal auditor (beyond the appointment) for the audit committee?
10.3.1	Does the company disclose the audit committee`s responsibility of supervising the internal auditor?
10.3.2	Is the company in line with the code provision in this respect?
10.3.2.1	<i>If not in line, does the company provide an explanation?</i>
10.3.2.2	<i>If yes, copy explanation</i>
10.4	Is there a code recommendation on committee meetings in the presence of the internal auditor?
10.4.1	Does the company report on meetings in the presence of the internal auditor?
10.4.2	Is the company in line with the code provision in this respect?
10.4.2.1	<i>If not in line, does the company provide an explanation?</i>
10.4.2.2	<i>If yes, copy explanation</i>

INVESTOR SURVEY QUESTIONNAIRE



European Commission Corporate Governance Survey

Introduction - Your Profile

All institutional investors investing in European equities are kindly invited to participate in this survey conducted by RiskMetrics Group on behalf of the European Commission. The survey is designed to elicit your perceptions of companies' corporate governance disclosure and explanations.

Please fax back the completed survey to +4420 7063 5601 or complete the survey online at www.riskmetrics.com/ECInvestorSurvey

Thank you very much for taking the time to fill-in the survey. Should you have any questions, please call our Head of European Governance Account Management, Richard Redfern on +44 207 063 5852 or email richard.redfern@riskmetrics.com. The information you enter will not be used for any purposes other than the European Commission study.

RiskMetrics Group's full privacy policy is available at www.riskmetrics.com/practices.

Please provide your contact information:

Name: _____
Job Title: _____
Organisation: _____
Address: _____
City: _____
Country: _____
Email Address: _____
Phone Number: _____

Please indicate your firm type

- Asset Manager / Mutual Fund
- Pension Fund
- Insurance Company
- Hedge Fund
- Endowment, Charity, Foundation
- Investor Trade Association
- Government / Sovereign Wealth Fund
- Other (please specify)

European Commission Corporate Governance Survey

Please provide your firm's total equity assets under management (in millions of Euros):

Please provide your firm's percentage of total equity assets under management invested in Europe.

If your firm pursues a geographic investment focus, please indicate the top three countries in the European Union in which your firm invests.

- | | | |
|-----------------------------------------|-------------------------------------|-----------------------------------------|
| <input type="checkbox"/> Austria | <input type="checkbox"/> Germany | <input type="checkbox"/> Netherlands |
| <input type="checkbox"/> Belgium | <input type="checkbox"/> Greece | <input type="checkbox"/> Poland |
| <input type="checkbox"/> Bulgaria | <input type="checkbox"/> Hungary | <input type="checkbox"/> Portugal |
| <input type="checkbox"/> Cyprus | <input type="checkbox"/> Ireland | <input type="checkbox"/> Romania |
| <input type="checkbox"/> Czech Republic | <input type="checkbox"/> Italy | <input type="checkbox"/> Slovakia |
| <input type="checkbox"/> Denmark | <input type="checkbox"/> Latvia | <input type="checkbox"/> Slovenia |
| <input type="checkbox"/> Estonia | <input type="checkbox"/> Lithuania | <input type="checkbox"/> Spain |
| <input type="checkbox"/> Finland | <input type="checkbox"/> Luxembourg | <input type="checkbox"/> Sweden |
| <input type="checkbox"/> France | <input type="checkbox"/> Malta | <input type="checkbox"/> United Kingdom |

European Commission Corporate Governance Survey

I – Your assessment of companies' corporate governance disclosure

This section is designed to survey your perceptions of companies' corporate governance disclosure and explanations, whether there have been improvements in recent years and whether there are particular areas where additional focus is required. At the end of this section, there is a box for additional comments.

On an overall pan-European basis, please indicate your perception of company disclosure regarding explanations of deviations from corporate governance provisions, and whether it has improved in the last 3 years.

	Very Poor	Poor	Average	Good	Very Good	Don't Know/ no opinion
Perception of the quality of company disclosure of corporate governance explanations overall currently	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Perception of the quality of company disclosure of corporate governance explanations overall currently	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

For the following specific areas, please indicate your perception of the current quality of company disclosure of corporate governance explanations:

	Very Poor	Poor	Average	Good	Very Good	Don't Know/ no opinion
Board ¹ composition (board structure, directors' independence)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board election	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board practices (functioning, decision process, board evaluation)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board committees overall	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Audit committee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nomination committee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Remuneration committee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Executives & Management overall (functioning, relationship to the board)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Remuneration overall (policy and reporting)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Executive remuneration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Share-based remuneration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disclosure on pay-per-performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Individual disclosure on executive remuneration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shareholder rights (Information, awareness of the interests of different types of shareholders...) and duties (exercise of shareholder rights, transparency towards the company)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disclosure of shareholding structure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disclosure on risk management and risk management systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disclosure on the financial risk profile of companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disclosure on the non-financial risk profile of companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Auditors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Auditor costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

¹For the purpose of this questionnaire, please assess supervisory boards in addition to or instead of boards of directors if applicable to the markets you are active in.

European Commission Corporate Governance Survey

Are you generally supportive of a comply or explain regime?

- Yes, I am supportive of the current regime with national corporate governance codes using the comply or explain regime
- Yes, but I would be even more supportive of a pan-European corporate governance code using the comply or explain regime
- Don't know / no opinion
- Other (please specify)

Is the evolution of the EU legislative framework with regard to corporate governance facilitating sufficient improvements, notably:

- reporting duties of audit committees (Art. 40 Directive 2006/43/EC)?
- reporting duties of the board on a comply or explain basis (Art. 1 Directive 2006/46/EC)?

- Completely Insufficient Improvements
- Somewhat Insufficient Improvements
- A neutral Impact
- Sufficient Improvements
- Considerable Improvements
- Don't know / No opinion

Additional comments:

Please comment on specific areas you would like to see improved in the near future:

On balance, do you feel that the corporate governance framework (i.e. the combination of corporate governance codes and legislation) covers all important issues relating to corporate governance?

- Yes
- No (please explain which issues lack coverage)

Please provide additional comment on Section I if you wish here:

II - Your organisation's corporate governance practices

This section is designed to survey the extent to which your organisation exercises its right to assess company corporate governance explanations and the extent to which this information is integrated into your investment management decision making.

Does your organisation have a corporate governance or voting policy?

- Yes, publicly disclosed
 Yes, but not publicly disclosed
 No

In the course of 2008, did you exercise the voting rights attached to equities in your portfolio?

- Yes
 No

If you exercised the voting rights attached to the equities in your portfolio, please indicate the percentage of equities voted in 2008:

as a percentage of number of companies held
as a percentage of assets under management

In the course of 2008, have you used a vote against as a final sanction if a company has inadequately explained its deviation from the provisions from the Corporate Governance Code referred to by the company?

- Yes
 No

If yes, please indicate:

- Extremely rarely
 Rarely
 Sometimes
 Often
 Very often

Please comment on the circumstances in which you used a vote against:

Does the implementation of your corporate governance or voting policy include engagement?

- Yes
 No

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If the implementation of your policy involves engagement, on which scale does this interaction take place?

- <10% of the companies in your portfolio
- 10<25% of the companies in your portfolio
- 25<50% of the companies in your portfolio
- >50% of the companies in your portfolio

What form does engagement take? (tick all that are appropriate)

- Letter to the Board (1-5, 6-10, 11-20, 21-50, >50 letters)
- One-to-one meetings (1-5, 6-10, 11-20, 21-50, >50 meetings)
- Ad hoc by phone (1-5, 6-10, 11-20, 21-50, >50 phone calls)
- Ad hoc by email (1-5, 6-10, 11-20, 21-50, >50 emails)
- Physical attendance to general meetings (in person or via a representative) (1-5, 6-10, 11-20, 21-50, >50 meetings)
- Other (please specify)

Do you report on voting / engagement activity?

- Yes
- No

What form does your reporting on voting activities take?

- A summary report of our voting activity
- A detailed report explaining each vote cast against management
- Full voting records for all voted items at all general meetings
- Other (please specify)

In light of the above, how do you integrate the evaluation of company corporate governance explanations into your investment management decision making – please explain:

European Commission Corporate Governance Survey

III - Your perception of shareholders' entitlement to exercise their rights

This section is designed to survey your perception of shareholders' entitlement to exercise their rights to assess company corporate governance explanations. At the end of this section, there is a box for additional comments.

Please indicate your perception of whether shareholders in Europe have an adequate entitlement to effectively exercise their right to assess corporate governance statements?

- Very poor
- Poor
- Average
- Good
- Very Good
- Don't know/no opinion

Please comment: Please mention whether you noticed any pan-European trends or rather country specific issues.

Should shareholders' right to vote across Europe on the following issues be enhanced?

	Yes	No
Shareholder vote on corporate governance statement	<input type="radio"/>	<input type="radio"/>
Shareholder vote on remuneration statement	<input type="radio"/>	<input type="radio"/>

Other (please comment)

Would you be in favour of shareholders being required to report on the implementation of their corporate governance policy?

- Yes
- No

Additional comments:

European Commission Corporate Governance Survey

How would you assess the influence exerted by controlling shareholders over the successful implementation of corporate governance codes?

- Very negative
- Negative
- Neutral
- Positive
- Very positive
- Don't know/No opinion

Please explain

How do you perceive the effectiveness of the comply or explain regime of corporate governance codes in relation to the presence of controlling shareholders?

- Very ineffective
- Ineffective
- Neutral
- Effective
- Very effective
- Don't know/No opinion

Please explain

Are there any particular aspects of the legislative framework that should be reformed?
Please comment, indicating whether these aspects apply on a pan-European basis or target country-specific issues.

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Confidentiality

Please indicate if your organisation can be listed as a contributor to this Study:

- Yes
- No

Please indicate if you would allow some of your organisation's qualitative responses in this survey to be used:

- attributed
- quoted anonymously

Thank you very much for taking the time to complete this survey.

COMPANY AND DIRECTOR SURVEY QUESTIONNAIRE

IDENTIFICATION

A. Please provide your individual contact information below:

Name: Mr./Mrs.

Address:

Email:

Phone:

Website:

B. Please specify your country:

C. Please indicate if you are answering this consultation as:

A business association and member of BUSINESSEUROPE

Name:

An association of directors and member of ecoDa

Name:

Other:

Name:

D. Please indicate in which manner you have based your answers to this survey:
(Several answers possible)

Opinion assembled through public consultation

Opinion gathered through reflection meetings/hearings

Opinion gathered through public conferences/seminars

Own opinion of the association

Opinion of the association based on research input from a qualified selection of the membership

Please add any additional comments/information you consider appropriate (e.g. composition of the working group, title of the seminar, etc.):

THE CORPORATE GOVERNANCE CODE

A. Please indicate which Corporate Governance Code you are referring to:

B. How long has this Code been in operation?

SECTION 1: OBJECTIVES & EFFECTIVENESS OF THE CORPORATE GOVERNANCE CODE ('CGC')

1.1 Please evaluate the initial objectives³ of the CGC as well as the effectiveness of the CGC in reaching those objectives:

1.1.1 In the left column ('objective') please tick yes/no if these issues are a specific objective of the CGC of your country; and

1.1.2 In the right column ('has been reached') please tick to what extent the objectives you have marked have been reached through the implementation of the CGC.

General Issues	OBJECTIVE?		HAS BEEN REACHED?					
	YES	NO	Not reached	Poorly	Partially	Mostly	Completely	No opinion
A reference tool for corporate governance practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professionalization of corporate governance practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Measuring up to international standards ⁴	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Creating awareness for corporate governance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A greater balance between leadership, entrepreneurship & control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased discipline within companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Better competitive position in the market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Long term value creation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lower cost of external funding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proper monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased transparency of the governance practices of companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional comments:

³ Specific objectives according to e.g. the preamble, the explanatory memorandum etc.

⁴ Encouraging companies to adapt widely accepted governance standards and be in line with them (e.g. OECD principles).

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1.2 Are the boards in your country:

- Two tier boards
 One tier boards
 Either

1.3 Please evaluate the effects of the CGC on the following topics:

Please rate in the appropriate column and using the gradation set out below, to what extent the CGC has had a significant effect on the following topics:

Very insignificant	Insignificant	Average	Significant	Very significant	No opinion
1	2	3	4	5	N.O.

Subsequently, please rate in the appropriate column and using the gradation set out below, if you believe this effect is positive/negative:

Very negative	Negative	Average	Positive	Very Positive	No opinion
1	2	3	4	5	N.O.

- For one-tier board structures please fill in tables 1.3 A, C, E and F.
- For dual board structures please fill in all tables 1.3 B, D, E and F.
- In case either board structure is possible, please fill in all tables of 1.3.

Table 1.3 A - ONE TIER BOARDS

Board of Directors	SIGNIFICANT EFFECT?	POSITIVE/NEGATIVE EFFECT?
	Rating from 1-5/N.O.	Rating from 1-5/N.O.
Functioning of the board		
Quality of decision making		
Transparency of decision making		
Addressing the company strategy ⁵		

⁵ Has the CGC had a significant effect on the ability of the board to address company strategy?

Understanding roles and responsibilities of directors		
Evaluation of the board ⁶		
Board's composition		
Independent directors		
Competence of directors		
Directors' remuneration/pay for performance		
Introduction of board committees		
Functioning of board committees		
Attention for risk management from the perspective of internal control		
Attention for risk management from the perspective of strategic scenarios and product development ⁷		

Additional comments:

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Table 1.3 B - TWO TIER BOARDS

Supervisory Board	SIGNIFICANT EFFECT?	POSITIVE/NEGATIVE EFFECT?
	Rating from 1-5/N.O.	Rating from 1-5/N.O.
Functioning of the board		
Quality of decision making		
Transparency of decision making		
Addressing the company strategy ⁸		
Understanding roles and responsibilities of directors		
Evaluation of the board ⁹		
Board's composition		

⁶ Evaluation: comprises auto-evaluation, external evaluation, individual and global evaluation.

⁷ Risks usually falling out of the scope of audit committees but taken up by the board or strategic committee.

⁸ Has the CGC had a significant effect on the ability of the board to address company strategy?

⁹ Evaluation: comprises auto-evaluation, external evaluation, individual and global evaluation.

Independent directors		
Competence of directors		
Directors' remuneration/pay for performance		
Introduction of board committees		
Functioning of board committees		
Attention for risk management from the perspective of internal control		
Attention for risk management from the perspective of strategic scenarios and product development ¹⁰		

Additional comments:

--

Table 1.3 C - ONE TIER BOARDS

Management	SIGNIFICANT EFFECT?	POSITIVE/NEGATIVE EFFECT?
	Rating from 1-5/N.O.	Rating from 1-5/N.O.
Relationship Board - Executive management		
Directors' remuneration/pay for performance		
Understanding roles and responsibilities of executive management		

Additional comments:

--

Table 1.3 D - TWO TIER BOARDS

Management Board	SIGNIFICANT EFFECT?	POSITIVE/NEGATIVE EFFECT?

¹⁰ Risks usually falling out of the scope of audit committees but taken up by the board or strategic committee.

	Rating from 1-5/N.O.	Rating from 1-5/N.O.
Relationship Supervisory Board - Management Board		
Directors' remuneration/pay for performance		
Understanding roles and responsibilities of the Management Board		

Additional comments:

--

Table 1.3 E

Shareholders	SIGNIFICANT EFFECT?	POSITIVE/NEGATIVE EFFECT?
	Rating from 1-5/N.O.	Rating from 1-5/N.O.
Increased shareholder trust/confidence of investors		
Communication with shareholders		
Awareness of the interests of controlling shareholders		
Awareness of the interests of minority/outside shareholders		
Awareness of the interests of potential shareholders/ financial markets		
Relationship Board - Shareholders		

Additional comments:

--

Table 1.3 F

Stakeholders	SIGNIFICANT EFFECT?	POSITIVE/NEGATIVE EFFECT?
	Rating from 1-5/N.O.	Rating from 1-5/N.O.

Awareness of the interests of stakeholders ¹¹		
----------------------------------------------------------	--	--

Additional comments:

SECTION 2: STRUCTURE OF THE CODE

2.1 What is your assessment on the overall structure of the CGC (meaning chapters, recommendations, guidelines, annexes, etc.)?

Inadequate

Adequate

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2.2 To what extent do you find the recommendations in the CGC clearly formulated, meaning they are explicitly and unambiguously stipulated?

Not clear at all

Very clear

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 3: CONTENT OF THE CODE

3.1 Do you agree that the CGC generally deals with the appropriate topics?

Totally disagree

Totally agree

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

¹¹ Stakeholders: direct stakeholders (employees, clients, etc.) and indirect stakeholders (NGO's, environment, state etc.)

Additional comments:

3.2 To what extent do you consider the CGC to be complete? Please indicate in the appropriate column which topics you believe are missing, which are insufficiently treated, which need refinement and which you believe to be well treated in the CGC.

TOPICS	Missing but in regulation	Missing and should be treated	Not sufficiently treated	Need refinement	Well treated	Too detailed	No need to be covered	No opinion
Board composition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Functioning of the board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Board evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Role of the chairman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Role of independent directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Role board committees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Role of executive management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Relationship between the board and management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shareholders' Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shareholders' rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communication with shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Relationship between the shareholders and the board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conflicts of interest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

External Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk management from the perspective of internal control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk management from the perspective of strategic scenarios and product development ¹²	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Remuneration of executive directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal governance ¹³	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stakeholder interest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Board transparency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Committees' transparency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disclosure on conflicts of interest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transparency on remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transparency on financial & non-financial risk profile	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other:								
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 4: LEGISLATION & CORPORATE GOVERNANCE CODES

¹² Risks usually falling out of the scope of audit committees but taken up by the board or strategic committee.
¹³ Internal delegation of powers, relation parent company - subsidiary boards, etc.

4.1 Do you believe the balance between hard law and soft law is the right one in your country?

Not in balance at all

Very good balance

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional comments:

4.2 Which are, in your view, the issues that should better be dealt with in legislation and which are those that should be moved to the CGC?

4.3 To what extent does the CGC reach the aim to be complementary to the relevant legal framework? (Several answers possible)

- Fills up the gaps within the legal provisions
- Explains what is in the legal provisions
- Goes further than/beyond the legal provisions

4.4 Do you feel the CGC has prevented new legislation to be developed in your country?

- Yes (please answer 4.4.1)
- No
- No opinion

4.4.1 If yes, please rate if this is positive or negative?

Very negative

Very positive

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify on which topics:

- 1.
- 2.

4.5 Has the CGC induced new legislation within your country?

- Yes (please answer 4.5.1)

- No
- No opinion

4.5.1 If yes, please rate if this is positive or negative?

Very negative		Very positive		
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify on which topics:
 1.
 2.

4.6 Do you believe that the CGC can have important consequences on court judgements?

- Yes, as an interpretation reference
- Yes, as a direct legal basis
- No
- No opinion

4.7 Is there already evidence in your country of these effects on court judgements? If so, please indicate them below:

Court:
 Date:
 Subject:
 Summary:

Court:
 Date:
 Subject:
 Summary:

4.8 Is diversity between listed companies sufficiently taken into consideration in the recommendations of your country?¹⁴

Insufficiently		Very sufficient		
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4.9 Do you feel the need for aligning the different Corporate Governance Codes at European Level?

¹⁴ Taking into account the different categories of listed companies (shareholding structure, size, activities, exposure to risk, management structure, etc.)

- Yes
- No
- No opinion

SECTION 5: THE 'COMPLY OR EXPLAIN' APPROACH

5.1 Is the CGC based on the 'comply or explain' principle?

- Yes
- No. Please proceed to the next section.

5.2 Does the 'comply or explain' principle offer sufficient flexibility to companies to implement the right corporate governance structures?

- Yes
- No, but still more flexible than regulation
- No
- No opinion

5.3 Diversity between listed companies implies that companies do not comply with all of the CGC's recommendations. This may be for different reasons, taking into account their specific situation. Please answer the following questions in this respect.

5.3.1 Does the 'comply or explain' principle sufficiently take into account the specific situation of a company?

- Yes
- No
- No opinion

5.3.2 Is there a tendency for companies to attempt to comply with the principles of the CGC, even when this is not appropriate?

- Yes
- No
- No opinion

5.3.3 Are shareholders willing to accept the explanations for deviations from the CGC?

- Yes
- No
- No opinion

5.3.4 How do you perceive the quality of these explanations?

- Very good
- Good
- Poor
- Very poor
- No opinion

5.3.5 The content of the explanations for deviations of the CGC are overall:

- Very general
- Specific explanations
- No opinion

5.4 How would you assess the influence of controlling shareholders over the effectiveness of the ‘comply or explain’ system?¹⁵

Very negative

Very positive

1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional comments:

SECTION 6: COSTS OF COMPLIANCE WITH CGC

6.1 Do you believe that the benefits of implementing the recommendations of the CGC exceed the cost of compliance?

- Yes
- No
- The costs are too high for small/medium companies

¹⁵ Can comply or explain function effectively if ownership is dominated by blockholders, who have the ability to instruct boards (as a controlling shareholder) to ignore corporate governance practices?

Please provide any additional comments you feel appropriate to this question (e.g. the topics bringing high costs, etc.):

6.2 Do you believe that the benefits of transparency outweigh the costs of such disclosure?

- Yes
- No
- The costs are too high for small/medium companies

ADDITIONAL COMMENTS AND SUGGESTIONS

Do you have any other comment or suggestion on the Corporate Governance Code of your country you would like to make?

DOCUMENTS

Please annex any relevant documentation which can be useful to complete our study. e.g. monitoring studies, reports on the outcome of public consultations, reports on conferences, public hearings, working groups etc.

Document:

Document:

DISCLOSING YOUR PARTICIPATION IN THIS SURVEY:

a) Please indicate if your association can be listed as a contributor to this Study.

- Yes
- No

b) Please indicate if you would allow some of your association's qualitative responses in this survey to be:

- Attributed
- Kept anonymous

* * *

Thank you very much for you collaboration.

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Please send us your response before 5th March 2009.

Members of BUSINESSEUROPE:
Please send your response to Marta ALEGRÍAS: m.alegrias@businessseurope.eu

Members of ecoDa and other associations:
Please send your response to Béatrice RICHEZ-BAUM: beatrice.richez-baum@ecoda.org

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