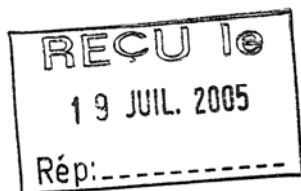


EALIC

European Association for Listed Companies



FEE

Fédération des Experts Comptables Européens

To the att. of Mr. David DEVLIN

President

Avenue d'Auderghem 22-28

1040 BRUSSELS

Brussels, 12 July 2005

Dear Mr. Devlin,

Re : Risk Management and Internal Control in the EU Discussion Paper

We thank you for your letter dated 21 April with attached FEE publication and apologize for our somewhat late reaction.

Having examined the said publication, in particular the sections regarding the revision of the VIIIth Directive and the IVth and VIIth Directives, we believe that the opinions put forward by the FEE are overall in line with the positions taken by EALIC.

As to the mandatory Audit Committee under the proposed new Article 39 of the VIIIth Directive, EALIC has defended the introduction of the notion of a "similar body", meaning a body that is similar to an Audit Committee, but established and functioning according to national provisions as opposed to EU provisions.

As to the corporate governance statement proposed under the revised IVth and VIIth Directives, EALIC shares your concerns with regard to the risks entailed by the proposed positioning and extent of such statement. We have already discussed possible amendments thereto with the ECON and JURI rapporteurs in the European Parliament.

Please do not hesitate to contact Mrs. Dorien Fransens for any further questions with regard to the above.

Yours sincerely,

Dorien FRANSENS
Secretary General

Alain JOLY
Chairman

Secretary General
Mrs. Dorien FRANSENS

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