

June 8 2004

European Commission  
Attention Mr F.Bolkestein  
Directorate-General Internal Market  
Unit G.4.-C 107  
B-1049 Brussels  
Belgium

Re. Consultation on "Board responsibilities and improving financial and corporate governance information"

Dear Mr.Bolkestein,

The Foundation for Corporate Governance Research for Pension funds (Stichting Corporate Governance Onderzoek voor Pensioenfondsen (SCGOP)) was founded in 1998 to enable pension funds to work on improving the corporate governance of the companies in which they invest. More than 30 pension funds are presently affiliated with SCGOP and collectively they manage about Euro 350 billion or more than 80 % of the capital invested by Dutch pension funds. SCGOP offers a platform function to pension funds for discussions about corporate governance, about areas of research and about measures to improve corporate governance.

We write to you to inform you that we welcome the initiative of the Commission on "Consultation on board responsibilities and improving financial and corporate governance information". We have participated in the policy process of the Commission and have submitted the completed on-line questionnaire electronically .We hope this consultation process will soon lead to amended Accounting Directives.

In addition to the completed on-line questionnaire we would like to send you in this letter a few comments which see to a number paragraphs of the questionnaire. For ease of reading we have also included a printed version of the completed on-line questionnaire.( see attachment)

Para 1.0

The number of employees of the pension funds, affiliated with SCGOP, exceeds 250+. However, more important is the amount of assets under management, as mentioned above. Many of these pension funds are involved in cross-border activities, SCGOP nor its member pension funds are listed companies.

Para 2.0

It should be clarified what “responsibility “ shall mean for the board and its individual members. In the Netherlands “collective responsibility” may lead to **several liability** ( hoofdelijke aansprakelijkheid ) for the individual board members.

Para 2.1 and 2.2.

The responsibility for management and for supervision should also be differentiated in a one-tier board.

Para 2.3.

Limiting liability may under circumstances also mean “ excluding it”.  
“ Disclosing” is understood as “public disclosure”

Para 2.5.

“All stakeholders” has been interpreted as “excluding all shareholders.” Therefore a tick has also been given to “ all shareholders”.

Para 2.6.

There should be common sanctions in order to achieve a European level playing field in this area.

Para 3.0-3.13

The answers to these questions require more detailed expertise in accounting and go further than SCGOP feels qualified.

In a general sense however we feel that special attention should be given to the disclosure of relations and transactions with related parties such as special purpose vehicles or companies incorporated offshore, and to their economic purpose, but only if these activities are not included in the scope of consolidation. This disclosure also applies to third party companies which are significantly directly or indirectly influenced by the group or its board members.

It may well be that the outcome of this consultation process will lead to a requirement for more information than what presently is available under IFRS. In that situation we feel it is essential that the need for this extra information will be reflected by an adaptation of the IFRS.

Para 4.1.

Listed companies should disclose whether they apply a Corporate Governance Code and if they do, where they deviate from the provisions of such Code and then motivate why they deviate.

Para 4.4.

We would welcome a definition of “controlling”. This may under circumstances be less than 50%.

Para 4.6.

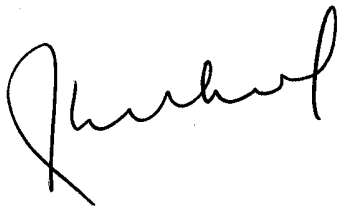
Is this not a duplication of Para 3.3?

We would prefer this information to be part of Section 3.

Para 4.7.

All elements of importance to be included in the Corporate Governance statement can be found in the Dutch Corporate Governance Code( Tabaksblad).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jos van Niekerk', written in a cursive style.

Jos van Niekerk  
Director SCGOP