

ecoDa

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

Charlie McCreevy
Commissionner
DG MARKT
200 rue de la Loi
1049 Brussels

Brussels, 31 August 2006,

Object: Report of the alternative investment expert group to the European Commission - Managing, servicing and marketing hedge funds in Europe.

Dear Commissioner,

As you are well-aware, the European Confederation of Directors' Associations (ecoDa) aims to represent the view of directors in the European decision-making process trying to influence policies and proposals where they relate to corporate governance. Our seven members are namely the *Association Belge des administrateurs* (AB), the *Institut Français des Administrateurs* (IFA), the *Institute of Directors* (IoD), the *Institut Luxembourgeois des Administrateurs* (ILA), the *Finnish Association of Professional Board Members* (Hallitusammattilaiset ry), the *Instituto de Consejeros – Administradores* (IC-A) and the *Czech Institute of Directors* (CloD).

As an organisation advocating and promoting best practices of Corporate Governance, ecoDa is astonished that the Report of the alternative investment expert group on hedge funds, issued under the auspices of the Commission, hardly considers transparency disclosure and other aspects of Corporate Governance. The Corporate Governance of the investment community is a current significant issue which can not be neglected and turned down by a back of the hand. ecoDa is not in favour of overregulation, but it is important for all fund managers publicly to recognise their responsibilities and demonstrate at least their adoption of codes of conduct. In this respect the work of the International Corporate Governance Network (ICGN) though its *Statement of Principles on Institutional Shareholder Responsibilities* provides a useful starting point. Good Corporate Governance requires a global approach achieved through the attitudes and actions of all actors and not only of company directors - even if they are the main guarantors of it.

We hope that as Commissioner in charge of Corporate Governance, you will pay attention to our concerns and that, in a way or another, you will encourage fund managers to adhere to appropriate policies.

In thanking you for your attention, we remain at your disposal for further discussion on this topic if needed.

Yours sincerely,

Béatrice RICHEZ-BAUM
Secretary General

Prof. Ir. Pierre Klees
Chairman

*Copy: Mr David Wright, Directorate G
Mr Pierre Delsaux, Directorate F*