

4 September 2003

The Secretary of the Corporate
Governance Committee
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Dear Sir

THE TABAKSBLAT COMMITTEE DRAFT REPORT ON GOOD CORPORATE GOVERNANCE

Standard Life Investments Limited is a wholly owned subsidiary of the Standard Life Assurance Company, which is Europe's largest mutual life assurance company.

Standard Life Investments manages, on behalf of its clients, investments with a value of approximately €110 billion. The majority of these investments comprise listed securities of EU companies.

Standard Life Investments is one of the recognised leaders in corporate governance, especially as it relates to fulfilling shareholder responsibilities on behalf of clients. Our dedicated corporate governance team was established 10 years ago and has enabled Standard Life Investments to play an influential role, directly and indirectly, in the development of UK corporate governance. Going forward, we are keen to play a more influential role in the development of corporate governance within the EU, taken as a whole.

General comments

We welcome the draft report from the Tabaksblat Committee and the opportunity to comment. We support the main features of the report and are broadly supportive of the report as a whole. We regard them as consistent with our clients' interests. We believe that the application of the recommendations in the report will enhance the attractiveness of the Netherlands as a destination for institutional investment.

In considering the report we were aware of its length and the level of detail that has been provided in drafting it. We would like to limit our comments to those of a more general nature. We are mindful that domestic investors in the Netherlands have greater awareness corporate practice and related cultural and social issues in the Netherlands.

Comments of Emphasis

In addition, Standard Life Investments would like to emphasise to you its views on the following aspects of the proposals.

- **Management Board**

We are generally supportive of the Management Board proposals. We find that specified limits on the number of Chairmanships and Supervisory Board positions to be a little prescriptive. However, we recognise and strongly support the principle that a Board should ensure that its Directors are able to make a sufficient commitment of time to fulfil their responsibilities.

- **Comply or Explain**

We support the comply or explain approach taken in the report. However, we would like to make clear that as far as disclosure is concerned 'explain' should not be a matter of discretion for companies. This is particularly true of remuneration related disclosure. We know from experience that some companies will not provide full disclosure unless there is requirement to do so.

- **Shareholders**

We are aware that in some instances Depositary Receipt issuing companies have the ability to vote unvoted Depositary Receipts as they see fit. We would suggest that the committee consider prohibiting this discretion, as these voting rights should belong to the beneficial owners.

Conclusion

We regard the Commission's plans as extremely important to the environment within which we and our clients have to operate. We hope our comments will assist the Commission in its deliberations.

Yours sincerely

Douglas Wilson
Corporate Governance Analyst