UNICE
THE VOICE OF BUSINESS IN EUROPE

Mr Romano Prodi
President of the
European Commission
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1049 Bruxelles
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21 September 2004

THE PRESIDENT

Dear President,

I am writing to you to express UNICE's strongest opposition to the latest Commission actions concerning the setting-up of a Forum to discuss corporate governance at European level.

UNICE has always raised its voice against creation of such a Forum at EU level. If created, such a Forum would no doubt generate its own work programme in an area where there is no need for additional action at EU level.

On 18 October the Dutch Presidency will organise in The Hague a conference which is supposed to enable participants to analyse the current state of affairs with regard to national corporate governance codes. UNICE is of the strong opinion that no action should be undertaken before a full discussion has taken place during this event. Deciding the setting-up and composition of such a Forum in advance would prejudge the outcome of the discussion foreseen at the conference. We therefore ask the Commission to refrain from further moves to set up a Forum before this conference takes place.

Instead of that, the Commission should concentrate its actions on making progress in the elimination of mobility constraints for companies within the Single Market, in particular concerning cross-border mergers (10th Directive) and transfer of seat (14th Directive).

I would also like to take this opportunity to raise UNICE's concern about two draft Recommendations currently being discussed within the European Commission regarding, on the one hand, the remuneration of directors and, on the other, the role of non-executive or supervisory directors. UNICE's concerns relate to both the content of the draft Recommendations and the process which has led to their genesis as you will see from the attached comments.

UNICE deeply regrets that the Commission does not take greater account of the viewpoint of business on those two issues.

Yours sincerely,

Jürgen Strube

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